

Strictly Private & Confidential

INFORMATION MEMORANDUM

**2nd 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: 05 July 2021

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.

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LETTER OF AUTHORITY

12 April 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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2. 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 Issuer's believe 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-144/2021/442 dated June 30, 2021 and the Bangladesh Bank has given its approval through letter No. BRPD (BFIS) 661/14B(P)/2021-4427 dated May 30, 2021.

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

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 reposed 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.

4. DETAILS OF THE UTILIZATION OF PROCEEDS

Purpose of Issuance of the IFIC Bank Subordinated Bond:

IFIC Bank has decided to raise capital through issuance of subordinated bonds in order to strengthen its capital base in accordance with Basel III guidelines of Bangladesh Bank.

As on 31 December 2020 IFIC Bank and its Subsidiaries had a total capital of BDT 33,994.12 Million of which BDT 26,558.72 Million was the Common Equity Tier-I Capital and BDT 7,435.40 Million was the Tier-II Capital and the Capital to Risk Weighted Assets (CRAR) of the Bank was 12.96%.

On a solo Basis IFIC Bank IFIC Bank Limited had a total capital of 31,289.95 Million of which BDT 24,085.85 Million was the Common Equity Tier-I Capital and BDT 7,204.10 Million was the Tier-II Capital and the Capital to Risk Weighted Assets (CRAR) of the Bank was 12.24%.

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 includes strengthening the loan portfolio of the Bank in Corporate, SME and retail segments.

5. 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																											
Maturity:	End of 7 years from the Issue Date																											
Expected Issue Date:	June 2021 or any other mutually agreeable date																											
Status of Debt:	Subordinated Non-Convertible																											
Security:	Unsecured																											
Form:	Registered																											
Listing:	Unlisted																											
Credit Rating of the Issue:	Long Term 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
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																										
Trustee:	Sena Kalyan Insurance Company Limited																											
Transfer Agent:	Sena Kalyan Insurance Company Limited																											
Paying Agent:	Sena Kalyan Insurance Company Limited																											
Registrar:	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%.
Benchmark Rate:	<p>Benchmark Rate: The Benchmark rate shall be determined by following method:</p> <p style="padding-left: 40px;">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>
Margin:	2.50%
Transferability/Liquidity:	Freely transferable subject to the terms and conditions of the Bond documents.
Prepayment, Call, Refunding, Conversion features:	Not applicable
Late Redemption:	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.
Tax Features:	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 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:	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 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.

6. 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.

7. RIGHTS & OBLIGATIONS OF THE ISSUER

- **Issue of the Bonds:** Upon receipt of amount in accordance with the Subscription Agreement to be entered with each investors the Issue shall issue Bonds subject to and in accordance with the provisions of the Trust Deed, Agency Agreement and the Subscription Agreement and to seal, sign and issue the Bonds and deliver the Bond Certificates on the Closing Date to be fixed by the Issuer and the Trustee.

- **Covenant to Repay** - The Issuer has obligation 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 unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in accordance with the terms and conditions of the Bond 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 terms and conditions of the Bond) 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 on the relevant dates provided for in the terms and 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:
 - (i) every payment of principal or interest in respect of the Bonds or any of them made to or to the account of the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Conditions;

 - (ii) 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 Paying Agent or the Trustee except, in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and

 - (iii) 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 upon due presentation of a Bond Certificate, 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 terms and conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.

- **Observe instruction of the Trustee** - At any time after any Event of Default shall have occurred, the Issuer shall comply with the instruction of the Trustee subject to provision of the terms and conditions of the Bond.
- **Observe Bond Documents** - The Issuer shall have obligation to comply with, perform and observe all those provisions of this Trust Deed, the Agency Agreement, the terms and conditions of the Bond 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.
- **Observe Applicable Law** - The Issuer shall have obligation to comply with, perform and observe all those provisions of the applicable law including but is not limited to The Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2012. 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.
- **Books of Account** – The Issuer shall 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;
- **Notice of Event of Default** – The Issuer shall 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** – The Issuer shall ensure that it and each member of its Group comply in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Securities and Exchange Commission.
- **Information** - So far as permitted by applicable law, the Issuer shall 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, the Issuer shall 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** – The Issuer shall **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** – The Issuer shall 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** – The Issuer shall within 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;
- **Obligation of Agents – The Issuer shall Observe** and ensure agents comply with its obligations under the Agency Agreement; maintain the Register; and notify the Trustee immediately it becomes aware of any material breach of such obligations, or failure by any Agent to comply with such obligations, in relation to the Bonds;
- **Authorized Signatories** – The Issuer shall 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** – The Issuer shall 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.
- **Audited Financials and Annual General Meeting** - The Issuer shall complete audit of its financial statements and hold its annual general meeting within such period as may be specific by the SEC. If no such period is prescribed, Issuer shall complete audit of its financial statements and hold its general meeting in accordance with law of its jurisdiction of incorporation. The Issuer shall submit copy of its audited financial statements along with its annual report and the minutes of its annual general meeting with the SEC with a copy to the Bondholders within 14 days (or such other period agreed by SEC) of the completion of audit or, as the case may be, holding of the annual general meeting.

8. RIGHTS & OBLIGATIONS OF THE TRUSTEE

Rights of the Trustee of Non-Convertible Floating Rate Subordinated Bond are, inter alia:

- **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 the 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 the 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 the Trust Deed or by operation of law, 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 the 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 the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require.

- **Conversion of currency:** Where it is necessary or desirable for any purpose in connection with the Trust Deed to convert any sum from one currency to another it shall (unless otherwise provided by the Trust Deed or required by law) be converted at such rate or rates available to the Trustee on the relevant date, in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Trustee in its absolute discretion as relevant and any rate, method and date so specified shall be binding on the Issuer and the Bondholders.
- **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 or the delivery of any Bond Certificate to the persons entitled to it.
- **Error of judgment:** The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters.

- **Agents:** The Trustee may, in the conduct of the trusts of the 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) 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.

- **Delegation:** The Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and having exercised reasonable care in so doing, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent 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 such delegate or sub-delegate provided that the Trustee had exercised reasonable care in the appointment of such delegate.

- **Custodians and nominees:** The Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian the Trust Deed or any document relating to the trust created hereunder 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; the Trustee is not Obligated to appoint a custodian if the Trustee invests in securities payable to bearer.

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 the Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

Obligations of the Trustee of Non-Convertible Floating Rate Subordinated Bond are, inter alia:

- to hold the benefit of the covenants made by the Issuer in the Trust Deed and the Conditions on trust for the Bondholders;

- to open such accounts as the Trustee deems necessary for discharging the functions of Trustee;

- to keep the money and assets representing the Trust Assets (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time and in accordance with the terms of the Trust Deed;
- to undertake all such actions for the recoveries of any outstanding payments in accordance with the provisions of the Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- to manage and administer the Bonds in accordance with the terms of the Trust Deed and to execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- to convene any meeting of the Bondholders in accordance with the provisions of the Trust Deed and the Conditions, and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of the Trust Deed;
- to implement, give effect to and facilitate the Conditions and such other documents, deeds and agreements in contemplation thereof or in connection therewith;
- upon receipt of the instructions of such requisite majority of the Bondholders in accordance with the terms of the Trust Deed, to sell or otherwise dispose of the Trust Assets and close any bank accounts that may have been opened in pursuance of the Trust Deed after the distribution of amounts standing to their credit; and
- to do all such other acts, deeds and things as may be necessary and incidental to the above provisions unless such acts require the prior consent of the Bondholders in accordance with the terms of the Trust Deed.

9. 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 and any Agent 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.

10. 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. After 1983, the bank was converted into a full-fledged commercial bank, with the GoB holding 32.75% shares. IFIC Bank is listed on the Dhaka Stock Exchange and the Chittagong Stock Exchange. As of 31 December 2020, the bank has a network of 154 branches, 285 Uposhakhas, 51 ATM and 416 global correspondent banking relationships, supported by 3,011 employees.

A. CAPITAL STRUCTURE

- **Authorized capital:** BDT 40,000,000,000 (as of 31 December 2020)
- **Paid-up capital:** BDT 16,198,738,680 (as of 31 December 2020)

Shareholding Structure

Type of Shareholder	31 Dec 2020		31 Dec 2019	
	No. of Shares	%	No. of Shares	%
Sponsors	66,603,111	4.11	122,738,541	8.33
Government (Director also)	530,485,326	32.75	482,259,388	32.75
Sub-total	597,088,437	36.86	604,997,929	41.08
Institutions	470,454,459	29.04	340,317,105	23.11
Foreign Investors	12,717,884	0.79	15,276,079	1.04
General Investors	539,613,088	33.31	512,021,495	34.77
Sub-total	1,022,785,431	63.14	867,614,679	58.92
Total	1,619,873,868	100.00	1,472,612,608	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 31 December 2020	
	Amount in BDT	% of Total Assets
Liabilities		
Borrowings from other banks, financial institutions and agents	13,021,794,012	3.58%
Subordinated Bond	2,100,000,000	0.58%
Deposits and other Accounts	296,373,946,429	81.55%
Other Liabilities	26,699,071,654	7.35%
Total Liabilities	338,194,812,095	93.06%
Capital/Shareholders' Equity		
Paid up capital	16,198,738,680	4.46%
Statutory reserve	6,864,775,853	1.89%
General reserve	155,071,397	0.04%
Revaluation reserve against securities	107,849,126	0.03%
Revaluation reserve against fixed assets	115,314,704	0.03%
Surplus in profit and loss account	1,775,205,220	0.49%
Total Shareholders' Equity	25,216,954,980	6.94%
Total Liabilities & Shareholders' Equity	363,411,767,076	100.00%

Total Regulatory Capital of IFIC as of 31 December 2020

Particulars	Amount in BDT
Total Assets (excluding off-balance sheet assets)	363,411,767,076
Total Risk weighted assets (RWA)	255,638,666,438
Total Common Equity Tier 1 (CET1) capital	24,085,850,478
Total Additional Tier-I Capital	-
Total admissible Tier 1 Capital	24,085,850,478
Total admissible Tier 2 Capital	7,204,101,108
Total Eligible Regulatory Capital (Tier 1 and 2)	31,289,951,586
Capital to Risk Weighted Assets Ratio (CRAR)	12.24%

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 154 branches and 285 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 2020 (standalone basis) are stated below:

- Balance sheet size reached at BDT 413,895 million including off balance sheet exposure
- Deposit growth 14.7%
- Loans & advances portfolio growth 14.03%
- NPL was reduced to 3.97% (Y2019: 5.37%)
- Net Interest Income BDT 2,864 million (Y2019: 6,398 million)
- Operating profit BDT 2,902 million (Y2019: 5,120 million)
- Profit before tax BDT 1,664 million (Y 2019:4,177 million)
- Net profit BDT 562 million (Y 2019:2,444 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 285 as of 31 December 2020) 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 95 (ninety-five) 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 27 (twenty-seven) 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 416 (both local & foreign) as on 31 December 2020.

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, Company Secretary 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 (10% or above of regularly capital). Large loans are recommended by the EC for approval by the Board. 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.

Audit Committee

The Audit Committee of the Board was duly constituted by the Bank comprising of 4 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.

Risk Management Committee

The Risk Management Committee of the Board has 4 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. Anwaruzzaman Chowdhury	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. Shah A Sarwar	Managing Director
9.	Mr. Md. Mokammel Hoque	Company Secretary

Executive Committee

Sl.	Name of the Member	Designation
1.	Mr. A.R.M. Nazmus Sakib	Chairman
2.	Ms. Quamrun Naher Ahmed	Member
3.	Mr. Mokammel Hoque	Secretary to the Committee

Audit Committee

Sl.	Name of the Member	Designation
1.	Ms. Rabeya Jamali	Chairman
2.	Mr. Anwaruzzaman Chowdhury	Member
3.	Mr. Md. Zafar Iqbal, ndc	Member
4.	Mr. Mokammel Hoque	Secretary to the Committee

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. Mokammel Hoque	Secretary to the Committee

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 31 December 2020 is BDT 363,411,767,076 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. Anwaruzzaman Chowdhury **Independent Director**

Mr. Anwaruzzaman Chowdhury completed his MBA from London, UK. He is the Chairman of Kipling in the UK. He is associated with many social and charitable organizations and trusts.

Mr. Chowhury is the Chairman/Chairperson of the Nomination and Remuneration Committee (NRC) and a member of the Audit Committee of the Board of Directors of IFIC Bank Limited. He is the Director of 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, a former Additional Secretary of the Government, was nominated as a Director to the Board of IFIC Bank Limited on 19 June 2012 by the Ministry of Finance, Government of the People's Republic of Bangladesh.

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

Mr. Sakib is the Chairman of the Executive Committee and a member of the Risk Management Committee and the Nomination and Remuneration Committee (NRC) of the Board of Directors of IFIC Bank Limited. He is also 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 and IFIC Investment 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 the Director of IFIC Securities Limited, IFIC Money Transfer (UK) Limited, UK and IFIC Investment Limited. He is also an Alternate Director of Oman Exchange LLC, a joint venture operation of the Bank in the Sultanate of Oman.

F. PROFILE OF MANAGEMENT

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

Mr. Shah A Sarwar joined IFIC Bank Limited as Managing Director & CEO on 02 December 2012. He started his career as a Management Trainee of ANZ Grindlays Bank in 1982. Over the last 37 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.

He 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. (IPDC), United Commercial Bank Ltd. (UCBL), 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. 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 changemaker, 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. DESCRIPTION OF ASSETS AND LIABILITIES

Assets (as of 31 December 2020)

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

Items	Total Asset	% of Total Asset
Cash	18,492,529,970	5.09%
Balance with other banks and financial institutions	8,895,390,969	2.45%
Money at call and on short notice	2,330,000,000	0.64%
Investments	52,722,425,470	14.51%
Loans and advances	260,650,289,525	71.72%
Fixed assets including premises, furniture and fixtures	7,495,172,120	2.06%
Other assets	12,452,484,222	3.43%
Non-banking Assets	373,474,800	0.10%
Total Assets	363,411,767,076	100.00%

Loans and Advances

Item	Amount in BDT
Loans, Cash Credit, Overdrafts etc.	246,004,105,427
Inside Bangladesh	243,950,388,179
Term loan industrial	18,131,446,121
Term loan consumer finance	170,452,264
Agricultural loan	286,356,663
Term loan women entrepreneur	32,775,026
Term loan-others	76,226,478,748
House building loans	42,944,834,123
Staff loan	1,266,619,147
Transport loan	76,702,824
Loan general	3,277,257,317
Demand loan	8,658,568,399
Overdrafts	63,845,327,297
Cash credit	23,785,985,647
Credit card finance	143,384,520
Loan against trust receipt (LTR)	4,877,015,257
Lease finance	227,184,826
Margin loan	-
Outside Bangladesh	2,053,717,248
Term Loan-Foreign Currency (OBU)	2,053,717,248
Bills Purchased and Discounted	14,646,184,098
Payable in Bangladesh	14,141,724,304
Payable outside Bangladesh	504,459,794
Total Loans and Advances	260,650,289,525

Fixed Assets

Items	Amount in BDT
Land	2,423,609,559
Buildings and premises	1,902,617,204
Right of Use Assets	1,938,582,527
Wooden furniture	287,581,527
Steel furniture	111,193,993
Computer equipment	1,049,746,984
Office equipment	1,085,482,116
Electrical & gas equipment	290,404,959
Leasehold improvement	508,637,207
Vehicles	165,108,501
Leased vehicles	47,600,000
Soft furnishing	12,960,055
Software	1,107,209,905
Capital work in progress*	88,200,413
Total Cost	11,018,934,962
Less: Accumulated depreciation	3,523,762,842
Total Written Down Value	7,495,172,120
Total Fixed Assets	7,495,172,120

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

Other Assets

Items	Amount in BDT
Stationery and stamps	42,895,192
Suspense account	840,559,567
Advance, deposits and prepayments	7,208,526,113
Accrued interest & other income receivable	1,323,991,985
Investment in subsidiaries	2,234,342,260
Deferred tax assets	730,988,041
Dividend Receivable and others	71,181,064
Total Other Assets	12,452,484,222

Liabilities (as of 31 December 2020)

Borrowings from other banks, financial institutions and agents

Items	Amount in BDT
(a) Inside Bangladesh	12,512,987,412
Obligation under lease finance	3,181,639
Refinance from Bangladesh Bank	12,509,805,773

Items	Amount in BDT
(b) Outside Bangladesh	508,806,600
Nepal Bangladesh Bank Limited	508,806,600
Total (a + b)	13,021,794,012

Deposits and Other Accounts

Items	Amount in BDT
Current accounts and other accounts	92,720,625,780
Bills Payable	2,547,263,402
Savings bank deposits	25,343,706,980
Fixed deposits	175,762,350,267
Total	296,373,946,429

Subordinated Debt

Items	Amount in BDT
Sonali Bank Limited	600,000,000
Janata Bank Limited	600,000,000
Rupali Bank Limited	600,000,000
Agrani Bank Limited	300,000,000
Total	2,100,000,000

Other Liabilities

Items	Amount in BDT
Provision for loans, investments and other assets	8,659,269,776
Provision for taxation	8,133,240,938
Interest suspense account	7,471,280,308
Incentive bonus	-
Unclaimed dividend account	2,814,447
Lease Liability	1,199,683,069
Rebate to good borrowers	21,870,000
Interest payable on borrowing and bond	31,336,762
Accrued expenses	104,222,561
Withholding Tax payable to government	362,830,343
Withholding VAT payable to government	111,388,832
Excise duty payable to government	291,542,361
Revaluation of investment abroad	30,946,297
Payable against Gov Bond & Sanchayapatra	88,416,642
Others	190,229,318
Total	26,699,071,654

H. DESCRIPTION OF PREVIOUSLY ISSUED DEBT OR SECURITIES

i. Description of previously issued debt instruments:

IFIC Bank Limited has previously issued one unsecured floating rate subordinated bond of BDT 3,500 Million to the local market under Private Placement to consolidate the Bank's capital base (Tier-II Regulatory Capital Raising) in line with the Basel-II framework. The bank received BDT 3,500 Million from its first bond issuance on 2016 of which BDT 1,400 Million has already been paid. The outstanding balance is BDT 2,100 Million as of December 31, 2020.

The compliance status of the issue is provided below:

S · N · O.	Name of the issue	Date of Consent	IM issue Date	Date of subscription	Maturity Period	Figure in crore Taka				Default, if any
						Issue amount	Subscription Amount	Redemption Amount	Outstanding amount	
1.	Non-Convertible Subordinated Bond	28-Dec-15	28-Dec-15	29-May-16	28-May-23	350	350	140	210	None

ii. Description of previously issued equity securities:

Year	Particulars	Number of shares	Amount in BDT
1976	Ordinary shares of Taka 10 each issued for cash	8,000,000	80,000,000
2011	Ordinary shares of Taka 10 each issued as rights share	4,400,000	44,000,000
2017	Ordinary shares of Taka 10 each issued as rights share	563,821,907	5,638,219,070
2019	Ordinary shares of Taka 10 each issued as bonus share	1,043,651,961	10,436,519,610
	Total	1,619,873,868	16,198,738,680

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

a. Balance Sheet (as of 31 December 2020)

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
as at 31 December 2020

Particulars	Note	Amount in BDT	
		31 December 2020	31 December 2019
PROPERTY AND ASSETS			
Cash	3	18,492,529,970	18,054,911,164
Cash in hand (including foreign currency)	3.1	4,084,799,668	2,871,220,070
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	14,407,730,302	15,183,691,094
Balance with other banks and financial institutions	4	8,895,390,969	5,617,034,218
In Bangladesh	4.1	7,511,869,424	4,014,719,294
Outside Bangladesh	4	1,383,521,545	1,602,314,924
Money at call and on short notice	5	2,330,000,000	910,000,000
Investments	6	52,722,425,470	45,500,148,033
Government securities	6.1	46,979,431,855	41,369,255,890
Other investments	6.2	5,742,993,615	4,130,892,143
Loans and advances		260,650,289,525	228,588,500,237
Loans, cash credit, overdrafts etc.	7.1	246,004,105,427	217,627,752,438
Bills purchased and discounted	8	14,646,184,098	10,960,747,799
Fixed assets including premises, furniture and fixtures	9	7,495,172,120	6,384,198,894
Other assets	10	12,452,484,222	11,522,075,844
Non-banking assets	11	373,474,800	373,474,800
Total assets		363,411,767,076	316,950,343,190
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	12	13,021,794,012	8,215,860,335
Subordinated debt	13	2,100,000,000	2,800,000,000
Deposits and other accounts	14	296,373,946,429	258,368,141,236
Current deposit and other accounts	14.1	92,720,625,780	57,089,778,779
Bills payable	14.2	2,547,263,402	1,840,433,536
Savings bank deposits	14.3	25,343,706,980	23,299,407,700
Fixed deposits	14.4	175,762,350,267	176,138,521,221
Other liabilities	15	26,699,071,654	22,969,362,164
Total liabilities		338,194,812,095	292,353,363,735
Capital/Shareholders' equity			
Paid up capital	16.2	16,198,738,680	14,726,126,080
Statutory reserve	17	6,864,775,853	6,531,903,475
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19	107,849,126	50,121,137
Revaluation reserve against fixed assets	20	115,314,704	115,314,704
Surplus in profit and loss account	21	1,775,205,220	3,018,442,662
Total shareholders' equity		25,216,954,980	24,596,979,455
Total liabilities and shareholders' equity		363,411,767,076	316,950,343,190



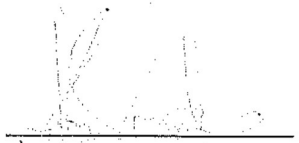
INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
as at 31 December 2020

Amount in BDT

Particulars	Note	31 December 2020	31 December 2019
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24	50,483,678,851	51,095,166,712
Acceptances and endorsements	24.1	16,350,951,601	17,978,428,515
Letters of guarantee	24.2	8,058,992,366	9,274,250,539
Irrevocable letters of credit	24.3	17,880,361,773	14,673,137,826
Bills for collection	24.4	8,193,373,111	9,169,349,832
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		50,483,678,851	51,095,166,712

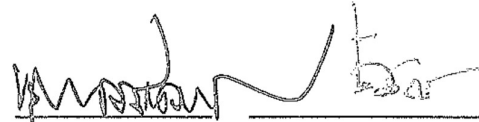
These financial reports should be read in conjunction with the annexed notes.



Managing Director & CEO



Director



Director

Director

Signed as per our annexed report of same date



Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521
Howladar Yunus & Co., Chartered Accountants
Firm Registration Number: [N/A]

Dhaka, 31 March 2021


DVC No.: 2104010521AS369193

b. Profit & Loss Account (as of 31 December 2020)


INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Profit and Loss Account
For the year ended 31 December 2020

Particulars	Note	2020	2019
Interest income	26	21,159,059,728	24,425,901,857
Interest paid on deposits, borrowings, etc.	27	18,294,764,064	18,028,020,880
Net interest income		2,864,295,664	6,397,880,977
Investment income	28	3,454,712,181	2,626,318,570
Commission, exchange and brokerage	29	1,508,518,057	1,662,336,401
Other operating income	30	597,074,284	433,206,205
		5,560,304,522	4,721,861,176
Total operating income		8,424,600,186	11,119,742,153
Salary and allowances	31	2,536,366,543	2,552,110,868
Rent, taxes, insurance, electricity, etc.	32	414,727,523	565,034,570
Legal expenses	33	6,927,473	8,599,690
Postage, stamp, telecommunication, etc.	34	73,303,297	63,430,699
Stationery, printing, advertisement, etc.	35	358,588,600	439,870,887
Managing Director's salary	36	20,975,250	15,720,000
Directors' fees	37	1,672,000	1,560,000
Auditors' fees	38	2,427,778	2,916,667
Charges on loan losses		-	758,054,030
Depreciation and repair of bank's assets	39	1,061,395,200	734,843,273
Other expenses	40	1,046,562,803	857,155,397
Total operating expenses		5,522,946,467	5,999,296,081
Profit/(Loss) before provision		2,901,653,719	5,120,446,072
Provision for loans, investments and other assets	41		
Provision for loans and advance		1,498,673,893	774,041,752
Provision for diminution in value of investments		(297,353,559)	126,926,131
Other provisions		35,971,496	42,052,379
Total Provision		1,237,291,830	943,020,262
Profit/(Loss) before taxes		1,664,361,889	4,177,425,810
Provision for taxation	42		
Current tax		963,000,000	1,700,000,000
Deferred tax expense/(income)		139,114,352	33,692,863
		1,102,114,352	1,733,692,863
Net profit after taxation		562,247,536	2,443,732,947
Retained earnings brought forward from previous year		3,018,442,662	2,748,933,607
		3,580,690,199	5,192,666,554
Appropriations			
Statutory reserve		332,872,378	835,485,162
General reserve		-	-
Dividend		1,472,612,600	1,338,738,730
		1,805,484,978	2,174,223,892
Retained surplus		1,775,205,221	3,018,442,662
Earnings Per Share (EPS)	50	0.35	1.51

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


Managing Director & CEO


Director


Director

Signed as per our annexed report of same date



Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521
Howladar Yunus & Co., Chartered Accountants
Firm Registration Number: [N/A]

Dhaka, 31 March 2021

DVC No.: 2104010521AS369193

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c. Cash Flow Statement (as of 31 December 2020)

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
 Separate Cash Flow Statement
 For the year ended 31 December 2020

Particulars	Amount in BDT	
	2020	2019
A. Cash flows from operating activities		
Interest received	24,359,789,186	26,919,076,909
Interest payments	(19,410,851,928)	(16,738,966,100)
Dividend received	67,006,708	208,265,302
Fees and commission received	1,508,518,057	1,662,336,401
Recoveries of loans and advances previously written-off	161,055,817	601,783,125
Cash payments to employees	(2,807,341,793)	(2,558,330,868)
Cash payments to suppliers	(387,651,783)	(486,915,656)
Income taxes paid	(1,238,529,182)	(1,660,879,183)
Receipts from other operating activities	43 550,840,197	435,247,023
Payments for other operating activities	44 (1,676,730,733)	(1,614,038,549)
Operating cash flows before changing in operating assets and liabilities	1,126,104,546	6,767,578,404
Increase/(decrease) in operating assets and liabilities		
Statutory deposits	-	-
Loans and advances to other banks	-	-
Loans and advances to customers	(31,704,320,689)	(23,239,690,456)
Other assets	46 448,041,159	(208,344,698)
Deposits from other banks	(8,448,134,949)	(3,167,323,151)
Deposits from customers	47 47,551,023,032	33,887,438,885
Other liabilities	250,870,162	(169,972,291)
	8,097,278,715	7,102,108,289
Net cash flows from/(used in) operating activities	9,223,383,261	13,869,686,693
B. Cash flows from investing activities		
Net proceeds/(payments) from sale/(purchase) of Government securities	(5,552,113,576)	(14,072,890,953)
Net proceeds/(payments) from sale/(purchase) of securities	(1,612,101,472)	(85,012,872)
Purchase of property, plant & equipment	(931,522,495)	(594,177,750)
Proceeds from sale of property, plant & equipment	2,185,616	2,609,682
Net cash flows from/(used in) investing activities	(8,093,551,927)	(14,749,471,893)
C. Cash flows from financing activities		
Borrowing from other banks, financial institution and agents	4,105,933,677	(2,453,571,943)
Dividend paid (cash)	-	-
Payment against lease obligation	(194,051,377)	(137,348,282)
Net cash flows from/(used in) financing activities	3,911,882,300	(2,590,920,225)
D. Net increase/(decrease) in cash (A+B+C)	5,041,713,634	(3,470,705,425)
E. Effects of exchange rate changes on cash and cash equivalents	94,596,324	(23,281,415)
F. Opening balance of cash and cash equivalents	24,585,059,982	28,079,046,822
G. Closing balance of cash and cash equivalents (D+E+F)	29,721,369,939	24,585,059,982
Closing cash and cash equivalents	45	
Cash in hand	4,084,799,668	2,871,220,070
Balance with Bangladesh Bank and its agents bank	14,407,730,302	15,183,691,094
Balance with other banks and financial institutions	8,895,390,969	5,617,034,218
Money at call and on short notice	2,330,000,000	910,000,000
Prize bonds	3,449,000	3,114,600
	29,721,369,939	24,585,059,982

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



For detailed Audited Financials as at 31 December 2020, please see Annexure 1.

12. 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 abroad. In 1983 when the Government allowed banks in the private sector, IFIC was converted into a full-fledged commercial bank. A total of 154 branches and 400 Upshakhas 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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED						
Balance Sheet						
						Amount in BDT
Particulars				31 December 2020	31 December 2019	31 December 2018
PROPERTY AND ASSETS						
Cash				18,492,529,970	18,054,911,164	16,007,300,116
Cash in hand (including foreign currency)				4,084,799,668	2,871,220,070	2,885,588,822
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)				14,407,730,302	15,183,691,094	13,121,711,294
Balance with other banks and financial institutions				8,895,390,969	5,617,034,218	8,099,478,106
In Bangladesh				7,511,869,424	4,014,719,294	6,823,590,588
Outside Bangladesh				1,383,521,545	1,602,314,924	1,275,887,518
Money at call and on short notice				2,330,000,000	910,000,000	3,970,000,000
Investments				52,722,425,470	45,500,148,033	31,304,385,918
Government securities				46,979,431,855	41,369,255,890	27,258,506,647
Other investments				5,742,993,615	4,130,892,143	4,045,879,271
Loans and advances				260,650,289,525	228,588,500,237	206,929,635,707
Loans, cash credit, overdrafts etc.				246,004,105,427	217,627,752,438	194,668,112,000
Bills purchased and discounted				14,646,184,098	10,960,747,799	12,261,523,707
Fixed assets including premises, furniture and fixtures				7,495,172,120	6,384,198,894	5,437,949,308
Other assets				12,452,484,222	11,522,075,844	10,951,058,432
Non-banking assets				373,474,800	373,474,800	373,474,800
Total assets				363,411,767,076	316,950,343,190	283,073,282,387
LIABILITIES AND CAPITAL						
Liabilities						
Borrowing from other banks, financial Institutions and agents				13,021,794,012	8,215,860,335	9,969,432,278

Subordinated debt	2,100,000,000	2,800,000,000	3,500,000,000
Deposits and other accounts	296,373,946,429	258,368,141,236	226,363,971,908
Current deposit and other accounts	92,720,625,780	57,089,778,779	40,984,620,648
Bills payable	2,547,263,402	1,840,433,536	2,066,079,056
Savings bank deposits	25,343,706,980	23,299,407,700	24,711,065,947
Fixed deposits	175,762,350,267	176,138,521,221	158,602,206,257
Other liabilities	26,699,071,654	22,969,362,164	21,123,643,983
Total liabilities	338,194,812,095	292,353,363,735	260,957,048,169
Capital/Shareholders' equity			
Paid up capital	16,198,738,680	14,726,126,080	13,387,387,350
Statutory reserve	6,864,775,853	6,531,903,475	5,696,418,313
General reserve	155,071,397	155,071,397	155,071,397
Revaluation reserve against securities	107,849,126	50,121,137	13,108,847
Revaluation reserve against fixed assets	115,314,704	115,314,704	115,314,704
Surplus in profit and loss account	1,775,205,220	3,018,442,662	2,748,933,607
Total shareholders' equity	25,216,954,980	24,596,979,455	22,116,234,218
Total liabilities and shareholders' equity	363,411,767,076	316,950,343,190	283,073,282,387
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	50,483,678,851	51,095,166,712	60,435,601,239
Acceptances and endorsements	16,350,951,601	17,978,428,515	23,224,423,401
Letters of guarantee	8,058,992,366	9,274,250,539	10,228,543,056
Irrevocable letters of credit	17,880,361,773	14,673,137,826	15,475,413,131
Bills for collection	8,193,373,111	9,169,349,832	11,507,221,651
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	50,483,678,851	51,095,166,712	60,435,601,239

Profit & Loss Statements

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED			
Profit and Loss Account			
Amount in BDT			
Particulars	2020	2019	2018
Interest income	21,159,059,728	24,425,901,857	18,964,531,143
Interest paid on deposits, borrowings, etc.	18,294,764,064	18,028,020,880	14,404,724,629
Net interest income	2,864,295,664	6,397,880,977	4,559,806,514
Investment income	3,454,712,181	2,626,318,570	2,358,454,068
Commission, exchange and brokerage	1,508,518,057	1,662,336,401	1,592,824,756
Other operating income	597,074,284	433,206,205	489,623,536
	5,560,304,522	4,721,861,176	4,440,902,360
Total operating income	8,424,600,186	11,119,742,153	9,000,708,874
Salary and allowances	2,536,366,543	2,552,110,868	2,559,167,763
Rent, taxes, insurance, electricity, etc.	414,727,523	565,034,570	765,826,300
Legal expenses	6,927,473	8,599,690	10,300,630
Postage, stamp, telecommunication, etc.	73,303,297	63,430,699	62,977,318
Stationery, printing, advertisement, etc.	358,588,600	439,870,887	376,907,659
Managing Director's salary	20,975,250	15,720,000	15,120,000
Directors' fees	1,672,000	1,560,000	1,704,000
Auditors' fees	2,427,778	2,916,667	1,500,000
Charges on loan losses	-	758,054,030	109,642,716
Depreciation and repair of bank's assets	1,061,395,200	734,843,273	481,382,585
Other expenses	1,046,562,803	857,155,397	721,477,016
Total operating expenses	5,522,946,467	5,999,296,081	5,106,005,987
Profit/(Loss) before provision	2,901,653,719	5,120,446,072	3,894,702,887
Provision for loans, investments and other assets			
Provision for loans and advance	1,498,673,893	774,041,752	813,009,910
Provision for diminution in value of investments	(297,353,559)	126,926,131	185,345,656
Other provisions	35,971,496	42,052,379	36,959,400
Total Provision	1,237,291,830	943,020,262	1,035,314,966
Profit/(Loss) before taxes	1,664,361,889	4,177,425,810	2,859,387,921
Provision for taxation			
Current tax	963,000,000	1,700,000,000	1,080,000,000
Deferred tax expense/(income)	139,114,352	33,692,863	209,153,654
	1,102,114,352	1,733,692,863	1,289,153,654
Net profit after taxation	562,247,536	2,443,732,947	1,570,234,267
Retained earnings brought forward from previous year	3,018,442,662	2,748,933,607	3,184,939,855
	3,580,690,199	5,192,666,554	4,755,174,122
Appropriations			
Statutory reserve	332,872,378	835,485,162	571,877,584
General reserve	-	-	-
Dividend	1,472,612,600	1,338,738,730	1,434,362,930
	1,805,484,978	2,174,223,892	2,006,240,514
Retained surplus	1,775,205,221	3,018,442,662	2,748,933,607
Earnings Per Share (EPS)	0.35	1.51	1.07

Cash Flow Statements

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED			
Separate Cash Flow Statement			
	Amount in BDT		
Particulars	2020	2019	2018
A. Cash flows from operating activities			
Interest received	24,359,789,186	26,919,076,909	20,788,845,494
Interest payments	(19,410,851,928)	(16,738,966,100)	(12,955,900,475)
Dividend received	67,006,708	208,265,302	40,611,379
Fees and commission received	1,508,518,057	1,662,336,401	1,616,275,359
Recoveries of loans and advances previously written-off	161,055,817	601,783,125	165,713,392
Cash payments to employees	(2,807,341,793)	(2,558,330,868)	(2,584,787,763)
Cash payments to suppliers	(387,651,783)	(486,915,656)	(460,646,290)
Income taxes paid	(1,238,529,182)	(1,660,879,183)	(1,056,598,314)
Receipts from other operating activities	550,840,197	435,247,023	471,064,423
Payments for other operating activities	(1,676,730,733)	(1,614,038,549)	(1,682,602,848)
Operating cash flows before changing in operating assets and liab	1,126,104,546	6,767,578,404	4,341,974,357
Increase/(decrease) in operating assets and liabilities			
Statutory deposits	-	-	-
Loans and advances to other banks	-	-	-
Loans and advances to customers	(31,704,320,689)	(23,239,690,456)	(27,421,751,453)
Other assets	448,041,159	(208,344,698)	206,716,709
Deposits from other banks	(8,448,134,949)	(3,167,323,151)	(8,875,257,126)
Deposits from customers	47,551,023,032	33,887,438,885	33,633,872,060
Other liabilities	250,670,162	(169,972,291)	385,863,030
	8,097,278,715	7,102,108,289	(2,070,556,780)
Net cash flows from/(used in) operating activities	9,223,383,261	13,869,686,693	2,271,417,577
B. Cash flows from investing activities			
Net proceeds/(payments) from sale/(purchase) of Government securiti	(5,552,113,576)	(14,072,890,953)	(3,309,748,707)
Net proceeds/(payments) from sale/(purchase) of securities	(1,612,101,472)	(85,012,872)	(97,673,892)
Purchase of property, plant & equipment	(931,522,495)	(594,177,750)	(2,198,868,226)
Proceeds from sale of property, plant & equipment	2,185,616	2,609,682	2,474,163
Net cash flows from/(used in) investing activities	(8,093,551,927)	(14,749,471,893)	(5,603,816,662)
C. Cash flows from financing activities			
Borrowing from other banks, financial institution and agents	4,105,933,677	(2,453,571,943)	1,495,851,530
Dividend paid (cash)	-	-	-
Payment against lease obligation	(194,051,377)	(137,348,282)	(2,839,044)
Net cash flows from/(used in) financing activities	3,911,882,300	(2,590,920,225)	1,493,012,486
D. Net increase/(decrease) in cash (A+B+C)	5,041,713,634	(3,470,705,425)	(1,839,386,599)
E. Effects of exchange rate changes on cash and cash equivalents	94,596,324	(23,281,415)	(17,831,906)
F. Opening balance of cash and cash equivalents	24,585,059,982	28,079,046,822	29,936,265,327
G. Closing balance of cash and cash equivalents (D+E+F)	29,721,369,939	24,585,059,982	28,079,046,822
Closing cash and cash equivalents			
Cash in hand	4,084,799,668	2,871,220,070	2,885,588,822
Balance with Bangladesh Bank and its agents bank	14,407,730,302	15,183,691,094	13,121,711,294
Balance with other banks and financial institutions	8,895,390,969	5,617,034,218	8,099,478,106
Money at call and on short notice	2,330,000,000	910,000,000	3,970,000,000
Prize bonds	3,449,000	3,114,600	2,268,600
	29,721,369,939	24,585,059,982	28,079,046,822

13. RATIOS FOR THE LAST FIVE ACCOUNTING YEARS

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

Ratios	2020	2019	2018	2017	2016
Credit Deposit Ratio	82.40%	84.08%	86.83%	85.04%	81.64%
Debt to Equity Ratio	13.41	11.89	11.80	11.33	14.35
Debt to Total Assets Ratio	0.93	0.92	0.92	0.92	0.93
Operating Profit Margin %	10.86%	16.11%	15.12%	20.76%	18.24%
Net Profit Margin %	2.10%	7.69%	6.09%	9.72%	6.48%
Cost to Income Ratio %	65.6%	54.0%	56.7%	54.8%	59.7%
Return on Assets – ROA%	0.2%	0.8%	0.6%	0.9%	0.7%
Return on Equity – ROE%	2.23%	9.94%	7.4%	12.4%	9.9%
Non Performing Loan %	3.97%	5.37%	6.16%	6.40%	5.29%
Tier I Capital Ratio %	9.42%	10.28%	9.80%	9.84%	7.71%
Tier II Capital Ratio %	2.82%	2.52%	2.83%	2.73%	3.53%
Capital Adequacy Ratio %	12.24%	12.80%	12.63%	12.57%	11.25%
Earnings Per Share (EPS) in BDT	0.35	1.51	1.07	1.54	1.38
Price Earnings Ratio	43.79	6.56	10.22	11.65	15.18
Net Asset Value/Share (NAV) in BDT	15.57	15.18	15.02	15.34	22.77
Dividend Coverage Ratio	0.69	1.66	1.17	1.44	1.79

14. CREDIT RATING REPORT OF THE ISSUE

Credit Rating of Issuer: IFIC Bank Limited

Date of Declaration	Valid Till	Rating Type	Long Term	Short Term	Rated By	Outlook
30 June 2020	30 June 2021	Entity Rating	AA	ST-2	ECRL*	Stable

*ECRL- Emerging Credit Rating Limited

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

Date of Declaration	Valid Till	Rating Type	Long Term	Rated By	Outlook
8 April 2021	30 June 2022	Initial	AA3(Hyb)	CRAB	Stable

*CRAB- Credit Rating Agency of Bangladesh Limited

Credit Rating Report of IFIC Bank Limited 2nd Floating Rate Non-Convertible Subordinated Bond has been done by Credit Rating Agency of Bangladesh Limited based on Audited Financial Statement up to December 31, 2020 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

For detailed Credit Rating Report of the Issue, please see Annexure 2.

15. 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 by the end of 2019, it 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 : Maj Gen Sajjadul Haque, BSP, SUP, afwc, psc
- 2) Vice Chairman : Director General (Welfare), Sena Kalyan Sangstha
- 3) Member : Director General, Business Division-3, Sena Kalyan Sangstha
- 4) Member : Director General, Business Division-6, Sena Kalyan Sangstha
- 5) Member : Director General (Real Estate & Construction), Sena Kalyan Sangstha
- 6) Member : Director General (Marketing), Sena Kalyan Sangstha
- 7) Member : Director General, Business Division-2, Sena Kalyan Sangstha
- 8) Member : Director General, Business Division-1, Sena Kalyan Sangstha
- 9) Member : Deputy Director General, Finance, Sena Kalyan Sangstha

Executives of the Head Office:

- Chief Executive Officer : Brig Gen Shafique Shamim, psc (Retd)
- Head of Marketing Department : Col Md. Aulad Hossain (Retd)
- Head of Underwriting Department : Mr. Pronab Kumar Saha

- Head of Accounts Department : Mr. Maloy Kumar Saha
- Head of Claim & Re-insurance Dept : Mr. Tajul Islam
- Head of HR & Admin Department : Sqn Ldr Md Mostafa Zaman (Retd)
- Head of Information & technology Dept : Md. Shakhawat Hossain

Capital Structure:

Capital structure: The company started its business with a paid up capital of Tk. 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: Maj Gen Sajjadul Haque, BSP, SUP, afwc, psc	23,999,993
2	Director General (Welfare), Sena Kalyan Sangstha	1
3	Director General, (Admin) Business Division-3, Sena Kalyan Sangstha	1
4	Director General (Research, Development, & Evaluation, Sena Kalyan Sangstha	1
5	Director General (Real Estate & Construction), Sena Kalyan Sangstha	1
6	Director General (Marketing), Sena Kalyan Sangstha	1
7	Director General (Project), Business Division-2, Sena Kalyan Sangstha	1
8	Director General (Operation), Business Division-1, Sena Kalyan Sangstha	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 Medclaim (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.

Investment

The total investment of SKICL stood at BDT 612.1 Million at the end of 2019 in different Banks & Financial Organizations. In order to making strong & solid foundation of Asset & Reserve based company, SKICL has built up a total Reserve of BDT 276,798,693 only at the end of 2019. SKICL has established business relationship with reputed business houses including Multinational companies of Bangladesh.

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

Detail in BDT	31 Dec 2019	31 Dec 2018	31 Dec 2017
Authorised Capital	100,00,00,000	100,00,00,000	100,00,00,000
Paid-up Capital	24,00,00,000	24,00,00,000	24,00,00,000
Total Assets	71,11,59,661	48,87,09,837	46,22,18,524
Net Worth	42,04,94,685	33,64,26,996	32,10,42,423
Revenue	57,60,92,516	36,38,70,416	26,28,22,402
Operating Profit	6,10,69,822	1,07,43,201	2,88,08,163
Net Profit after Tax	3,95,62,528	79,13,644	1,85,67,498
Cash flow from Operating Activities	23,24,50,623	5,63,78,481	5,62,00,130
Net Cash Flow at Year End	21,30,67,273	3,15,54,016	4,07,64,223

Experience Profile of SKICL as Trustee of Other Debt Security Issuances:

Sl	Name of Issuer	Type of Debt Instrument	Issue Date	Issue Size in BDT Crore	Disbursed Amount in BDT Crore	O/S in BDT Crore as on 31 Mar 2021
1	Trust Bank Ltd Bond- III	Redeemable, Non convertible, Unsecured, Subordinated	27/10/2016	400	400	240.00
2	Trust Bank Ltd Bond- IV	Fully Redeemable, Non-Convertible, Unsecured, Subordinated	19/12/2018	500	500	500.00
3	Flamingo Fashions Limited	Non convertible, Unsecured, Zero Coupon	26/04/2018	250	116.83	19.47
4	Durable Plastics Limited	Fully Redeemable, Non-Convertible, Unsecured, Zero Coupon	10/04/2018	150	50	18.75
5	Rangpur Metal Ind. Limited	Non convertible, Secured, Fully Redeemable, Fixed Rate, Zero Coupon	30/04/2019	100	100	57.51
6	United Mymensingh Power Limited	Non convertible, Unsecured, Fully Redeemable, Zero Coupon Islamic Certificate	11/8/2019	1,041.46	561.26	405.14
7	Delta Brac Housing Finance Co Limited	Non convertible, Unsecured, Fully Redeemable, Zero Coupon	N/A	300	N/A	N/A
8	Robi Axiata Limited	Non convertible, Zero Coupon, Islamic Certificate	N/A	400	N/A	N/A

For the Due Diligence Certificate of the Trustee, please see Annexure 3.

16. MODUS OPERANDI OF THE ISSUE

Any Schedule Banks, Corporate, Financial Institutions and/or Insurance Companies duly registered in Bangladesh and operating its business under the license or approval duly issued by the respective competent authority or institution of the Government of Bangladesh.

a. Application Procedure:

The Bonds shall be distributed through private placement.

Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors.

Undertaking to Issue

The Issuer will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, duly execute and deliver to the Bondholder a Bond Certificate attached with the Conditions, representing the allocation amount of Bonds subscribed.

Undertaking to Subscribe

The investor will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, subscribe and pay the aggregate purchase price for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates.

Closing

Subscription and Closing:

Subject to the conditions precedent contained in the Subscription Agreement, the closing of the issue of the Bonds shall take place on the Closing Date.

Investor Representation Letter: On the date indicated in the Subscription Agreement, the Bondholders will execute and deliver a letter addressed to the Issuer.

Payment of net issue proceeds: On each Closing Date, of the Bondholders shall pay the purchase price of Bonds to the Issuer in Bangladesh Taka.

Bond Certificates:

Registration: On each Closing Date, the Issuer shall procure that the principal amount of Bonds subscribed for by the Bondholders for which payment has been received in accordance with the Subscription Agreement and are registered in name of the Bondholders (with a notation on the Register and on each Bond Certificate identifying the Issue Date of such Bond Certificate).

Issue: On the Closing Date, the Issuer shall duly execute and deliver the Bond Certificates to the Trustee for authentication. Promptly following the Closing Date, the Issuer will deliver to each Bondholder Bond Certificates, duly authenticated by the Trustee and representing such Investor's entire holding of Bonds.

b. Allotment:

On the closing date, to be determined, the Issuer shall allot and issue the Bonds, in registered form in a minimum denomination of BDT 100,000 and integral multiples thereof. A bond certificate (each a "**Bond Certificate**") will be issued to each Bondholder in respect of its registered holding of each series of Bonds. Each Bond and each Bond Certificate will be numbered serially with an identifying number which will be recorded on the relevant Bond Certificate and in the register of Bondholders (the "**Register**"), which will be kept by Registrar on behalf of the Issuer.

Each of the Issuer, the Trustee and any Agent 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.

c. Transfer:

Subject to the terms and conditions as to be implemented in the Trust Deed, a Bond may be transferred to another person in Bangladesh (a "**Transferee**") upon surrender of the Bond Certificate issued in respect of that Bond, together with a duly completed and executed instrument of transfer (a "**Instrument of Transfer**") by the registered holder of the Bond, as transferor (the "**Transferor**") or the proposed Transferee.

A valid Instrument of Transfer shall be duly stamped, completed and executed by both the Transferor and the Transferee. If the Transferor or the Transferee is a body corporate, such Instrument of Transfer shall be executed by the authorized persons of the Transferor or the Transferee, as the case may be.

Upon receipt of the Bond Certificate issued in respect of the Bond to be transferred along with the duly completed and executed Instrument of Transfer at the specified office of the Transfer Agent, together with such evidence as such Transfer Agent may reasonably require to prove (i) the title of the Transferor and (ii) the signature and authority of each of the individuals who have executed the Instrument of Transfer on behalf of the Transferor and the Transferee.

Upon receipt of the Bond Certificate, the Instrument of Transfer and the other supporting documents named above, the Transfer Agent, as the duly authorized delegate of the Issuer's Board of Directors, shall approve and certify the transfer on behalf of the Board of Directors of the Issuer. If the Transfer Agent refuses to register the transfer of any Bond it shall immediately provide notice of such refusal to the Issuer. If the Issuer does not agree with the Transfer Agent's refusal to approve and certify such transfer, it shall within 3 (three) Business Days of receipt of such notice from the Transfer Agent, direct the Transfer Agent to approve and certify the transfer as requested in the relevant Instrument of Transfer. If the Issuer agrees with Transfer Agent that the requested transfer should be refused, the Issuer shall, within 30 (thirty) days from the date on which the relevant Instrument of Transfer was lodged with the Transfer Agent, send or cause to be sent notice of such refusal to both the Transferor and the Transferee.

Where it is proved to the satisfaction of the Issuer that a duly completed and executed Instrument of Transfer has been lost, the Issuer may, in its discretion, on application in writing made by the Transferee and bearing such stamp as is required by an Instrument of Transfer, register such transfer on such terms as to indemnity as the Issuer may think fit. Where not all the Bonds represented by the surrendered Bond Certificate are the subject of the transfer, a new Bond Certificate in respect of the balance of the Bonds will be issued to the transferor.

d. Repayment:

Unless previously redeemed or purchased and cancelled, the principal on the Bonds will be amortized and paid annually on a pro rata basis to the Bondholder 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 be at the end of seventh year of the Bonds from the Issue Date. Payments on the Bonds shall be made without deduction for or on account of taxes in Bangladesh.

To be redeemed in 5 equal annual Instalments starting from end of 3rd year and each 12 months from there after as per following table for the Bond:

Redemption Schedule

No of Installment	Installment due (In Months)	Total Repayment
1	36	1000,000,000
2	48	1000,000,000
3	60	1000,000,000
4	72	1000,000,000
5	84	1000,000,000
Total		5,000,000,000

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.

Interest on the “Bond” is to be paid semi-annual basis on the interest payment dates. The interest payment dates shall be determined depending upon bond issue date. Interest payment will be calculated on the actual number of days over a 365 day basis and will be payable semi-annually.

17. TERMINATION AND FINAL SETTLEMENT OF THE PROPOSED BOND

Date of Commencement of the Trust:

The Trust hereby created shall be established from the date of the Trust Deed.

Date of Termination and final settlement of the Trust (Bond):

The Trust shall continue to exist until all liabilities including the principal, premium (if any) and interest are repaid in full in accordance with the terms and conditions of the Bonds and the Trust Deed.

**ANNEXURE 1: AUDITED FINANCIAL STATEMENTS OF IFIC BANK
LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020**

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Independent Auditor's Report and Audited Financial Statements

as at and for the year ended 31 December 2020



Howladar Yunus & Co.

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Road-16A, Gulshan-1
Dhaka-1212
Bangladesh

T: +880 2 58815247

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 International Finance Investment and Commerce (IFIC) Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of IFIC Bank Limited (the "Bank"), which comprise the consolidated and separate Balance Sheets as at 31 December 2020, and consolidated and separate Profit and Loss Accounts, consolidated and separate statement of Changes in Equity, and consolidated and separate Cash Flow Statements for the year then ended, and notes to 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 31 December 2020, and of its consolidated and separate financial performance and its consolidated and separate Cash Flows for the year 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 Auditors' 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), Bangladesh Securities and Exchange Commission (BSEC), and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Chartered Accountants

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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.

1. Measurement of provision for Loans and Advances	
See notes no. 7, 8, and 15.1 to 15.3 to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provision 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 the further business performance of the borrower; • The market value of the collateral; and • Ability to repossess the collateral. <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 from time to time.</p> <p>Due to the high level of judgment involved and using some manual process in estimating the provision for loans and advance, we considered this to be a key audit matter.</p> <p>Interest amounting to Taka 5,655.15 million were transferred to Income account with the approval of the Board based on the recommendations of the Board Audit Committee in compliance with BRPD Circular No. 56, dated December 10, 2020, and an additional 1% Special general provision COVID-19 has been maintained amounting to Taka 1,200 million in line with the direction of said circular.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Reviewed the adequacy of transfer of interests to the Income account appropriate approvals in line with the Bangladesh Bank's guideline. <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; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and





At the year end, the Bank reported total loans and advances of BDT 260,650 million (2019: BDT 228,589 million) and provision for loans and advances of BDT 7,842 million (2019: BDT 6,034 million).	<ul style="list-style-type: none"> Reviewed the grounds for recommendations for approvals in cases of transfer of interests to the Income account.
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2. Valuation of Treasury Bill and Treasury Bond

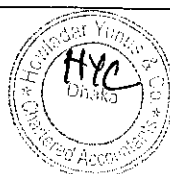
See note no. 6 to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>The classification and measurement of Treasury Bills and Treasury Bonds require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models.</p>	<p>We tested the operating effectiveness of key controls focusing on the classification and measurement of Treasury Bills and Treasury Bonds.</p> <p>We tested a sample of the valuation models and the inputs used in those models using a variety of techniques. Applied in the circumstances.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

3. Measurement of Deferred Tax Assets

See note no. 10.5 to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>The Bank has reported net deferred tax assets to a total of BDT 731 million (2019: BDT 870 million) as at 31 December 2020.</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding of the Group and the Bank's key controls over the recognition and measurement of deferred tax assets and the assumptions used in estimating the Group and Bank's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition, and measurement of DTA's.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures as per IAS 12 Income Tax.</p>





4. Legal and Regulatory matters	
The Key Audit Matter	How the matter was addressed in our audit
<p>We focused on legal and regulatory matters because the Group and the Bank operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions and other contingent liabilities.</p>	<p>We obtained an understanding of the Group and The Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsels.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provision, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>
5. IT Systems and Controls	
The Key Audit Matter	How the matter was addressed in our audit
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volumes of transactions processed in numerous locations daily, and are reliance on automated and manual with automated (IT Dependent) controls.</p> <p>We have focused on Data management, user access management, and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring the operating effectiveness of manual with automated control and automated controls.</p> <p>We also concentrated on formal security administration policies and procedures to</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT General Controls (Logical Access, Changes in management, and aspects of IT Operational Controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We performed the Tests of IT General Controls to evaluate the Application Development and</p>





determine whether they are approved, comprehensive, up-to-date, and bank-wide communicated.	Database, Hosting Platforms, and segregation of incompatible duties relevant to application and database change management.
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6. Carrying value of Investments in Subsidiaries by the Bank

See note no. 10.4 to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>The Bank has invested in equity shares of its subsidiaries namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited. As of 31 December 2020, the carrying value of these investments is BDT 2,234 million (2019: BDT 2,233 million).</p> <p>At the time of conducting our audit of the separate financial statements of the Bank, we have considered the recoverable value of the Bank's investments in IFIC Securities Limited and IFIC Money Transfer (UK) Limited stated at cost.</p>	<p>We have reviewed management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36: Impairment of Assets.</p> <p>We have analyzed the appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p>

Other Information

Management of the Bank is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the bank.





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

Management of the Bank is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also 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 Companies Act, 1991 (as amended up to date), and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control, and risk management functions of the Bank.

The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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 or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

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.
- 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 auditors' 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 1987, the Bank Companies Act 1991 (as amended up to date), the Financial Reporting Act 2015, and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's 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.
- (iii) financial statements of two subsidiaries namely, IFIC Securities Limited and IFIC Money Transfer (UK) Limited has been audited by Howladar Yunus & Co., Chartered Accountants, and Ahmed & Co. (UK) respectively, and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of accounts 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 account 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 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, 15.2, 15.3, and 15.7.
- (x) the information and explanations 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 4,700 person hours; and
- (xii) Bank maintained Capital to Risk-weighted Asset Ratio (CRAR) as explained in note 16.7.

Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521

Howladar Yunus & Co., Chartered Accountants

Firm Registration Number: [N/A]

Dated: Dhaka, 31 March 2021

DVC No.: 2104010521AS369193

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Balance Sheet
as at 31 December 2020

Particulars	Note	Amount in BDT	
		31 December 2020	31 December 2019
PROPERTY AND ASSETS			
Cash	3	18,496,393,531	18,056,029,773
Cash in hand (including foreign currency)	3.1	4,088,663,229	2,872,338,679
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	14,407,730,302	15,183,691,094
Balance with other banks and financial institutions	4	8,068,327,513	5,637,834,204
In Bangladesh	4.1	6,682,557,302	4,014,719,294
Outside Bangladesh	4	1,385,770,211	1,623,114,910
Money at call and on short notice	5	2,330,000,000	910,000,000
Investments	6	58,100,080,583	47,216,443,756
Government securities	6.1	46,979,431,855	41,369,255,890
Other investments	6.2	11,120,648,728	5,847,187,866
Loans and advances		261,697,427,473	232,523,441,067
Loans, cash credit, overdrafts etc.	7.1	247,051,243,375	221,562,693,268
Bills purchased and discounted	8	14,646,184,098	10,960,747,799
Fixed assets including premises, furniture and fixtures	9	7,537,124,576	6,430,431,620
Other assets	10	11,426,737,686	9,606,537,605
Non-banking assets	11	373,474,800	373,474,800
Total assets		368,029,566,161	320,754,192,825
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	12	13,021,794,012	8,215,860,335
Subordinated debt	13	2,100,000,000	2,800,000,000
Deposits and other accounts	14	296,346,489,666	258,180,418,372
Current deposit and other accounts	14.1	92,694,716,685	56,902,194,086
Bills payable	14.2	2,547,263,402	1,840,433,536
Savings bank deposits	14.3	25,343,706,980	23,299,407,700
Fixed deposits	14.4	175,760,802,599	176,138,383,050
Other liabilities	15	28,737,360,373	25,014,936,764
Total liabilities		340,205,644,051	294,211,215,471
Capital/Shareholders' equity			
Paid up capital	16.2	16,198,738,680	14,726,126,080
Statutory reserve	17	6,864,775,853	6,531,903,475
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19	107,849,126	50,121,137
Revaluation reserve against fixed assets	20	115,314,704	115,314,704
Foreign currency translation reserve	20.a	134,088,406	43,867,936
Surplus in profit and loss account	22	4,248,076,927	4,920,565,744
Attributable to equity holders		27,823,915,093	26,542,970,473
Non-controlling interest	23	7,016	6,880
Total shareholders' equity		27,823,922,109	26,542,977,353
Total liabilities and shareholders' equity		368,029,566,161	320,754,192,825




INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

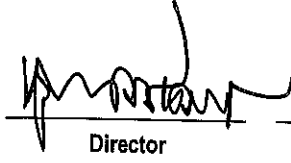
Consolidated Balance Sheet
as at 31 December 2020


Particulars	Note	Amount in BDT	
		31 December 2020	31 December 2019
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24	50,483,678,851	51,095,166,712
Acceptances and endorsements	24.1	16,350,951,601	17,978,428,515
Letters of guarantee	24.2	8,058,992,366	9,274,250,539
Irrevocable letters of credit	24.3	17,880,361,773	14,673,137,826
Bills for collection	24.4	8,193,373,111	9,169,349,832
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		50,483,678,851	51,095,166,712

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


Managing Director & CEO


Director


Director


Director

Signed as per our annexed report of same date



Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521
Howladar Yunus & Co., Chartered Accountants
Firm Registration Number: [N/A]

Dhaka, 31 March 2021

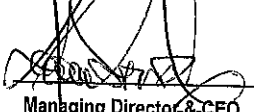
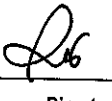
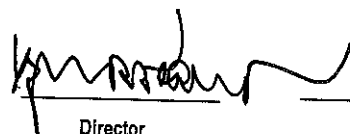
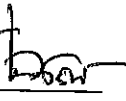
DVC No.: 2104010521AS369193

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Profit and Loss Account
For the year ended 31 December 2020

Particulars	Note	Amount in BDT	
		2020	2019
Interest income	26	21,170,256,030	24,478,436,655
Interest paid on deposits, borrowings etc.	27	18,292,521,314	18,028,004,167
Net interest income		2,877,734,717	6,450,432,488
Investment income	28	3,501,469,298	2,458,206,971
Commission, exchange and brokerage	29	1,558,776,252	1,698,099,119
Other operating income	30	605,362,198	434,472,898
		5,665,607,748	4,590,778,988
Total operating income		8,543,342,465	11,041,211,476
Salary and allowances	31	2,560,507,662	2,576,223,530
Rent, taxes, insurance, electricity etc.	32	418,605,546	579,414,593
Legal expenses	33	10,712,980	10,070,711
Postage, stamp, telecommunication etc.	34	73,869,808	63,669,117
Stationery, printing, advertisement etc.	35	358,974,150	440,303,684
Managing Director's salary	36	20,975,250	15,720,000
Directors' fees	37	1,892,000	1,854,500
Auditors' fees	38	3,051,750	3,509,093
Charges on loan losses		-	758,054,030
Depreciation and repair of bank's assets	39	1,070,408,309	741,346,537
Other expenses	40	1,065,997,697	873,877,546
Total operating expenses		5,584,995,153	6,064,043,341
Operating profit		2,958,347,312	4,977,168,135
Share of profit of joint ventures/associates	40.a	522,479,151	553,833,085
Profit before provision		3,480,826,463	5,531,001,220
Provision for loans, investments & other assets	41		
Provision for loans and advance		1,498,673,893	774,041,752
Provision for diminution in value of investments		(300,613,649)	130,186,221
Other provisions		35,971,496	42,052,379
Total provision		1,234,031,740	946,280,352
Profit/(Loss) before taxes		2,246,794,722	4,584,720,868
Provision for taxation			
Current tax		975,923,486	1,721,922,569
Deferred tax expense/(income)		137,874,939	35,067,669
		1,113,798,425	1,756,990,238
Net profit after taxation		1,132,996,297	2,827,730,630
Net profit after tax attributable to:			
Equity holders of the Bank		1,132,996,161	2,827,730,568
Non-controlling interest		136	62
		1,132,996,297	2,827,730,630
Profit available for appropriation:			
Retained earnings brought forward from previous year		4,920,565,744	4,267,059,068
Add: Net profit after tax (attributable to equity holders of the Bank)		1,132,996,161	2,827,730,568
		6,053,561,905	7,094,789,636
Appropriations:			
Statutory reserve		332,872,378	835,485,162
General reserve		-	-
Dividend		1,472,612,600	1,338,738,730
		1,805,484,978	2,174,223,892
Retained surplus		4,248,076,927	4,920,565,744
Earnings Per Share (EPS)		0.70	1.75

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

Managing Director & CEO Director Director Director

Signed as per our annexed report of same date

Muhammad Farooq

Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521
Howladar Yunus & Co., Chartered Accountants
Firm Registration Number: [N/A]

Dhaka, 31 March 2021

DVC No.: 2104010521AS369193

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Consolidated Cash Flow Statement
For the year ended 31 December 2020

Particulars	Note	Amount in BDT	
		2020	2019
A. Cash flows from operating activities			
Interest received		24,404,994,090	26,971,611,707
Interest payments		(19,444,860,529)	(16,740,005,553)
Dividend received		105,135,607	211,291,220
Fees and commission received		1,567,381,555	1,698,099,119
Recoveries of loans and advances previously written-off		161,055,817	601,783,125
Cash payments to employees		(2,831,594,912)	(2,582,443,530)
Cash payments to suppliers		(386,808,355)	(486,915,656)
Income taxes paid		(1,261,407,373)	(1,702,545,421)
Receipts from other operating activities	43	567,756,329	438,702,331
Payments for other operating activities	44	(1,703,770,755)	(1,648,751,205)
Operating cash flows before changing in operating assets and liabilities		1,177,881,474	6,760,826,137
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		(31,668,464,339)	(23,122,311,754)
Other assets	46	(422,065,491)	(198,632,806)
Deposits from other banks		(8,448,134,949)	(3,167,323,151)
Deposits from customers		47,606,024,704	33,804,194,781
Other liabilities	47	333,961,325	(183,655,716)
Net cash flows from/(used in) operating activities		7,401,321,250	7,132,271,354
B. Cash flows from investing activities		8,579,202,724	13,893,097,492
Net proceeds/(payments) from sale/(purchase) of Government securities		(5,552,113,576)	(14,072,890,953)
Net proceeds/(payments) from sale/(purchase) of securities		(4,668,979,098)	(82,932,707)
Purchase of property, plant & equipment		(937,430,303)	(632,524,390)
Proceeds from sale of property, plant & equipment		2,327,116	2,609,682
Net cash flows from/(used in) investing activities		(11,156,195,861)	(14,785,738,368)
C. Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		6,966,197,110	(2,453,571,943)
Payment against lease obligation		(194,051,377)	(137,348,282)
Net cash flows from/(used in) financing activities		6,772,145,733	(2,590,920,225)
D. Net increase/(decrease) in cash (A+B+C)		4,195,152,596	(3,483,561,101)
E. Effects of exchange rate changes on cash and cash equivalents		96,038,871	(21,451,422)
F. Opening balance of cash and cash equivalents		24,606,978,576	28,111,991,100
G. Closing balance of cash and cash equivalents (D+E+F)		28,898,170,044	24,606,978,577
Closing cash and cash equivalents	45		
Cash in hand		4,088,663,229	2,872,338,679
Balance with Bangladesh Bank and its agents bank		14,407,730,302	15,183,691,094
Balance with other banks and financial institutions		8,068,327,513	5,637,834,204
Money at call and on short notice		2,330,000,000	910,000,000
Prize bonds		3,449,000	3,114,600
		28,898,170,044	24,606,978,577



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Consolidated Statement of Changes in Equity
For the year ended 31 December 2020

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 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	26,542,977,353
Surplus/(deficit) on account of revaluation of investments	-	-	-	57,727,989	-	-	-	-	57,727,989
Effect of foreign currency translation	-	-	-	-	-	90,220,469	-	-	90,220,469
Net gain and losses not recognized in the profit and loss account	14,726,126,080	6,531,903,475	155,071,397	107,849,126	115,314,704	134,088,406	4,920,565,744	6,880	26,690,925,812
Net profit for the year	-	-	-	-	-	-	1,132,996,161	136	1,132,996,297
Bonus share issued for the year 2019	1,472,612,600	-	-	-	-	-	(1,472,612,600)	-	-
Transfer to statutory reserve	-	332,872,378	-	-	-	-	(332,872,378)	-	-
Balance as at 31 December 2020	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
Balance as at 1 January 2019	13,387,387,350	5,696,418,313	155,071,397	13,108,847	115,314,704	43,292,875	4,267,059,068	6,818	23,677,659,372
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2019	13,387,387,350	5,696,418,313	155,071,397	13,108,847	115,314,704	43,292,875	4,267,059,068	6,818	23,677,659,372
Surplus/(deficit) on account of revaluation of investments	-	-	-	37,012,290	-	-	-	-	37,012,290
Effect of foreign currency translation	-	-	-	-	-	575,061	-	-	575,061
Transfer from provision to general reserve	-	-	-	-	-	-	-	-	-
Net gain and losses not recognized in the profit and loss account	13,387,387,350	5,696,418,313	155,071,397	50,121,137	115,314,704	43,867,936	4,267,059,068	6,818	23,715,246,723
Net profit for the year	-	-	-	-	-	-	2,827,730,568	62	2,827,730,630
Bonus share issued for the year 2018	1,338,738,730	-	-	-	-	-	(1,338,738,730)	-	-
Transfer to statutory reserve	-	835,485,162	-	-	-	-	(835,485,162)	-	-
Balance as at 31 December 2019	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



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
as at 31 December 2020

Amount in BDT

Particulars	Note	31 December 2020	31 December 2019
PROPERTY AND ASSETS			
Cash	3	18,492,529,970	18,054,911,164
Cash in hand (including foreign currency)	3.1	4,084,799,668	2,871,220,070
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	14,407,730,302	15,183,691,094
Balance with other banks and financial institutions	4	8,895,390,969	5,617,034,218
In Bangladesh	4.1	7,511,869,424	4,014,719,294
Outside Bangladesh	4	1,383,521,545	1,602,314,924
Money at call and on short notice	5	2,330,000,000	910,000,000
Investments	6	52,722,425,470	45,500,148,033
Government securities	6.1	46,979,431,855	41,369,255,890
Other investments	6.2	5,742,993,615	4,130,892,143
Loans and advances		260,650,289,525	228,588,500,237
Loans, cash credit, overdrafts etc.	7.1	246,004,105,427	217,627,752,438
Bills purchased and discounted	8	14,646,184,098	10,960,747,799
Fixed assets including premises, furniture and fixtures	9	7,495,172,120	6,384,198,894
Other assets	10	12,452,484,222	11,522,075,844
Non-banking assets	11	373,474,800	373,474,800
Total assets		363,411,767,076	316,950,343,190
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	12	13,021,794,012	8,215,860,335
Subordinated debt	13	2,100,000,000	2,800,000,000
Deposits and other accounts	14	296,373,946,429	258,368,141,236
Current deposit and other accounts	14.1	92,720,625,780	57,089,778,779
Bills payable	14.2	2,547,263,402	1,840,433,536
Savings bank deposits	14.3	25,343,706,980	23,299,407,700
Fixed deposits	14.4	175,762,350,267	176,138,521,221
Other liabilities	15	26,699,071,654	22,969,362,164
Total liabilities		338,194,812,095	292,353,363,735
Capital/Shareholders' equity			
Paid up capital	16.2	16,198,738,680	14,726,126,080
Statutory reserve	17	6,864,775,853	6,531,903,475
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19	107,849,126	50,121,137
Revaluation reserve against fixed assets	20	115,314,704	115,314,704
Surplus in profit and loss account	21	1,775,205,220	3,018,442,662
Total shareholders' equity		25,216,954,980	24,596,979,455
Total liabilities and shareholders' equity		363,411,767,076	316,950,343,190




INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
as at 31 December 2020

Amount in BDT

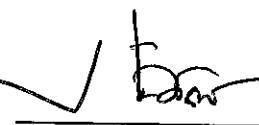
Particulars	Note	Amount in BDT	
		31 December 2020	31 December 2019
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24	50,483,678,851	51,095,166,712
Acceptances and endorsements	24.1	16,350,951,601	17,978,428,515
Letters of guarantee	24.2	8,058,992,366	9,274,250,539
Irrevocable letters of credit	24.3	17,880,361,773	14,673,137,826
Bills for collection	24.4	8,193,373,111	9,169,349,832
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		50,483,678,851	51,095,166,712

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


Managing Director & CEO


Director


Director


Director

Signed as per our annexed report of same date



Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521

Howladar Yunus & Co., Chartered Accountants

Firm Registration Number: [N/A]

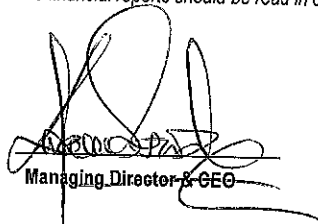
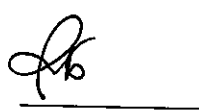
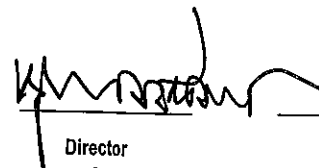

Dhaka, 31 March 2021

DVC No.: 2104010521AS369193

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
 Profit and Loss Account
 For the year ended 31 December 2020

Particulars	Note	2020	2019
Interest income	26	21,159,059,728	24,425,901,857
Interest paid on deposits, borrowings, etc.	27	18,294,764,064	18,028,020,880
Net interest income		2,864,295,664	6,397,880,977
Investment income	28	3,454,712,181	2,626,318,570
Commission, exchange and brokerage	29	1,508,518,057	1,662,336,401
Other operating income	30	597,074,284	433,206,205
Total operating income		5,560,304,522	4,721,861,176
		8,424,600,186	11,119,742,153
Salary and allowances	31	2,536,366,543	2,552,110,868
Rent, taxes, insurance, electricity, etc.	32	414,727,523	565,034,570
Legal expenses	33	6,927,473	8,599,690
Postage, stamp, telecommunication, etc.	34	73,303,297	63,430,699
Stationery, printing, advertisement, etc.	35	358,588,600	439,870,887
Managing Director's salary	36	20,975,250	15,720,000
Directors' fees	37	1,672,000	1,560,000
Auditors' fees	38	2,427,778	2,916,667
Charges on loan losses		-	758,054,030
Depreciation and repair of bank's assets	39	1,061,395,200	734,843,273
Other expenses	40	1,046,562,803	857,155,397
Total operating expenses		5,522,946,467	5,999,296,081
Profit/(Loss) before provision		2,901,653,719	5,120,446,072
Provision for loans, investments and other assets	41		
Provision for loans and advance		1,498,673,893	774,041,752
Provision for diminution in value of investments		(297,353,559)	126,926,131
Other provisions		35,971,496	42,052,379
Total Provision		1,237,291,830	943,020,262
Profit/(Loss) before taxes		1,664,361,889	4,177,425,810
Provision for taxation	42		
Current tax		963,000,000	1,700,000,000
Deferred tax expense/(income)		139,114,352	33,692,863
		1,102,114,352	1,733,692,863
Net profit after taxation		562,247,536	2,443,732,947
Retained earnings brought forward from previous year		3,018,442,662	2,748,933,607
		3,580,690,199	5,192,666,554
Appropriations			
Statutory reserve		332,872,378	835,485,162
General reserve		-	-
Dividend		1,472,612,600	1,338,738,730
		1,805,484,978	2,174,223,892
Retained surplus		1,775,205,221	3,018,442,662
Earnings Per Share (EPS)	50	0.35	1.51

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

Managing Director & CEO Director Director Director
 Signed as per our annexed report of same date

Muhammad Farooq

Muhammad Farooq FCA, Managing Partner, Enrolment No.: 0521

Howladar Yunus & Co., Chartered Accountants

Firm Registration Number: [N/A]

Dhaka, 31 March 2021

DVC No.: 2104010521AS369193

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Separate Cash Flow Statement

For the year ended 31 December 2020

Particulars	Amount in BDT	
	2020	2019
A. Cash flows from operating activities		
Interest received	24,359,789,186	26,919,076,909
Interest payments	(19,410,851,928)	(16,738,966,100)
Dividend received	67,006,708	208,265,302
Fees and commission received	1,508,518,057	1,662,336,401
Recoveries of loans and advances previously written-off	161,055,817	601,783,125
Cash payments to employees	(2,807,341,793)	(2,558,330,868)
Cash payments to suppliers	(387,651,783)	(486,915,656)
Income taxes paid	(1,238,529,182)	(1,660,879,183)
Receipts from other operating activities	43 550,840,197	435,247,023
Payments for other operating activities	44 (1,676,730,733)	(1,614,038,549)
Operating cash flows before changing in operating assets and liabilities	1,126,104,546	6,767,578,404
Increase/(decrease) in operating assets and liabilities		
Statutory deposits	-	-
Loans and advances to other banks	-	-
Loans and advances to customers	(31,704,320,689)	(23,239,690,456)
Other assets	46 448,041,159	(208,344,698)
Deposits from other banks	(8,448,134,949)	(3,167,323,151)
Deposits from customers	47,551,023,032	33,887,438,885
Other liabilities	47 250,670,162	(169,972,291)
	8,097,278,715	7,102,108,289
Net cash flows from/(used in) operating activities	9,223,383,261	13,869,686,693
B. Cash flows from investing activities		
Net proceeds/(payments) from sale/(purchase) of Government securities	(5,552,113,576)	(14,072,890,953)
Net proceeds/(payments) from sale/(purchase) of securities	(1,612,101,472)	(85,012,872)
Purchase of property, plant & equipment	(931,522,495)	(594,177,750)
Proceeds from sale of property, plant & equipment	2,185,616	2,609,682
Net cash flows from/(used in) investing activities	(8,093,551,927)	(14,749,471,893)
C. Cash flows from financing activities		
Borrowing from other banks, financial institution and agents	4,105,933,677	(2,453,571,943)
Dividend paid (cash)	-	-
Payment against lease obligation	(194,051,377)	(137,348,282)
Net cash flows from/(used in) financing activities	3,911,882,300	(2,590,920,225)
D. Net increase/(decrease) in cash (A+B+C)	5,041,713,634	(3,470,705,425)
E. Effects of exchange rate changes on cash and cash equivalents	94,596,324	(23,281,415)
F. Opening balance of cash and cash equivalents	24,585,059,982	28,079,046,822
G. Closing balance of cash and cash equivalents (D+E+F)	29,721,369,939	24,585,059,982
Closing cash and cash equivalents	45	
Cash in hand	4,084,799,668	2,871,220,070
Balance with Bangladesh Bank and its agents bank	14,407,730,302	15,183,691,094
Balance with other banks and financial institutions	8,895,390,969	5,617,034,218
Money at call and on short notice	2,330,000,000	910,000,000
Prize bonds	3,449,000	3,114,600
	29,721,369,939	24,585,059,982

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 year ended 31 December 2020

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 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	-	-	-	57,727,989	-	-	57,727,989
Net gain and losses not recognized in the income statement	14,726,126,080	6,531,903,475	155,071,397	107,849,126	115,314,704	3,018,442,662	24,654,707,444
Net Profit for the year	-	-	-	-	-	562,247,536	562,247,536
Bonus share issued for the year 2019	1,472,612,600	-	-	-	-	(1,472,612,600)	-
Transfer to statutory reserve	-	332,872,378	-	-	-	(332,872,378)	-
Balance as at 31 December 2020	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
Balance as at 1 January 2019	13,387,387,350	5,696,418,313	155,071,397	13,108,846	115,314,704	2,748,933,607	22,116,234,218
Impact of changes in accounting policy	-	-	-	-	-	-	-
Restated balance as at 1 January 2019	13,387,387,350	5,696,418,313	155,071,397	13,108,846	115,314,704	2,748,933,607	22,116,234,218
Surplus/deficit on account of revaluation of investments	-	-	-	37,012,290	-	-	37,012,290
Net gain and losses not recognized in the income statement	13,387,387,350	5,696,418,313	155,071,397	50,121,136	115,314,704	2,748,933,607	22,153,246,508
Net profit for the year	-	-	-	-	-	2,443,732,947	2,443,732,947
Bonus share issued for the year 2018	1,338,738,730	-	-	-	-	(1,338,738,730)	-
Transfer to statutory reserve	-	835,485,162	-	-	-	(835,485,162)	-
Balance as at 31 December 2019	14,726,126,080	6,531,903,475	155,071,397	50,121,136	115,314,704	3,018,442,662	24,596,979,455



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Liquidity Statement

Maturity Analysis of Assets and Liabilities

as at 31 December 2020

Particulars	Maturity Period					Amount in BDT
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	
Assets						Total
Cash in hand (including Bangladesh Bank)	6,819,736,350	129,422,144	129,422,144	-	11,413,949,333	18,492,529,970
Balance with other banks and financial institutions	5,225,390,969	3,670,000,000	-	-	-	8,895,390,969
Money at call and on short notice	2,330,000,000	-	-	-	-	2,330,000,000
Investment	4,266,434,939	4,061,017,479	10,560,146,950	21,981,612,395	11,853,213,708	52,722,425,470
Loans and advances	79,966,355,692	19,747,387,255	28,568,581,510	55,795,097,917	76,572,867,151	260,650,289,525
Fixed assets including premises, furniture and fixture	-	749,517,212	1,124,275,818	2,998,068,848	2,623,310,242	7,495,172,120
Other assets	2,427,594,262	4,560,784,334	2,022,995,218	1,206,768,149	2,234,342,260	12,452,484,222
Non-banking assets	-	-	-	373,474,800	-	373,474,800
Total assets	101,035,512,212	32,918,128,423	42,405,421,639	82,355,022,109	104,697,682,693	363,411,767,076
Liabilities						
Subordinated debt	-	-	700,000,000	1,400,000,000	-	2,100,000,000
Borrowing from other banks, financial institutions and agents	1,482,457,108	4,191,908,871	7,088,478,478	123,803,291	135,146,264	13,021,794,012
Deposits and other accounts	47,640,720,255	48,408,607,746	64,850,783,722	33,248,619,980	102,225,214,727	296,373,946,429
Other liabilities	2,221,588,997	414,205,283	4,652,244,556	2,426,379,102	16,984,653,716	26,699,071,654
Total liabilities	51,344,766,360	53,014,721,899	77,291,506,756	37,198,802,373	119,345,014,706	338,194,812,095
Net liquidity	49,690,745,852	(20,096,593,477)	(34,886,085,116)	45,156,219,735	(14,647,332,014)	25,216,954,980



Notes to the Financial Statements

As at and for the year ended 31 December 2020

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 aboard. 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 154 branches, 285 Uposhakhas, and 38 ATM booths with 51 ATMs as at 31 December 2020.

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 transactions. 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 is located at IFIC Tower, 61, Purana Paltan, Dhaka - 1000, Bangladesh.

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 are remitting/transfer money and related services on behalf of its customers.

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 are, to remit/transfer money/funds 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 are held by the Omani sponsors. The registered office is located in 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 the Pakistan Stock Exchange. IFIC Bank had two branches in Pakistan, one in 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 a 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 from 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 year-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 year end market price and Net Assets Value (NAV) of the 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 the investment on a 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 costs are measured at the 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 the revaluation of securities which have not matured as at the balance sheet date to be recognized as other reserves in equity. Any losses on the revaluation of securities that 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 is recognized in the profit and loss account. Held to Maturity (HTM) securities that have not matured as of the balance sheet date are amortized at year end and gains or losses on amortization are recognized in other reserves 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 the selling price and repurchase price will be treated as an 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 months 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 have 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 the large restructured loans, 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 the 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 becomes 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 is not allowed to be recognized as income, rather the corresponding amount transferred/credited to an interest in the 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 statements.

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 require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the 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 items 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 bonds 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, 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 a 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 assets 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 assets 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, dated 25 June 2003, 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 the 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 the 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, dated 25 June 2003, 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 the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, cash flow statement, adequate notes comprising the 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 prepare their financial statements in the prescribed template comprising the 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 2.2.13 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 intention 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 the bank's liquidity as per structured liquidity profile to determine the 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 does not see any issue with respect to going concern due to the 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. The functional currency of the Off-shore Banking Unit and one of the subsidiaries namely IFIC Money Transfer (UK) Limited is US Dollar (USD) and Great Britain Pound (GBP) respectively. The functional currency for two associates – Oman Exchange LLC and Nepal Bangladesh Bank Limited is Omani Rial and Nepalese Rupee respectively. The financial information presented in BDT has been rounded off to the nearest integer, except otherwise indicated. The financial statement and information of the subsidiaries and joint venture/associates whose functional currency is different from that of IFIC Bank Limited have 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 is considered as significant and has been presented separately in the financial statements. No assets have 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 a 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 year. Comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year'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 that 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 the 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:

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

2.1.8. Reporting period

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

2.1.9. Date of authorization

The Board of Directors has authorized these financial statements for public issue on 31 March 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;
- The 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 year, the bank has not adopted any change of accounting estimates.

2.1.11. Basis of consolidated

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 the United Kingdom as those of a single economic entity. The separate financial statements are derived by combining the financial statements of the 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 year ended 31 December 2020. 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 comprise the Balance Sheet, the Profit & Loss Statement, the Cash Flow Statement, the 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 the 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 the 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. The basis for the 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 the following basis for the preparation of the 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 -

- 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
- 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 an 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 accreted 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 that 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 amounts 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)

Investments 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 market to market basis. The Decrease in the book value is recognized in the profit and loss account and any increase is transferred to the revaluation reserve account.

iii. Investment in quoted shares/securities

These shares/securities are bought and held primarily for the purpose of selling in the 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

Investments in unquoted shares/securities are initially recognized at cost and revalued based on the book value of the 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

Investments in the subsidiaries are 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

Investments 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 are recognized in the investor's share of 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 pre-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 the 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 is 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. The land is initially measured at cost and then recognized at revalued amount. The bank has charged depreciation using the 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 are 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 the 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 of.
- 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 assets 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 an 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 of a heightened risk of the 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 the 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. The 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 leases 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 the early periods of the 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. 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. The 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 the 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%
Loans under Deferral during COVID-19		1%				
Off-balance sheet		1%				

ii. Provision for taxation

Income tax on profit for the year 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 year, 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 the current tax provision involves making judgments regarding the admissibility of certain expenses as well as estimating the amount of other expenses for tax purposes. A numerical reconciliation between tax expenses and the product of accounting profit multiplied by the applicable tax rate has been disclosed on page no. of this Annual Report.

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 the 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 measure 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 significant difference between Solo and consolidated basis deferred tax, the Bank does not disclose consolidated deferred tax separately.

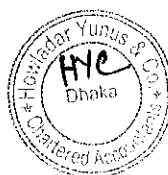
iii. Provision for diminution in value of the investment

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 FEPA (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 a quarterly basis and is 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, the general provision at the rate of 0% to 1% has been made against off-balance sheet exposures (mainly contingent assets/liabilities).

2.2.1.9. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are employee benefits that 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 the respective plan:

Provident fund (Defined Contributory Plan)

"Defined Contribution Plan" is a post-employment benefit plan under which an entity pays a 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 on 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 a subscription to the fund. The bank also contributes an 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 the 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 a minimum of 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 the 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 a scheme to provide Salary Over Draft and Staff House Building Loan to its eligible staff as per the policy of the Bank.

2.2.2. Income

Revenue recognition

i. Interest income

In terms of the provision of the *IFRS 15: Revenue from Contracts with Customers*, 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 an accrual basis. Investment income includes interest on treasury bills, treasury bonds, and term placement with other banks and financial institutions. Capital gain/loss on the 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 include 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 that arise 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 year in which the significant risks and rewards of ownership are transferred to the buyer.

2.2.3. Expenses

2.2.3.1. Interest paid on deposits and borrowings

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

2.2.3.2. Management and other expenses

General and administrative expenses of the Bank are recognized on an 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 the 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 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 increased amount is directly credited to equity under

the head of the 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 acquired 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 the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions 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 were 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. The 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 shares issued during the period multiplied by a time weighted factor. The time-weighted factor is the number of days the specific shares were outstanding as a proportion of the total number of days in the year.

The basis of computation of the 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 are 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 the 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*. The overall effect of the COVID-19 global pandemic on the Bank's business in the post 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 business activities, risk management is essential for ensuring the sustainability of the business. The type of risk may vary from business to business, however, preparing a comprehensive risk management plan involves a collaborative process. Bangladesh Bank issued a revised risk management guideline in October 2018, which forms the basis of risk management. Risk management among banks broadly covers 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 the 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 is discussed 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 of these defined regulations. The 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 contains how to manage credit risk in the origination process, how to organize, the role of the board, senior management, and CRM Committee, credit risk mitigation strategies, MIS for credit risk, managing problem assets including the 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 develops the strategies for appropriate management, measurement, and monitoring of 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 the 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 the ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirements from all business units, asset-liability mismatch, etc. The maturity gap of the



assets-liabilities and interest rate movement is also monitored by the ALCO including the optimum liquidity position of the Bank in line with a 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 the 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 these policies is to provide a guideline to comply with all applicable local laws and regulations regarding the prevention of Money Laundering and combating Terrorist Financing, both at the country and international level, to safeguard the Bank from 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 is 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 a comprehensive internal audit of the branches as well as different divisions/departments of the 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 the 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, the operational process very minutely to ensure the smooth operation of the Bank. The 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. The monitoring unit is responsible for the 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' is 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 the IT division and an 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. The 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 the Service Level Agreements (SLA) with the vendors who are directly involved in 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 the security of the ICT Systems and is continuously updating them to strengthen the 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), customers can make the transaction within Bank or Other Bank through EFT and RTGS,

customer can make the credit card payments, 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. The Internal Control and Compliance Division of the Bank monitors the 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 with 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 costs or losses.

Liquidity risk arises when the cushion provided by the liquid assets is 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 a 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, streams 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 a 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 the trading portfolio and non-trading portfolio. The trading portfolio of the Bank consists of government treasury bills, bonds, etc. The interest rate risk of the non-trading business arises from mismatches between the future yield of an asset and its funding cost. The 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 sheets, 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 important issues in recent years. These have a major impact on our country's economy, impeding economic development. IFIC Bank has always been focused on controlling fraud and forgery by establishing and maintaining the proper controlling system. Today, fraud and forgery appear in diverse forms. The incidence of fraud may occur due to rapid changes in the technological environment in the banking sector or intentional behavioral aspects 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 workplace, employees may commit fraudulent activities within the Bank. To prevent the fraud and forgeries, the Bank has adopted a 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 arranges training programs for its executives and personnel working at the branch and head office level. The Internal Control and Compliance unit of the Bank also works very extensively to ensure the effectiveness of the internal control system throughout the Bank. The Internal Control Unit (ICU) of each branch and division monitors the transaction 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/CMRRC/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 are 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 the 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 2019 and 2018 respectively as per BRPD Circular no. 6, dated 5 July 2006. The following ratings for different years have been awarded:

Types of Rating	Financial Statements	Rating Status			Validity
		Long Term	Short Term	Outlook	
Entity	Jan to Dec 2019	AA	ST-2	Stable	30-Jun-21
Entity	Jan to Dec 2018	AA2	ST-2	Stable	30-Jun-20

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 the 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
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
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 01 January 2020 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 Contracts 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.

Notes to the Financial Statements
as at and for the year ended 31 December 2020

Particulars	Note	Amount in BDT			
		Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
3 Cash					
Cash in hand (including foreign currency)	3.1	4,088,663,229	2,872,338,679	4,084,799,668	2,871,220,070
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	14,407,730,302	15,183,691,094	14,407,730,302	15,183,691,094
		18,496,393,531	18,056,029,773	18,492,529,970	18,054,911,164
3.1 Cash in hand (including foreign currency)					
Local currency in hand		3,897,956,857	2,614,536,950	3,894,093,296	2,613,418,341
Foreign currencies in hand		48,580,124	26,676,145	48,580,124	26,676,145
Cash with ATM		142,126,248	231,125,584	142,126,248	231,125,584
		4,088,663,229	2,872,338,679	4,084,799,668	2,871,220,070
3.2 Balance with Bangladesh Bank and its agents bank					
Bangladesh Bank					
Local currency		12,617,035,050	13,941,793,439	12,617,035,050	13,941,793,439
Foreign currency		1,294,221,438	828,671,007	1,294,221,438	828,671,007
		13,911,256,488	14,770,464,446	13,911,256,488	14,770,464,446
Sonali Bank as agent of Bangladesh Bank		496,473,814	413,226,648	496,473,814	413,226,648
		14,407,730,302	15,183,691,094	14,407,730,302	15,183,691,094
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% [Y2019: 5.0%] on daily basis and 4.0% [Y2019: 5.5%] on bi-weekly basis based on weekly average demand and time liabilities excluding inter-bank deposits of immediate preceding two months [i.e., CRR of December was based on a weekly average balance of October]. CRR maintained by the Bank as per statutory requirement is shown below:					
Average time and demand liabilities				286,188,268,000	238,109,113,000
Required reserve				11,444,715,000	13,096,001,000
Actual reserve maintained*				12,795,868,070	13,908,390,162
Surplus				1,351,153,070	812,389,162
* 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 December was based on a weekly average balance of October]. SLR maintained by the Bank as per statutory requirement is shown below:					
Average time and demand liabilities				286,188,268,000	238,109,113,000
Required reserve				37,204,475,000	30,954,185,000
Actual reserve maintained				52,908,409,407	45,462,977,170
Surplus				15,703,934,407	14,508,792,170
Actual reserve maintained for SLR					
Cash in hand	3.1			4,084,799,668	2,871,220,070
Balance with Bangladesh Bank in excess of CRR				1,351,153,070	812,389,162
Balance with Sonali Bank as agent	3.2			496,473,814	413,226,648
Government securities (HFT)	6.3			10,541,051,600	18,180,637,761
Government securities (HTM)	6.3			36,434,931,255	23,185,503,529
				52,908,409,407	45,462,977,170
4 Balance with other banks and financial institutions					
In Bangladesh	4.1	6,682,557,302	4,014,719,294	7,511,869,424	4,014,719,294
Outside Bangladesh *		1,385,770,211	1,623,114,910	1,383,521,545	1,602,314,924
		8,068,327,513	5,637,834,204	8,895,390,969	5,617,034,218

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



Particulars	Note	Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
4.1 In Bangladesh					
In current deposit account with					
Agrani Bank Limited		17,556,362	6,071,591	17,556,362	6,071,591
Sonali Bank Limited		35,023,733	53,104,148	35,023,733	53,104,148
Islami Bank Bangladesh Limited		-	97,425	-	97,425
		52,580,095	59,273,164	52,580,095	59,273,164
In special notice deposit account with					
Trust Bank Limited		73,068,651	34,624,484	73,068,651	34,624,484
Standard Chartered Bank		66,693,489	74,709,608	66,693,489	74,709,608
		139,762,140	109,334,092	139,762,140	109,334,092
In beneficiary owner (BO) account with					
IFIC Securities Limited		-	3,659	829,312,122	3,659
Latif Securities Limited		28,834	28,834	28,834	28,834
Asian Tiger Capital Partners Investments Limited		3,331,566	9,224,878	3,331,566	9,224,878
		3,360,400	9,257,371	832,672,522	9,257,371
In short term & fixed deposit account with banks and NBFIs					
Short term deposit					
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	-
		2,650,000,000	-	2,650,000,000	-
Fixed deposit					
Investment Corporation of Bangladesh		3,670,000,000	3,670,000,000	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
		3,836,854,667	3,836,854,667	3,836,854,667	3,836,854,667
		6,682,557,302	4,014,719,294	7,511,869,424	4,014,719,294
4.2 Maturity grouping of balance with other banks and FIs					
Receivable on demand		362,557,302	167,514,852	1,191,869,424	168,607,256
Upto 1 month		4,035,770,211	1,565,149,761	4,033,521,545	1,543,257,371
More than 1 month but not more than 3 months		3,670,000,000	3,905,169,591	3,670,000,000	3,905,169,591
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		-	-	-	-
		8,068,327,513	5,637,834,204	8,895,390,969	5,617,034,218
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		1,900,000,000	-	1,900,000,000	-
Jamuna Bank Limited		-	300,000,000	-	300,000,000
Standard Bank Limited		-	110,000,000	-	110,000,000
The City Bank Limited		-	500,000,000	-	500,000,000
		2,330,000,000	910,000,000	2,330,000,000	910,000,000
6 Investments					
Government Securities	6.1	46,979,431,855	41,369,255,890	46,979,431,855	41,369,255,890
Other Investments	6.2	11,120,648,728	5,847,187,866	5,742,993,615	4,130,892,143
		58,100,080,583	47,216,443,756	52,722,425,470	45,500,148,033
6.1 Government securities					
Treasury bills	6.1.1	10,541,051,600	18,117,008,137	10,541,051,600	18,117,008,137
Treasury bonds	6.1.2	36,434,931,255	23,249,133,153	36,434,931,255	23,249,133,153
Prize bond		3,449,000	3,114,600	3,449,000	3,114,600
		46,979,431,855	41,369,255,890	46,979,431,855	41,369,255,890



Particulars	Note	Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
6.1.1 Treasury bills					
91 Days Govt Treasury Bill		2,699,526,000	2,072,538,413	2,699,526,000	2,072,538,413
182 Days Govt Treasury Bill		3,640,558,100	3,169,696,589	3,640,558,100	3,169,696,589
364 Days Govt Treasury Bill		4,200,967,500	12,874,773,135	4,200,967,500	12,874,773,135
		10,541,051,600	18,117,008,137	10,541,051,600	18,117,008,137
6.1.2 Treasury bonds					
2 years Treasury bond		11,283,962,191	7,680,304,093	11,283,962,191	7,680,304,093
5 years Treasury bond		12,503,630,124	5,858,664,222	12,503,630,124	5,858,664,222
10 years Treasury bond		7,240,941,278	4,406,886,345	7,240,941,278	4,406,886,345
15 years Treasury bond		3,684,146,776	3,568,919,318	3,684,146,776	3,568,919,318
20 years Treasury bond		1,722,250,886	1,734,359,175	1,722,250,886	1,734,359,175
		36,434,931,255	23,249,133,153	36,434,931,255	23,249,133,153
6.2 Other investments					
Unquoted shares		125,048,970	68,807,220	68,807,220	68,807,220
Quoted shares		5,595,547,248	990,995,113	2,526,209,347	922,293,088
Mutual funds		267,986,473	267,986,473	267,986,473	267,986,473
Foreign Investment		5,132,066,037	4,519,399,060	2,879,990,576	2,871,805,362
		11,120,648,728	5,847,187,866	5,742,993,615	4,130,892,143
Details of investment in shares [solo basis] are shown in "Annexure-B".					
6.3 Government securities classified according to Bangladesh Bank Circular					
Held for trading (HFT)		10,541,051,600	18,180,637,761	10,541,051,600	18,180,637,761
Held to maturity (HTM)		36,434,931,255	23,185,503,529	36,434,931,255	23,185,503,529
Other securities	6.1	3,449,000	3,114,600	3,449,000	3,114,600
		46,979,431,855	41,369,255,890	46,979,431,855	41,369,255,890
6.4 Maturity grouping of investments					
On demand		953,449,000	3,114,600	953,449,000	3,114,600
Up to 1 month		3,312,985,939	4,077,866,434	3,312,985,939	4,077,866,434
Over 1 month but not more than 3 months		7,130,355,380	2,852,859,079	4,061,017,479	2,840,398,804
Over 3 months but not more than 6 months		3,694,425,420	4,801,516,397	3,694,425,420	4,801,516,397
Over 6 months but not more than 1 years		6,865,721,529	11,820,506,574	6,865,721,529	11,820,506,574
Over 1 year but not more than 5 years		21,981,612,395	13,292,448,919	21,981,612,395	13,292,448,919
Over 5 years		14,171,918,301	10,368,131,753	11,853,213,708	8,664,296,305
		58,110,467,964	47,216,443,756	52,722,425,470	45,500,148,033
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	
		-	-	-	
		-	-	-	
Total					
		-	-	-	
Disclosure regarding overall transaction of Repo and Reverse Repo					
Counterparty name	Minimum outstanding in Y2020	Maximum outstanding in Y2020	Daily average outstanding in Y2020		
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	-	-	-		



Particulars	Note	Amount in BDT			
		Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
7 Loans and advances					
Loans, cash credit, overdraft etc.	7.1	247,051,243,375	221,562,693,268	246,004,105,427	217,627,752,438
Bill purchased and discounted	8	14,646,184,098	10,960,747,799	14,646,184,098	10,960,747,799
		261,697,427,473	232,523,441,067	260,650,289,525	228,588,500,237
7.1 Loans, cash credit, overdraft etc.					
Inside Bangladesh					
Term loan industrial		18,131,446,121	16,679,241,403	18,131,446,121	16,679,241,403
Term loan consumer finance		170,452,264	217,487,844	170,452,264	217,487,844
Agricultural loan		286,356,663	2,756,983,582	286,356,663	2,756,983,582
Term loan women entrepreneur		32,775,026	30,377,007	32,775,026	30,377,007
Term loan-others		76,226,478,748	64,243,240,345	76,226,478,748	64,243,240,345
House building loans		42,944,834,123	35,878,061,417	42,944,834,123	35,878,061,417
Staff loan		1,266,619,147	1,445,244,406	1,266,619,147	1,445,244,406
Transport loan		76,702,824	112,151,072	76,702,824	112,151,072
Loan general		3,277,257,317	3,273,896,438	3,277,257,317	3,273,896,438
Demand loan		8,658,568,399	9,479,236,138	8,658,568,399	9,479,236,138
Overdrafts		60,985,063,864	52,042,757,341	63,845,327,297	52,042,757,341
Cash credit		23,785,985,647	23,146,114,027	23,785,985,647	23,146,114,027
Credit card finance		143,384,520	162,579,957	143,384,520	162,579,957
Loan against trust receipt (LTR)		4,877,015,257	5,529,994,503	4,877,015,257	5,529,994,503
Lease finance		227,184,826	294,519,805	227,184,826	294,519,805
Margin loan		3,907,401,381	3,934,940,830	-	-
		244,997,526,127	219,226,826,115	243,950,388,179	215,291,885,285
Outside Bangladesh					
Term Loan-Foreign Currency (OBU)		2,053,717,248	2,335,867,153	2,053,717,248	2,335,867,153
		247,051,243,375	221,562,693,268	246,004,105,427	217,627,752,438
7.2 Net loans and advances including bills purchased and discounted					
Total loans and advances		261,697,427,473	232,523,441,067	260,650,289,525	228,588,500,237
Provision against loans and advances		(8,072,974,665)	(6,264,867,722)	(7,841,677,826)	(6,033,570,883)
Interest suspense account		(8,972,123,118)	(8,134,196,969)	(7,471,280,308)	(6,633,354,159)
		244,652,329,689	218,124,376,376	245,337,331,391	215,921,575,195
7.3 Residual maturity grouping of Loans, cash credit, overdraft etc.					
On demand		69,365,480,414	41,476,313,632	69,365,480,414	41,476,313,632
Up to 1 month		4,636,346,663	6,147,676,143	4,636,346,663	6,147,676,143
Over 1 month but not more than 3 months		19,768,001,992	26,780,930,753	18,720,864,045	22,845,989,923
Over 3 months but not more than 1 years		20,913,449,237	42,838,504,474	20,913,449,237	42,838,504,474
Over 1 year but not more than 5 years		55,795,097,917	38,357,255,614	55,795,097,917	38,357,255,614
Over 5 years		76,572,867,151	65,962,012,652	76,572,867,151	65,962,012,652
		247,051,243,375	221,562,693,268	246,004,105,427	217,627,752,438
7.4 Loans and advances under broad categories					
In Bangladesh					
Loans		159,419,930,431	146,373,821,900	158,372,792,483	142,438,881,070
Cash credit		23,785,985,647	23,146,114,027	23,785,985,647	23,146,114,027
Overdrafts		63,845,327,297	52,042,757,341	63,845,327,297	52,042,757,341
		247,051,243,375	221,562,693,268	246,004,105,427	217,627,752,438
Bill purchased and discounted	8	14,646,184,098	10,960,747,799	14,646,184,098	10,960,747,799
		261,697,427,473	232,523,441,067	260,650,289,525	228,588,500,237
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 and SI		1,266,619,147	1,445,244,406	1,266,619,147	1,445,244,406
Advances to customers' groups		260,430,808,326	231,078,196,661	259,383,670,378	227,143,255,831
		261,697,427,473	232,523,441,067	260,650,289,525	228,588,500,237



Particulars	Note	Amount in BDT			
		Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
7.6 Loans and advances allowed to each customer exceeding 10% of Bank's total capital					
Number of customers				28	26
Outstanding - Funded				107,020,256,369	92,632,200,000
Outstanding - Non-funded				13,890,600,000	12,745,400,000
Amount classified					

Amount of loans and advances (comprising funded and non funded facilities) to each customer exceeding BDT 3,129 million [Y2019 BDT 2,916.75 million]

representing 10% of the Bank's total capital (as defined in Bank Companies Act 1991 as amended) as at 31 December are furnished in Annexure-C.

7.7 Industry wise position of loans and advances including bills purchased and discounted				
Agriculture	1,549,034,081	3,996,322,997	1,549,034,081	3,996,322,997
Jute	4,688,649,495	4,287,695,452	4,688,649,495	4,287,695,452
Textile	12,008,054,318	10,632,481,602	12,008,054,318	10,632,481,602
Garments	36,205,734,042	27,564,767,593	36,205,734,042	27,564,767,593
Chemical and chemical products	54,928,753	105,411,026	54,928,753	105,411,026
Cement	2,242,982,069	2,273,333,981	2,242,982,069	2,273,333,981
Bricks & ceramic	1,228,855,597	1,211,721,357	1,228,855,597	1,211,721,357
Food products & processing	5,614,527,142	5,649,730,708	5,614,527,142	5,649,730,708
Engineering & metal	5,970,450,060	5,508,796,223	5,970,450,060	5,508,796,223
Drugs & pharmaceuticals	882,241,618	854,297,234	882,241,618	854,297,234
Hospital & clinics	94,862,671	98,832,724	94,862,671	98,832,724
Paper & paper products	2,951,564,934	2,966,520,646	2,951,564,934	2,966,520,646
Other small industries	8,937,475,690	7,738,468,466	8,937,475,690	7,738,468,466
IT sector	4,488,377,896	4,408,911,995	4,488,377,896	4,408,911,995
Other service industries	27,835,622,387	22,480,311,052	27,835,622,387	22,480,311,052
Trade & commerce	23,358,849,646	29,955,530,118	23,358,849,646	29,955,530,118
Transport	1,214,043,298	1,276,538,796	1,214,043,298	1,276,538,796
Construction firms/companies	19,969,381,860	10,438,190,017	19,969,381,860	10,438,190,017
Housing societies/companies	31,426,089,915	28,235,167,595	31,426,089,915	28,235,167,595
Cold storage	53,439,785	102,862,158	53,439,785	102,862,158
Consumer finance	45,925,172,870	38,563,436,084	45,925,172,870	38,563,436,084
Energy	8,243,559,495	7,427,982,403	8,243,559,495	7,427,982,403
Telecommunication	9,655,497,612	8,840,098,241	9,655,497,612	8,840,098,241
NBFI's	8,201,326	2,631,510	8,201,326	2,631,510
Others	7,089,830,914	7,903,401,089	6,042,692,966	3,968,460,259
	261,697,427,473	232,523,441,067	260,650,289,525	228,588,500,237

7.8 Sector wise position of loans and advances including bills purchased and discounted				
Government sector	-	-	-	-
Other public sector	-	-	-	-
Private sector	261,691,807,454	232,513,669,307	260,644,669,506	228,578,728,477
Co-operative sector	5,620,019	9,771,760	5,620,019	9,771,760
	261,697,427,473	232,523,441,067	260,650,289,525	228,588,500,237

7.9 Geographical location-wise loans and advances including bills purchased and discounted				
Dhaka division	223,022,107,064	196,013,894,982	221,974,969,117	192,078,954,152
Chittagong division	20,697,570,914	19,170,896,791	20,697,570,914	19,170,896,791
Sylhet division	1,619,909,173	1,476,567,974	1,619,909,173	1,476,567,974
Rajshahi division	6,454,997,299	6,443,784,333	6,454,997,299	6,443,784,333
Khulna division	4,257,671,076	3,885,117,501	4,257,671,076	3,885,117,501
Barisal division	987,915,973	1,589,339,223	987,915,973	1,589,339,223
Rangpur division	2,922,144,063	1,015,644,442	2,922,144,063	1,015,644,442
Mymensingh division	1,735,111,910	2,928,195,821	1,735,111,910	2,928,195,821
	261,697,427,473	232,523,441,067	260,650,289,525	228,588,500,237



Particulars	Note	Amount in BDT			
		Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
7.10 Business segment-wise concentration of loans and advances as per CL					
Corporate		186,464,843,732	165,464,970,556	185,417,705,784	161,530,029,726
SME		29,464,095,457	28,247,755,366	29,464,095,457	28,247,755,366
Short term agri credit		1,181,874,743	1,131,573,424	1,181,874,743	1,131,573,424
Consumer (including staff)		5,758,860,305	6,007,107,128	5,758,860,305	6,007,107,128
Others		38,827,753,236	31,672,034,593	38,827,753,236	31,672,034,593
		261,697,427,473	232,523,441,067	260,650,289,525	228,588,500,237
7.11 Loans and advances including bills purchased and discounted as per CL					
Continuous loan					
Consumer finance		3,359,204,861	3,406,522,173	3,359,204,861	3,406,522,173
Small and medium enterprise		20,555,584,599	21,116,670,078	20,555,584,599	21,116,670,078
Loans to BHs/MBs/SDs		10,572,037	10,039,939	10,572,037	10,039,939
Other continuous loans		62,251,447,133	52,619,304,428	61,204,309,185	48,684,363,598
		86,176,808,630	77,152,536,618	85,129,670,682	73,217,595,788
Demand loans					
Consumer finance		779,815,020	846,548,823	779,815,020	846,548,823
Small and medium enterprise		3,281,056,634	2,944,658,565	3,281,056,634	2,944,658,565
Loans to BHs/MBs/SDs		-	-	-	-
Other demand loans		29,115,536,486	26,662,996,419	29,115,536,486	26,662,996,419
		33,176,408,140	30,454,203,807	33,176,408,140	30,454,203,807
Term loan					
Consumer finance (including staff, other than HF)		1,619,840,424	1,754,036,132	1,619,840,424	1,754,036,132
Small and medium enterprise		5,627,454,224	4,186,426,723	5,627,454,224	4,186,426,723
Housing finance (HF)		38,746,079,105	31,583,793,090	38,746,079,105	31,583,793,090
Loans for professionals		-	333,331	-	333,331
Loans to BHs/MBs/SDs		71,102,094	77,868,233	71,102,094	77,868,233
Other fixed term loan		95,097,860,113	86,182,669,709	95,097,860,113	86,182,669,709
		141,162,335,960	123,785,127,218	141,162,335,960	123,785,127,218
Short term loan					
Short term agri credit		1,181,874,743	1,131,573,424	1,181,874,743	1,131,573,424
		261,697,427,473	232,523,441,067	260,650,289,525	228,588,500,237
7.12 Security/collateral-wise concentration of loans and advances including bills purchased and discounted					
Collateral of movable/immovable assets		212,556,605,934	183,563,902,386	212,556,605,934	183,563,902,386
Local banks and financial institutions' guarantee		240,986,168	307,052,908	240,986,168	307,052,908
Government guarantee		811,142,115	894,582,610	811,142,115	894,582,610
Export documents		1,075,423,583	2,911,579,975	1,075,423,583	2,911,579,975
Import documents		13,097,388,867	9,046,957,412	13,097,388,867	9,046,957,412
Fixed deposit receipts		7,537,789,233	8,125,914,830	7,537,789,233	8,125,914,830
Personal guarantee		7,768,832,141	6,530,168,342	7,768,832,141	6,530,168,342
Other securities		18,609,259,430	21,143,282,604	17,562,121,483	17,208,341,774
		261,697,427,473	232,523,441,067	260,650,289,525	228,588,500,237
7.13 Particulars of loans and advances					
i) Loans considered good in respect of which the Bank is fully secured				252,738,072,864	219,894,848,851
ii) Loans considered good for which the Bank holds no other security than the debtors' personal guarantee				143,384,520	162,579,958
iii) Loans considered good being secured by personal security of one or more persons in addition to the personal security of the debtors				7,768,832,141	8,531,071,428
iv) Loans adversely classified; provision not maintained there against				-	-
				260,650,289,525	228,588,500,237
v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons.				1,266,619,147	1,445,244,406

Particulars	Note	Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
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 year to directors or employees of the Bank or any of them either separately or jointly with any other person				1,453,455,114	1,677,057,510
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or in the case of private companies as members				-	-
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				(349,126,284)	(352,629,444)
Amount of loan written off				-	2,349,130,015
Amount recovered against the loans previously written off				363,275,164	700,039,010
b) Amount of provision kept against loans classified as bad/loss as at the Balance Sheet date				2,455,830,502	2,756,082,189
c) Amount of interest creditable to the interest suspense account				1,477,570,087	3,959,253,482
xi) Cumulative amount of written off loan:					
Opening balance				14,727,813,121	13,078,722,116
Amount written off during the year				-	2,349,130,015
Interest charged				-	-
Recovery from written-off during the year*				(363,275,164)	(700,039,010)
				14,364,537,957	14,727,813,121
* Recovery from written-off loans during the year include write back BDT 185,044,000 & interest waiver of BDT 17,175,347 [Y2019: Interest waiver BDT 98,255,500].					
7.14 Cumulative amount of written off loans for which law suits have been filed					
Opening balance				20,972,282,771	18,623,152,756
During the year				-	2,349,130,015
				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				245,050,321,578	207,621,139,162
Special mention account				5,254,206,092	8,701,889,298
				250,304,527,669	216,323,028,460
Classified					
Substandard				2,782,581,601	3,198,899,994
Doubtful				463,122,331	402,454,243
Bad/Loss				7,100,057,923	8,664,117,540
				10,345,761,856	12,265,471,777
				260,650,289,525	228,588,500,237
7.16 Movements of classified loans and advances					
Opening balance				12,265,471,777	12,740,133,887
Additions during the year				226,192,399	7,960,374,992
Reduction during the year				(2,145,902,320)	(8,435,037,102)
				10,345,761,856	12,265,471,777
8 Bills purchased and discounted					
Payable in Bangladesh	8.1	14,141,724,304	9,665,670,886	14,141,724,304	9,665,670,886
Payable outside Bangladesh	8.1	504,459,794	1,295,076,913	504,459,794	1,295,076,913
		14,646,184,098	10,960,747,799	14,646,184,098	10,960,747,799



Particulars	Note	Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
8.1 Bill purchased and discounted					
Payable in Bangladesh					
Local bills/documents					
Inland documentary bill purchase (IDBP)		659,374,049	968,734,045	659,374,049	968,734,045
Payment against documents-cash		139,983,935	1,126,143,073	139,983,935	1,126,143,073
Payment against documents-EDF		9,880,117,837	6,078,902,756	9,880,117,837	6,078,902,756
Payment against documents-forced (Inland)		1,361,594,788	517,338,885	1,361,594,788	517,338,885
Payment against documents-forced (Foreign)		664,145,629	554,885,209	664,145,629	554,885,209
Payment against documents-Others		1,436,508,066	419,666,918	1,436,508,066	419,666,918
		14,141,724,304	9,665,670,886	14,141,724,304	9,665,670,886
Payable outside Bangladesh					
Foreign documentary bill purchase (FDBP)		263,473,626	988,024,005	263,473,626	988,024,005
Usance Bill Discounted (OBU)		240,986,168	307,052,908	240,986,168	307,052,908
		504,459,794	1,295,076,913	504,459,794	1,295,076,913
		14,646,184,098	10,960,747,799	14,646,184,098	10,960,747,799
8.2 Residual maturity grouping of bill purchased and discounted					
On demand		4,651,948,851	3,279,461,674	4,651,948,851	3,279,461,674
Up to 1 month		1,312,579,764	2,666,974,599	1,312,579,764	2,666,974,599
Over 1 month but not more than 3 months		1,026,523,210	2,535,468,726	1,026,523,210	2,535,468,726
Over 3 months but not more than 6 months		4,729,856,640	2,454,040,122	4,729,856,640	2,454,040,122
Over 6 months		2,925,275,633	24,802,678	2,925,275,633	24,802,678
		14,646,184,098	10,960,747,799	14,646,184,098	10,960,747,799
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	1,910,944,970	1,902,617,204	1,902,617,204
Right of Use Assets		1,979,330,915	1,030,679,830	1,938,582,527	989,931,442
Wooden furniture		288,496,137	258,861,871	287,581,539	254,570,346
Steel furniture		111,193,993	77,057,552	111,193,993	77,057,552
Computer equipment		1,054,899,844	868,368,562	1,049,746,964	863,236,002
Office equipment		1,085,482,116	909,508,657	1,085,482,116	902,371,888
Electrical & gas equipment		292,981,559	246,609,374	290,404,959	242,661,330
Leasehold improvement		528,640,273	315,909,065	508,637,207	312,213,038
Vehicles		165,108,501	147,985,565	165,108,501	147,985,565
Leased vehicles		47,600,000	47,600,000	47,600,000	47,600,000
Soft furnishing		12,960,055	12,982,518	12,960,055	12,646,335
Software		1,108,927,318	696,110,814	1,107,209,905	693,375,354
		11,001,847,474	8,946,228,337	10,930,734,549	8,869,875,615
Capital work in progress		88,200,413	297,219,437	88,200,413	297,219,437
		11,090,047,887	9,243,447,774	11,018,934,962	9,167,095,052
Less: Accumulated depreciation		3,552,923,311	2,813,016,154	3,523,762,842	2,782,896,158
Written down value		7,537,124,576	6,430,431,620	7,495,172,120	6,384,198,894
Details of fixed assets [solo basis] are shown in "Annexure-D"					
10 Other assets					
Stationery and stamps		42,897,670	40,922,225	42,895,192	40,919,747
Suspense account	10.1	850,058,824	988,514,123	840,559,567	986,739,119
Advance, deposit and prepayments	10.2	7,545,055,046	6,422,357,403	7,208,526,113	6,106,810,736
Accrued interest & other income receivable	10.3	1,323,991,985	1,090,781,883	1,323,991,985	1,090,781,883
Investment in subsidiaries	10.4	-	-	2,234,342,260	2,233,302,400
Deferred tax assets	10.5	731,058,171	870,102,393	730,988,041	870,102,393
Dividend Receivable and others		933,675,990	193,859,577	71,181,064	193,419,566
		11,426,737,686	9,606,537,605	12,452,484,222	11,522,075,844



Particulars	Note	Amount in BDT			
		Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
10.1 Suspense account					
Advance against bills, new branches		61,807,914	32,858,601	61,807,914	32,858,601
Advance against TA / DA		1,012,700	6,722,800	1,012,700	6,722,800
Law charges		297,658,828	265,265,869	297,658,828	265,265,869
Sanchaypatra paid		239,526,291	414,811,535	239,526,291	414,811,535
Wage earners development bond paid		98,125,282	133,764,030	98,125,282	133,764,030
Investment bond		12,174,046	14,015,504	12,174,046	14,015,504
Sundry debtors		138,580,799	120,653,005	129,081,542	118,878,001
CIB charge receivable		325,250	90,060	325,250	90,060
EFTN receivable		532,901	317,333	532,901	317,333
Others		314,813	15,386	314,813	15,386
		850,058,824	988,514,123	840,559,567	988,739,119
10.2 Advance, deposit and prepayments					
Rent		300,948,581	172,395,507	299,440,239	171,545,507
Income tax	10.2.1	6,932,516,876	5,818,370,764	6,598,635,166	5,507,367,245
Security deposit including demand note		23,867,575	11,867,313	23,867,575	11,867,313
Car purchase		128,964,094	155,505,067	127,825,212	154,032,849
Money remittance company		265,800	38,441,562	265,800	38,441,562
Protested bills		47,820,206	44,543,206	47,820,206	44,543,206
Cash remittance		78,500,000	135,500,000	78,500,000	135,500,000
Supplier		28,793,262	31,458,697	28,793,262	29,237,767
Lease vehicle		896,021	896,021	896,021	896,021
Share money deposits		2,482,632	13,379,266	2,482,632	13,379,266
		7,545,055,046	6,422,357,403	7,208,526,113	6,106,810,736
10.2.1 Advance income tax					
Opening balance on 1 January		5,818,370,764	5,132,379,011	5,507,367,245	4,863,041,730
Add: Payment made during the year		1,114,146,112	1,702,545,421	1,091,267,921	1,660,879,183
Less: Settlement of Years 2013 and 2014		-	(1,016,553,668)	-	(1,016,553,668)
Closing balance		6,932,516,876	5,818,370,764	6,598,635,166	5,507,367,245
10.3 Accrued interest & other income receivable					
Treasury bonds and bills		624,924,948	465,016,906	624,924,948	465,016,906
Receivables from Government		41,272,375	41,272,375	41,272,375	41,272,375
Interest accrued on loans and advances		648,268,049	473,234,204	648,268,049	473,234,204
Investment on term and call		9,526,613	110,893,000	9,526,613	110,893,000
Holding period interest on reverse repo		-	365,398	-	365,398
		1,323,991,985	1,090,781,883	1,323,991,985	1,090,781,883
10.4 Investment in subsidiaries					
IFC Securities Limited				2,199,994,000	2,199,994,000
IFC Money Transfer (UK) Limited				34,348,260	33,308,400
				2,234,342,260	2,233,302,400
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:					
Deferred tax liabilities				955,727,024	1,064,159,464
Deferred tax assets/(liabilities)				(224,738,983)	(194,057,071)
				730,988,041	870,102,393
i) Deferred tax on provision for loans and advances classified as doubtful and bad & loss					
Carrying amount					
Tax base				2,510,293,263	2,819,230,101
Deductible/(taxable) temporary difference				-	-
Tax rate				2,510,293,263	2,819,230,101
Closing deferred tax assets/(liabilities)				37.50%	37.50%
Opening deferred tax assets/(liabilities)				941,359,974	1,057,211,288
Deferred tax (expense)/income (A)				1,057,211,288	1,168,882,916
				(115,851,314)	(111,671,628)



Particulars	Note	Amount in BDT			
		Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
ii) Deferred tax on fixed assets					
Carrying amount				3,621,024,521	2,833,825,524
Tax base				3,021,720,566	2,316,340,000
Deductible/(Taxable) temporary difference				599,303,955	517,485,524
Tax rate				37.50%	37.50%
Closing deferred tax assets/(liabilities)				(224,738,983)	(194,057,071)
Opening deferred tax assets/(liabilities)				(194,057,071)	(265,087,660)
Deferred tax (expense)/income (B)				(30,681,912)	71,030,589
iii) Deferred tax on leased assets					
Right-of-Use Assets				1,354,456,802	817,235,585
Less: Lease Liabilities				(1,199,683,069)	(671,725,133)
Carrying amount				154,773,733	145,510,453
Tax base				193,085,866	164,038,922
Temporary difference				38,312,133	18,528,469
Tax rate				37.50%	37.50%
Closing deferred tax assets/(liabilities)				14,367,050	6,948,176
Opening deferred tax assets/(liabilities)				6,948,176	-
Deferred tax (expense)/income (C)				7,418,874	6,948,176
Deferred tax (expense)/income (A+B+C)				(139,114,352)	(33,692,863)
10.6 Income generating other assets					
Investment in subsidiary-IFIC Securities Limited				2,199,994,000	2,199,994,000
Investment in subsidiary-IFIC Money Transfer (UK) Limited				34,348,260	33,308,400
				2,234,342,260	2,233,302,400
10.7 Non-Income generating other assets					
Stationery and stamps				42,895,192	40,919,747
Suspense account				840,559,567	986,739,119
Advance, deposit and prepayments				7,208,526,113	6,106,810,736
Accrued interest & other income receivable				1,323,991,985	1,090,781,883
Deferred tax assets				730,988,041	870,102,393
Receivable others				71,181,064	193,419,566
				10,218,141,962	9,288,773,444
11 Non-banking assets		373,474,800	373,474,800	373,474,800	373,474,800
Through the verdict of honorable 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.					
12 Borrowing from other banks, financial institutions and agents					
In Bangladesh	12.1	12,512,987,412	6,517,860,335	12,512,987,412	6,517,860,335
Outside Bangladesh	12.2	508,806,600	1,698,000,000	508,806,600	1,698,000,000
		13,021,794,012	8,215,860,335	13,021,794,012	8,215,860,335
12.1 In Bangladesh					
Term borrowing					
Obligation under lease finance		3,181,639	12,001,012	3,181,639	12,001,012
		3,181,639	12,001,012	3,181,639	12,001,012
Refinance from Bangladesh Bank					
Export Development Fund (EDF)		9,666,178,492	5,935,951,100	9,666,178,492	5,935,951,100
Small and Medium Enterprise (SME)		324,677,867	530,344,520	324,677,867	530,344,520
Long Term Financing Facility (LTFF)		34,162,919	39,563,703	34,162,919	39,563,703
Stimulus Package		2,484,786,495	-	2,484,786,495	-
		12,509,805,773	6,505,859,323	12,509,805,773	6,505,859,323
		12,512,987,412	6,517,860,335	12,512,987,412	6,517,860,335
12.2 Outside Bangladesh					
Nepal Bangladesh Bank Limited		508,806,600	1,698,000,000	508,806,600	1,698,000,000
		508,806,600	1,698,000,000	508,806,600	1,698,000,000

Borrowing from outside Bangladesh is used for Off-shore Banking unit.



Particulars	Note	Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
12.3 Secured and unsecured borrowing from other banks, financial institutions and agents					
Secured borrowing		-	-	-	-
Unsecured borrowing		13,021,794,012	8,215,860,335	13,021,794,012	8,215,860,335
		13,021,794,012	8,215,860,335	13,021,794,012	8,215,860,335
12.4 Maturity grouping of borrowing from other banks, financial institutions and agents					
Payable					
On demand		-	-	-	-
Up to 1 month		1,482,457,108	1,361,351,010	1,482,457,108	1,361,351,010
Over 1 month but not more than 3 months		4,191,908,871	4,390,920,724	4,191,908,871	4,390,920,724
Over 3 months but not more than 1 year		7,088,478,478	1,984,011,837	7,088,478,478	1,984,011,837
Over 1 year but not more than 5 years		123,803,291	268,012,046	123,803,291	268,012,046
Over 5 years		135,146,264	211,564,718	135,146,264	211,564,718
		13,021,794,012	8,215,860,335	13,021,794,012	8,215,860,335
13 Subordinated debt					
Institution wise subscription, redemption, and outstanding amount of the Principal of the Bond are as follows:					
Subscribers		Subscribed Amount	Redemption of Principal	Outstanding 31 December 2020	Outstanding 31 December 2019
Sonali Bank Limited		1,000,000,000	400,000,000	600,000,000	800,000,000
Janata Bank Limited		1,000,000,000	400,000,000	600,000,000	800,000,000
Rupali Bank Limited		1,000,000,000	400,000,000	600,000,000	800,000,000
Agrani Bank Limited		500,000,000	200,000,000	300,000,000	400,000,000
		3,500,000,000	1,400,000,000	2,100,000,000	2,800,000,000
14 Deposits and other accounts					
Current deposit and other accounts	14.1	92,694,716,685	56,902,194,086	92,720,625,780	57,089,778,779
Bills payable	14.2	2,547,263,402	1,840,433,536	2,547,263,402	1,840,433,536
Savings bank deposits	14.3	25,343,706,980	23,299,407,700	25,343,706,980	23,299,407,700
Fixed deposits	14.4	175,760,802,599	176,138,383,050	175,762,350,267	176,138,521,221
		296,346,489,666	258,180,418,372	296,373,946,429	258,368,141,236
14.1 Current deposit and other accounts					
Current accounts		20,546,778,489	16,564,140,142	20,572,687,584	16,751,724,835
IFIC AAMAR account		63,263,202,940	32,361,380,548	63,263,202,940	32,361,380,548
IFIC Shohoj Account		869,665,186	136,862,041	869,665,186	136,862,041
Foreign currency deposit		330,848,835	255,461,641	330,848,835	255,461,641
Resident foreign currency deposit		48,287,936	47,095,819	48,287,936	47,095,819
Exporters foreign currency account		5,189,408,559	5,064,346,336	5,189,408,559	5,064,346,336
Margin on letters of credit		1,462,856,896	1,611,311,769	1,462,856,896	1,611,311,769
Margin on letters of guarantee		393,140,325	413,544,674	393,140,325	413,544,674
Sundry deposit	14.1.1	590,527,519	448,051,116	590,527,519	448,051,116
		92,694,716,685	56,902,194,086	92,720,625,780	57,089,778,779
14.1.1 Sundry deposit					
Sundry creditor		109,042,803	118,860,020	109,042,803	118,860,020
Lease deposit		14,727,414	18,593,332	14,727,414	18,593,332
Risk fund-lease, CCS & others		224,303	224,303	224,303	224,303
Clearing collection		22,903,192	165,425,901	22,903,192	165,425,901
Card deposit		125,603,536	56,304,761	125,603,536	56,304,761
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		5,977,675	5,873,025	5,977,675	5,873,025
CIB Charges		3,173,013	1,973,542	3,173,013	1,973,542
Other sundry deposits		269,639,792	41,560,441	269,639,792	41,560,441
		590,527,519	448,051,116	590,527,519	448,051,116
14.2 Bills payable					
Payment order		2,539,556,145	1,832,716,279	2,539,556,145	1,832,716,279
Demand draft		5,728,179	5,728,179	5,728,179	5,728,179
Security deposit receipt		1,979,078	1,989,078	1,979,078	1,989,078
		2,547,263,402	1,840,433,536	2,547,263,402	1,840,433,536



Particulars	Note	Amount in BDT			
		Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
14.3 Savings bank deposit					
Savings account		19,488,529,745	17,589,866,057	19,488,529,745	17,589,866,057
Super savings plus		4,430,654,105	4,357,759,777	4,430,654,105	4,357,759,777
Payroll savings		385,717,213	341,507,069	385,717,213	341,507,069
Sanchita-female savings		1,038,072,461	1,009,734,700	1,038,072,461	1,009,734,700
Interest payable on savings deposit		733,456	540,097	733,456	540,097
		25,343,706,980	23,299,407,700	25,343,706,980	23,299,407,700
14.4 Fixed deposit					
Special notice deposit (SND)		30,028,622,318	17,423,650,556	30,030,169,986	17,423,788,727
Term deposit	14.4.1	134,376,901,295	148,706,357,525	134,376,901,295	148,706,357,525
Recurring deposit	14.4.2	10,660,411,907	9,588,859,670	10,660,411,907	9,588,859,670
Non resident foreign currency deposit (NFCD)		6,385,181	9,255,260	6,385,181	9,255,260
Export retention quota (ERQ)		688,481,898	410,260,039	688,481,898	410,260,039
		175,760,802,599	176,138,383,050	175,762,350,267	176,138,521,221
14.4.1 Term deposit					
Fixed deposits		120,912,851,010	132,401,520,210	120,912,851,010	132,401,520,210
Double return deposit scheme		5,059,921,698	7,037,614,862	5,059,921,698	7,037,614,862
Three years deposit plus		3,044,250	5,163,900	3,044,250	5,163,900
Monthly income scheme		5,174,309,817	4,894,756,648	5,174,309,817	4,894,756,648
Monthly income scheme - Arjon		27,950,000	32,380,000	27,950,000	32,380,000
Interest payable on term deposit		3,198,824,520	4,334,921,905	3,198,824,520	4,334,921,905
		134,376,901,295	148,706,357,525	134,376,901,295	148,706,357,525
14.4.2 Recurring deposit					
Pension savings scheme (PSS)		6,261,776,512	6,792,946,944	6,261,776,512	6,792,946,944
Pension savings scheme - Joma		5,678,197	7,269,422	5,678,197	7,269,422
Flexi DPS - Freedom		1,279,477,985	1,222,175,166	1,279,477,985	1,222,175,166
Millionaire dream plan		558,566,205	527,616,976	558,566,205	527,616,976
School savings plan		28,883,953	26,124,547	28,883,953	26,124,547
IFIC Aamar Bhobishawt		2,166,063,856	691,582,552	2,166,063,856	691,582,552
Interest payable on recurring deposit		359,965,199	321,144,063	359,965,199	321,144,063
		10,660,411,907	9,588,859,670	10,660,411,907	9,588,859,670
14.5 Deposit and other accounts of the banks					
Deposit from banks	14.9	116,847,774	8,564,982,723	116,847,774	8,564,982,723
Deposit from customers		296,229,641,892	249,615,435,649	296,257,098,655	249,803,158,513
		296,346,489,666	258,180,418,372	296,373,946,429	258,368,141,236
14.6 Payable on demand and time deposit					
Demand deposits					
Current deposits		85,752,102,798	49,784,317,319	85,779,559,561	49,972,040,183
Savings deposits		2,280,933,628	2,096,946,693	2,280,933,628	2,096,946,693
Sundry deposit		2,446,524,742	2,472,907,559	2,446,524,742	2,472,907,559
Bills payable		2,547,263,402	1,840,433,537	2,547,263,402	1,840,433,537
		93,026,824,570	56,194,605,108	93,054,281,333	56,382,327,972
Time deposits					
Savings deposits		23,062,773,351	21,202,461,006	23,062,773,351	21,202,461,006
Fixed deposits		140,124,876,059	154,298,320,837	140,124,876,059	154,298,320,837
Special notice deposits		30,030,169,985	17,423,788,727	30,030,169,985	17,423,788,727
Deposits under schemes		10,101,845,701	9,061,242,694	10,101,845,701	9,061,242,694
		203,319,665,096	201,985,813,264	203,319,665,096	201,985,813,264
		296,346,489,666	258,180,418,372	296,373,946,429	258,368,141,236
14.7 Sector-wise concentration of deposits and other accounts					
Government deposits		7,529,049,900	8,072,842,260	7,529,049,900	8,072,842,260
Other public sector		36,338,930,114	33,352,810,380	36,338,930,114	33,352,810,380
Deposit from banks		116,847,774	8,565,419,464	116,847,774	8,565,419,464
Foreign currency deposits		5,568,545,330	5,786,419,095	5,568,545,330	5,786,419,095
Private sectors		246,793,116,549	202,402,927,174	246,820,573,312	202,590,650,037
		296,346,489,666	258,180,418,372	296,373,946,429	258,368,141,236
14.8 Unclaimed deposits		104,021,875	60,093,591	104,021,875	60,093,591



Particulars	Note	Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
14.9 Residual maturity grouping of deposits and other accounts					
Maturity grouping of deposit from banks					
On demand		-	-	-	-
Up to 1 month		-	-	-	-
Over 1 month but not more than 3 months		116,847,774	240,000,000	116,847,774	240,000,000
Over 3 months but not more than 1 year		-	934,982,723	-	934,982,723
Over 1 year but not more than 5 years		-	7,390,000,000	-	7,390,000,000
Over 5 years		-	-	-	-
		116,847,774	8,564,982,723	116,847,774	8,564,982,723
Maturity grouping of deposit from customers excluding bills payable					
On demand		5,949,154,679	1,912,412,834	5,949,154,679	1,912,412,834
Up to 1 month		40,783,082,019	28,691,042,305	40,810,538,782	28,878,765,168
Over 1 month but not more than 3 months		47,899,155,066	50,559,114,016	47,899,155,066	50,559,114,016
Over 3 months but not more than 1 year		64,596,057,382	69,090,047,625	64,596,057,382	69,090,047,625
Over 1 year but not more than 5 years		32,739,167,299	26,079,654,873	32,739,167,299	26,079,654,873
Over 5 years		101,715,762,047	71,442,730,460	101,715,762,047	71,442,730,460
		293,682,378,490	247,775,002,113	293,709,835,253	247,962,724,977
Maturity grouping of bills payable					
On demand		254,726,340	184,043,354	254,726,340	184,043,354
Up to 1 month		509,452,680	368,086,707	509,452,680	368,086,707
Over 1 month but not more than 3 months		509,452,680	368,086,707	509,452,680	368,086,707
Over 3 months but not more than 1 year		254,726,340	184,043,354	254,726,340	184,043,354
Over 1 year but not more than 5 years		509,452,680	368,086,707	509,452,680	368,086,707
Over 5 years		509,452,680	368,086,707	509,452,680	368,086,707
		2,547,263,402	1,840,433,536	2,547,263,402	1,840,433,536
		296,346,489,666	258,180,418,372	296,373,946,429	258,368,141,236
15 Other liabilities					
Specific provision for classified loans and advance	15.1	2,737,576,718	3,086,703,002	2,737,576,718	3,086,703,002
General provision for unclassified loans and advances	15.2	3,699,988,868	2,717,263,182	3,468,692,019	2,485,966,343
Special general provision COVID-19	15.3	1,200,000,000	-	1,200,000,000	-
Provision for off balance sheet items	15.4	435,409,089	460,901,538	435,409,089	460,901,538
Provision for loans and advance		8,072,974,665	6,264,867,722	7,841,677,826	6,033,570,883
Provision for diminution in value of investments	15.5	354,475,761	655,089,410	354,475,761	651,829,320
Provision for nostro account	15.6	10,646,778	10,659,195	10,646,778	10,659,195
Provision for other assets	15.7	452,469,410	416,485,497	452,469,411	416,485,497
Provision for loans, investments and other assets		8,890,566,614	7,347,101,824	8,659,269,776	7,112,544,895
Provision for taxation	15.8	8,398,477,805	7,569,815,580	8,133,240,938	7,317,502,199
Interest suspense accounts	15.9	8,972,123,118	8,134,196,969	7,471,280,308	6,633,354,159
Incentive bonus	15.10	1,662,000	251,550,000	-	250,000,000
Unclaimed dividend account		2,814,447	2,814,447	2,814,447	2,814,447
Lease Liability		1,233,531,392	706,074,947	1,199,683,069	671,725,133
Rebate to good borrowers		21,870,000	21,870,000	21,870,000	21,870,000
Interest payable on borrowing and bond		31,336,762	51,307,247	31,336,762	51,307,247
Accrued expenses		109,026,021	101,440,791	104,222,561	83,560,453
Withholding Tax payable to government *		362,976,044	341,688,828	362,830,343	341,514,845
Withholding VAT payable to government *		111,520,816	80,951,443	111,388,832	80,529,151
Excise duty payable to government *		291,542,361	192,744,701	291,542,361	192,744,701
Revaluation of investment abroad		30,946,297	30,946,297	30,946,297	30,946,297
Payable against Govt Bond & Sanchaypatra		88,416,642	65,743,619	88,416,642	65,743,619
Others		190,550,054	116,690,071	190,229,318	113,205,018
		28,737,360,373	25,014,936,764	26,699,071,654	22,969,362,164
* Subsequently deposited to government exchequer.					
15.1 Specific provision for classified loans and advances					
Provision held at the beginning of the year		3,086,703,002	3,439,332,446	3,086,703,002	3,439,332,446
Less: Fully provided debts written off		-	(1,296,176,672)	-	(1,296,176,672)
Add: Recoveries of amounts previously written off		161,055,817	601,783,125	161,055,817	601,783,125
Add: Specific provision for the year	41	(510,182,101)	341,764,103	(510,182,101)	341,764,103
		2,737,576,718	3,086,703,002	2,737,576,718	3,086,703,002



Particulars	Note	Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
15.1.1 Specific provision required for classified loans and advances					
Status of loans and advances		Base for provision	Rate (%)	Required provision	
				31 December 2020	31 December 2019
Sub-standard		1,119,739,936	20%	223,947,988	267,142,565
Sub-standard-Cottage, Micro and Small		61,920,098	5%	3,096,005	-
Sub-standard- Short term agri. credit		4,789,244	5%	239,462	330,335
Doubtful		72,296,626	50%	36,148,313	62,816,808
Doubtful-Cottage, Micro and Small		89,828,556	20%	17,965,711	-
Doubtful- Short term agri. credit		6,974,726	5%	348,736	331,105
Bad/loss*		2,426,257,650	100%	2,455,830,503	2,756,082,189
		3,781,806,836		2,737,576,718	3,086,703,002
Specific provision maintained (note-15.1)				2,737,576,718	3,086,703,002
Excess/(short)				-	-

* As per Bangladesh Bank instruction, BDT 29,572,853 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.

15.2 General provision for un-classified loans & advances					
Provision held at the beginning of the year		2,690,833,981	2,179,362,318	2,459,537,142	1,948,065,479
Adjustment of previously written off loan		148,377,233	-	148,377,233	-
Provision made/(release) during the year	41	837,830,609	511,471,663	837,830,609	511,471,663
		3,677,041,823	2,690,833,981	3,445,744,984	2,459,537,142
Off-shore Banking Unit (OBU)					
Provision held at the beginning of the year		26,429,201	21,989,163	26,429,201	21,989,163
Provision made/(release) during the year	41	(3,482,166)	4,440,038	(3,482,166)	4,440,038
		22,947,035	26,429,201	22,947,035	26,429,201
		3,699,988,858	2,717,263,182	3,468,692,019	2,485,966,343

15.2.1 General provision required for un-classified loans and advances					
Status of loans and advances		Base for provision	Rate (%)	Required provision	
				31 December 2020	31 December 2019
Standard					
Small and medium enterprise		23,798,058,127	0.25%	59,495,145	54,497,400
Consumer finance (house building)		38,106,169,796	1.00%	381,061,698	302,246,113
Loans to LP/BHs/MBs/SDs share etc.		81,674,131	2.00%	1,633,483	1,760,511
Consumer finance		4,281,890,102	2.00%	85,637,802	214,720,625
Consumer finance (card)		107,234,425	2.00%	2,144,689	2,375,047
Short term agri. and micro-credit		1,102,883,016	1.00%	11,028,830	10,472,149
Staff loan		1,266,619,144	0.00%	-	-
Other unclassified loan*		54,011,089,300	1.00%	2,813,311,889	1,752,207,278
		122,755,618,041		3,354,313,536	2,338,279,123
Special Mention Account (SMA)					
Small and medium enterprise		157,470,573	0.25%	393,676	1,183,730
Consumer finance (house building)		222,720,523	1.00%	2,227,205	6,114,725
Consumer finance		2,264,082	2.00%	45,282	1,111,661
Consumer finance (card)		2,627,918	2.00%	52,558	83,614
Other unclassified loan **		4,869,122,995	1.00%	88,712,728	112,764,289
		5,254,206,091		91,431,449	121,258,019
Off-shore banking unit					
Un-classified loans		2,294,703,416	1.00%	22,947,034	26,429,201
		2,294,703,416		22,947,034	26,429,201
General provision maintained (note-15.2)				3,468,692,019	2,485,966,343
Excess/(short)				3,468,692,019	2,485,966,343

* Provision against loans and advances has been maintained as per Bangladesh Bank letter no.: DBI-1/32/2021/927 dated 31 March 2021. According to the letter there is a provision shortfall of Tk 3,785 million against loans and advances which requires to be kept in next three years from 2021-2023.

** 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.



Particulars	Note	Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
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 year		460,901,538	544,535,590	460,901,538	544,535,590
Provision made/(release) during the year	41	(25,492,449)	(83,634,052)	(25,492,449)	(83,634,052)
		435,409,089	460,901,538	435,409,089	460,901,538
15.4.1 Provision required for off-balance sheet exposure					
Status		Base for provision	Rate (%)	Required provision	
				31 December 2020	31 December 2019
Acceptances and endorsements		16,350,951,601	1.00%	163,509,516	179,784,285
Letters of guarantee *		8,058,992,366	1.00%	93,095,955	92,742,505
Irrevocable letters of credit		17,880,361,773	1.00%	178,803,618	159,237,410
Bills for collection		8,193,373,111	0.00%	-	29,137,337
Required provision				435,409,089	460,901,537
Provision maintained (note-15.3)				435,409,089	460,901,537
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 year		651,829,320	528,163,279	651,829,320	524,903,189
Provision made/(release) during the year	41	(297,353,559)	126,926,131	(297,353,559)	126,926,131
		354,475,761	655,089,410	354,475,761	651,829,320
15.6 Provision for nostro account					
Provision held at the beginning of the year		10,659,195	10,533,645	10,659,195	10,533,645
Provision made/(release) during the year	41.1	(12,417)	125,550	(12,417)	125,550
		10,646,778	10,659,195	10,646,778	10,659,195
15.7 Provision for other assets					
Provision held at the beginning of the year		416,485,497	376,349,960	416,485,497	376,349,960
Less: written off during the year		-	(1,791,292)	-	(1,791,292)
Provision made/(release) during the year	41.1	35,983,913	41,926,829	35,983,913	41,926,829
		452,469,410	416,485,497	452,469,411	416,485,497
15.7.1 Particulars of required provision for other assets					
Status		Base for provision	Rate (%)	Required provision	
				31 December 2020	31 December 2019
Other assets for 6-12 months		19,884,970	50%	9,942,485	15,122,588
Other assets for more than 12 months		394,706,721	100%	394,706,721	346,819,703
Protested bills		47,820,206	100%	47,820,206	44,543,206
Required provision				452,469,411	406,485,497
Provision maintained (note-15.7)				452,469,411	416,485,497
Excess/(Short)				(0)	10,000,000
15.8 Provision for taxation					
Provision held at the beginning of the year		7,569,815,580	6,864,446,679	7,317,502,199	6,634,055,867
Provision made during the year		975,923,486	1,721,922,569	963,000,000	1,700,000,000
		8,545,739,066	8,586,369,248	8,280,502,199	8,334,055,867
Less: Settlement of previous year		(147,261,261)	(1,016,553,668)	(147,261,261)	(1,016,553,668)
		8,398,477,805	7,569,815,580	8,133,240,938	7,317,502,199
*Provision for tax has been adjusted considering the previous year surplus					
15.9 Interest suspense account					
Balance at the beginning of the year		8,134,196,969	7,787,146,660	6,633,354,159	6,286,303,850
Add: Amount transferred to interest suspense account during the year		1,477,570,087	3,959,253,482	1,477,570,087	3,959,253,482
Less: Amount transferred to interest income account during the year		(639,643,938)	(3,317,300,859)	(639,643,938)	(3,317,300,859)
Less: Amount written-off during the year		-	(294,902,314)	-	(294,902,314)
		8,972,123,118	8,134,196,969	7,471,280,308	6,633,354,159



Particulars	Note	Amount in BDT			
		Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
15.10 Incentive bonus					
Balance at the beginning of the year		250,000,000	240,500,000	250,000,000	240,500,000
Add: Provision made during the year		1,662,000	251,550,000	-	250,000,000
Less: Paid during the year		(250,000,000)	(238,498,794)	(250,000,000)	(238,498,794)
Less: Transfer to income during the year		-	(2,001,206)	-	(2,001,206)
		1,662,000	251,550,000	-	250,000,000
15.11 Unclaimed dividend account					
More than 3 years		-	-	-	-
More than 4 years		-	-	-	-
More than 5 years & above		2,814,447	2,814,447	2,814,447	2,814,447
		2,814,447	2,814,447	2,814,447	2,814,447
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 issued for cash		80,000,000	80,000,000	80,000,000	80,000,000
4,400,000 ordinary shares of Taka 10 each issued as rights share	16.2.1	44,000,000	44,000,000	44,000,000	44,000,000
563,821,907 ordinary shares of Taka 10 each issued as rights share	16.2.2	5,638,219,070	5,638,219,070	5,638,219,070	5,638,219,070
1,043,651,961 ordinary shares of Taka 10 each issued for bonus share		10,436,519,610	8,963,907,010	10,436,519,610	8,963,907,010
		16,198,738,680	14,726,126,080	16,198,738,680	14,726,126,080

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 shares at par in the year 1989 which was completed in the month of January 1990, before the 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

1,089,388,542 [Year 2019: 990,353,220] ordinary shares of Taka 10 each fully paid held by the Sponsors, Directors, Institutions, Foreign investors & General Public.	10,893,885,420	9,903,532,200	10,893,885,420	9,903,532,200
530,485,326 [Year 2019: 482,259,388] ordinary shares of Taka 10 each fully paid held by the Government of the People's Republic of Bangladesh.	5,304,853,260	4,822,593,880	5,304,853,260	4,822,593,880
	16,198,738,680	14,726,126,080	16,198,738,680	14,726,126,080

16.4 Shareholding by category

Category	31 December 2020			31 December 2019		
	No. of Share	%	Taka	No. of Share	%	Taka
Sponsors & Directors	66,603,111	4.11	666,031,110	122,738,541	8.33	1,227,385,410
Government (Director also)	530,485,326	32.75	5,304,853,260	482,259,388	32.75	4,822,593,880
Sub-Total	597,088,437	36.86	5,970,884,370	604,997,929	41.08	6,049,979,290
Institutions	470,454,459	29.04	4,704,544,590	340,317,105	23.11	3,403,171,050
Foreign investors	12,717,884	0.79	127,178,840	15,276,079	1.04	152,760,790
General investors	539,613,088	33.31	5,396,130,880	512,021,495	34.77	5,120,214,950
Sub-Total	1,022,785,431	63.14	10,227,854,310	867,614,679	58.92	8,676,146,790
Total	1,619,873,868	100	16,198,738,680	1,472,612,608	100	14,726,126,080

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.



Particulars	Note	Group		Bank		
		31 December 2020	31 December 2019	31 December 2020	31 December 2019	
16.5 Distribution of paid up capital						
Holding of share	31 December 2020			31 December 2019		
	No. of holder	Total shares	%	No. of holder	Total shares	%
1 to 500 shares	14,608	2,051,350	0.13	14,695	2,091,145	0.14
501 to 5,000 shares	14,325	29,969,707	1.85	15,689	31,842,708	2.16
5,001 to 10,000 shares	3,888	29,134,724	1.80	4,197	30,197,520	2.05
10,001 to 20,000 shares	2,692	39,307,003	2.43	3,168	44,639,141	3.03
20,001 to 30,000 shares	1,151	28,833,294	1.78	1,226	30,311,561	2.06
30,001 to 40,000 shares	544	19,086,097	1.18	652	22,745,183	1.55
40,001 to 50,000 shares	449	20,831,451	1.28	379	17,268,513	1.17
50,001 to 100,000 shares	783	56,545,941	3.49	754	52,193,228	3.55
100,001 to 1,000,000 shares	697	201,241,451	12.42	698	184,521,732	12.53
More than 1,000,000 shares	130	1,192,872,850	73.64	115	1,056,801,877	71.76
Total	39,267	1,619,873,868	100	41,573	1,472,612,608	100

16.6 Shareholding of Directors as at 31 December 2020

Sl.	Name of the Directors	Status	Holding %	Closing Position	Opening Position
1	Mr. Salman F Rahman	Chairman	2.00	32,406,599	29,460,545
2	Mr. Ahmed Shayan Fazlur Rahman*	Vice-Chairman	2.11	34,196,512	35,482,892
3	Mr. Anwaruzzaman Chowdhury	Managing Director	Nil	Nil	Nil
4	Ms. Rabeya Jamal	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	530,485,326	482,259,388
7	Mr. Md. Zafar Iqbal, ndc**	Govt. nominated Director			
8	Mr. M. 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	16,198,738,680	14,726,126,080	16,198,738,680	14,726,126,080
Statutory reserve	17	6,864,775,853	6,531,903,475	6,864,775,853	6,531,903,475
General reserve	18	155,071,397	155,071,397	155,071,397	155,071,397
Retained earnings	21	4,248,076,927	4,920,565,744	1,775,205,220	3,018,442,662
		27,466,662,857	26,333,666,696	24,993,791,150	24,431,543,614
Less: Regulatory Adjustments:					
Deduction from Tier-1 Capital (95% of deferred tax assets)		907,940,673	1,010,951,491	907,940,673	1,010,951,491
Total Common Equity Tier 1 Capital		26,558,722,185	25,322,715,205	24,085,850,478	23,420,592,124
Tier-2 (Gone-Concern Capital)					
General provision		5,335,397,947	2,946,867,881	5,104,101,108	2,946,867,881
Subordinated debt that meet the qualifying criteria for Tier 2		2,100,000,000	2,800,000,000	2,100,000,000	2,800,000,000
Total Tier-2 Capital		7,435,397,947	5,746,867,881	7,204,101,108	5,746,867,881
Total Regulatory Capital (A)		33,994,120,132	31,069,583,086	31,289,951,586	29,167,460,005
Total assets including off-balance sheet items		418,513,245,012	371,849,359,537	413,895,445,927	368,045,509,902
Total risk-weighted Assets		262,206,655,232	231,554,686,630	255,638,666,438	227,798,495,191
Required capital @ 12.5% (B)		32,775,831,904	28,944,335,829	31,954,833,305	28,474,811,899
Total capital surplus/(Deficit) C=(A-B)		1,218,288,228	2,125,247,258	(664,881,718)	692,648,106

Capital to Risk-weighted Asset Ratio (CRAR):

Common Equity Tier 1 to RWA	10.13%	10.94%	9.42%	10.28%
Tier - 2 Capital to RWA	2.84%	2.48%	2.82%	2.52%
Capital to Risk-weighted Asset Ratio (CRAR)	12.96%	13.42%	12.24%	12.80%

At the end of the year 2020, the Bank maintained CRAR of 12.24% against the regulatory requirement of 12.50% (10% minimum capital plus 2.5% Conservation Buffer), i.e. Capital Conservation Buffer (CCB) is 0.26% below the regulatory requirement on a solo basis. However, the Bank has surplus capital of 0.46% on a consolidation basis.

Details computation of risk-weighted assets [solo basis] are shown in "Annexure - E"



Particulars	Note	Amount in BDT			
		Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
17 Statutory reserve					
Balance at the beginning of the year		6,531,903,475	5,696,418,313	6,531,903,475	5,696,418,313
Transferred from profit during the year		332,872,378	835,485,162	332,872,378	835,485,162
		6,864,775,853	6,531,903,475	6,864,775,853	6,531,903,475
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	80,968,715	48,258,777	80,968,715	48,258,777
HFT securities	19.2	26,880,411	1,862,360	26,880,411	1,862,360
		107,849,126	50,121,137	107,849,126	50,121,137
19.1 Revaluation reserve HTM securities					
Balance at the beginning of the year		48,258,777	4,743,046	48,258,777	4,743,046
Gain/(loss) from revaluation on investments		32,709,938	43,515,731	32,709,938	43,515,731
		80,968,715	48,258,777	80,968,715	48,258,777
19.2 Revaluation reserve HFT securities					
Balance at the beginning of the year		1,862,360	8,365,801	1,862,360	8,365,801
Gain/(loss) from revaluation on investments		25,018,051	(6,503,441)	25,018,051	(6,503,441)
		26,880,411	1,862,360	26,880,411	1,862,360
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		1,442,548	1,829,993	-	-
Investment in joint venture/associate (NBBL)		119,996,466	40,324,282	-	-
Investment in joint venture/associate (OE LLC)		12,649,392	1,713,661	-	-
		134,088,406	43,867,936	-	-
21 Surplus in profit and loss account					
Balance at the beginning of the year		-	-	3,018,442,662	2,748,933,607
Net profit after tax for the year		-	-	562,247,536	2,443,732,947
Transfer to statutory reserve during the year		-	-	(332,872,378)	(835,485,162)
Issue of bonus shares		-	-	(1,472,612,600)	(1,338,738,730)
		-	-	1,775,205,220	3,018,442,662
22 Consolidated surplus in profit and loss account					
IFIC Bank Limited	21	1,775,205,220	3,018,442,662	-	-
IFIC Securities Limited		372,552,596	322,799,499	-	-
IFIC Money Transfer (UK) Limited		(19,110,491)	(26,232,171)	-	-
Share of profit of investment in joint venture/associate (NBBL)		2,152,120,471	1,642,684,855	-	-
Share of profit of investment in joint venture/associate (OE LLC)		70,358,359	57,314,825	-	-
Exchange (gain)/loss on investment in joint venture/associate (NBBL)		(90,399,836)	(92,730,264)	-	-
Exchange (gain)/loss on investment in joint venture/associate (OE LLC)		(12,649,393)	(1,713,662)	-	-
		4,248,076,927	4,920,565,744	-	-
23 Non-controlling interest (NCI)					
IFIC Securities Limited	23.1	7,016	6,880	-	-
IFIC Money Transfer (UK) Limited		-	-	-	-
		7,016	6,880	-	-

Particulars	Note	Group		Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
23.1 NCI of IFIC Securities Limited					
Opening balance on 1 January		6,880	6,818	-	-
Add: Share of profit during the year		136	62	-	-
		7,016	6,880	-	-
24 Contingent liabilities					
Acceptances and endorsements	24.1	16,350,951,601	17,978,428,515	16,350,951,601	17,978,428,515
Letters of guarantee	24.2	8,058,992,366	9,274,250,539	8,058,992,366	9,274,250,539
Irrevocable Letters of credit	24.3	17,880,361,773	14,673,137,826	17,880,361,773	14,673,137,826
Bills for collection	24.4	8,193,373,111	9,169,349,832	8,193,373,111	9,169,349,832
		50,483,678,851	51,095,166,712	50,483,678,851	51,095,166,712
24.1 Acceptances and endorsements					
Back to back bills (local currency)		279,594,776	197,607,606	279,594,776	197,607,606
Back to back bills (foreign currency)		16,071,356,825	17,780,820,909	16,071,356,825	17,780,820,909
		16,350,951,601	17,978,428,515	16,350,951,601	17,978,428,515
24.2 Letters of guarantee					
Letters of guarantee (local currency)		7,979,200,054	9,145,418,872	7,979,200,054	9,145,418,872
Letters of guarantee (foreign currency)		79,792,312	128,831,667	79,792,312	128,831,667
		8,058,992,366	9,274,250,539	8,058,992,366	9,274,250,539
Money for which the bank is contingently liable in respect of guarantee issued favoring:					
Directors		27,443,000	-	27,443,000	-
Government		3,819,557,827	4,264,377,276	3,819,557,827	4,264,377,276
Banks and other financial institutions		1,454,967,826	1,892,035,766	1,454,967,826	1,892,035,766
Others		2,757,023,712	3,117,837,497	2,757,023,712	3,117,837,497
		8,058,992,366	9,274,250,539	8,058,992,366	9,274,250,539
24.3 Irrevocable letters of credit					
Letter of credit (LC) - cash sight		9,102,343,168	6,740,841,075	9,102,343,168	6,740,841,075
Letter of credit (LC) - back to back		8,539,680,148	7,730,378,117	8,539,680,148	7,730,378,117
Letter of credit (LC) - cash usance		238,338,457	201,918,634	238,338,457	201,918,634
		17,880,361,773	14,673,137,826	17,880,361,773	14,673,137,826
24.4 Bills for collection					
Inland bills collection		20,994,127	21,261,409	20,994,127	21,261,409
Foreign bills collection		745,436	-	745,436	-
Inland documentary bills for collection		2,826,418,019	2,913,733,690	2,826,418,019	2,913,733,690
Foreign documentary bills for collection		5,345,215,529	6,234,354,733	5,345,215,529	6,234,354,733
		8,193,373,111	9,169,349,832	8,193,373,111	9,169,349,832

Notes to the Financial Statements
as at and for the year ended 31 December 2020

Amount in BDT

Particulars	Note	Group		Bank	
		2020	2019	2020	2019
25 Income statement					
Income					
Interest, discount and similar income	26, 28	24,434,346,321	26,837,282,047	24,423,150,019	26,784,747,249
Dividend income	28	105,135,607	37,981,800	67,006,708	208,265,302
Fees, commission and brokerage	29.1	991,723,232	982,172,625	965,131,611	942,838,224
Gains less losses arising from dealing in securities	28	169,849,269	57,167,058	169,849,269	57,167,058
Gains less losses arising from investment securities	28.1	(37,605,869)	4,212,721	(46,234,087)	2,040,818
Gain less losses arising from dealing in foreign currencies	29.2	534,781,144	695,573,614	543,386,446	719,498,177
Income from non-banking assets		-	-	-	-
Other operating income	30	1,127,841,349	988,305,983	597,074,284	433,206,205
Profit less losses on interest rate change		-	-	-	-
		27,326,071,053	29,602,695,848	26,719,364,250	29,147,763,033
Expenses					
Interest, fee and commission	27	18,292,521,314	18,028,004,167	18,294,764,064	18,028,020,880
Losses on loan and advances		-	758,054,030	-	758,054,030
Administrative expenses	31-38	3,448,589,146	3,690,765,228	3,414,988,464	3,649,243,381
Other operating expenses	39, 40	1,303,718,536	1,119,169,625	1,282,611,363	1,100,594,037
Depreciation on banking assets		832,687,471	496,054,458	825,346,640	491,404,633
		23,877,516,467	24,092,047,508	23,817,710,531	24,027,316,961
Profit before provision		3,448,554,586	5,510,648,340	2,901,653,719	5,120,446,072
26 Interest income					
Term loan-industrial		1,628,539,825	2,245,650,120	1,628,539,825	2,245,650,120
Term Loan-Agricultural Loan		218,334,668	230,573,616	218,334,668	230,573,616
Term loan-consumer finance		21,870,644	41,855,294	21,870,644	41,855,294
Term Loan-Housing Finance		3,559,324,300	3,752,614,702	3,559,324,300	3,752,614,702
Term Loan-Transport loan		9,434,971	19,240,905	9,434,971	19,240,905
Term Loan-Lease finance		28,168,085	44,921,629	28,168,085	44,921,629
Term Loan-Foreign Currency (OBU)		114,091,566	109,387,936	114,091,566	109,387,936
Term loan-others		5,353,517,834	5,830,751,989	5,353,517,834	5,830,751,989
Overdrafts		5,622,943,151	6,330,928,169	5,656,951,752	6,330,928,169
Cash credit		2,046,145,455	2,592,629,570	2,046,145,455	2,592,629,570
Credit card		21,280,806	22,471,501	21,280,806	22,471,501
Demand loan		805,860,564	991,711,151	805,860,564	991,711,151
Loan general		139,764,200	165,542,963	139,764,200	165,542,963
Loan against trust receipt (LTR)		624,022,742	797,570,270	624,022,742	797,570,270
Staff loan		51,889,992	66,539,810	51,889,992	66,539,810
Overdue interest		85,746,752	107,258,282	85,746,752	107,258,282
Interest on Margin Loan		45,204,904	52,534,798	-	-
Interest income from loans and advances		20,376,140,458	23,402,182,705	20,364,944,156	23,349,647,907
Inland documentary bill purchased (IDBP)		88,308,397	199,887,302	88,308,397	199,887,302
Usance Bill Discounted (OBU)		2,762,355	14,990,490	2,762,355	14,990,490
Payment against document (cash)		34,647,736	32,466,045	34,647,736	32,466,045
Payment against document (forced)		65,513,791	102,010,669	65,513,791	102,010,669
Payment against document (EDF)		228,831,992	353,393,596	228,831,992	353,393,596
Payment against document (inland)		106,514,037	70,537,557	106,514,037	70,537,557
Payment against document (others)		171,589,828	179,077,315	171,589,828	179,077,315
Interest income from bills paid and discounted		698,168,136	952,362,974	698,168,136	952,362,974
Money at call on short notice		76,031,361	76,448,278	76,031,361	76,448,278
Balance held outside Bangladesh		4,244,218	20,295,103	4,244,218	20,295,103
Balance held inside Bangladesh		15,671,857	27,147,595	15,671,857	27,147,595
		21,170,256,030	24,478,436,655	21,159,059,728	24,425,901,857
27 Interest paid on deposits, borrowings etc.					
Interest paid on deposits					
Current deposit		3,880,233,972	2,671,127,609	3,882,456,003	2,671,144,322
Saving bank deposit		791,146,403	825,843,679	791,146,403	825,843,679
Special notice deposit		984,009,748	1,210,243,333	984,030,467	1,210,243,333
Fixed deposit		10,371,264,329	10,765,983,265	10,371,264,329	10,765,983,265
Non resident FC deposit		128,694	129,728	128,694	129,728
Resident FC deposit		232,330	235,514	232,330	235,514
Pension savings scheme		675,533,737	595,573,864	675,533,737	595,573,864
Monthly income scheme		1,152,769,204	1,176,171,547	1,152,769,204	1,176,171,547
Foreign currency deposit		275,125	266,311	275,125	266,311
		17,855,593,542	17,245,574,850	17,857,836,292	17,245,591,563



Particulars	Note	Amount in BDT			
		Group		Bank	
		2020	2019	2020	2019
Interest paid on borrowings					
Call borrowing		-	7,339,496	-	7,339,496
Term borrowing		41,798,192	125,406,848	41,798,192	125,406,848
Repurchase agreement (repo)		-	17,152,125	-	17,152,125
Bangladesh Bank- Refinance		29,107,429	26,701,333	29,107,429	26,701,333
Payment against lease obligation		965,511	1,958,139	965,511	1,958,139
Interest on subordinated bond		214,816,096	346,193,151	214,816,096	346,193,151
Bangladesh Bank- EDF		149,779,870	255,023,726	149,779,870	255,023,726
Bangladesh Bank- LTFF Refinance		460,674	2,654,499	460,674	2,654,499
		436,927,772	782,429,317	436,927,772	782,429,317
		18,292,521,314	18,028,004,167	18,294,764,064	18,028,020,880
28 Investment income					
Interest income					
Interest on Treasury bills and bonds		2,883,603,926	1,861,423,952	2,883,603,926	1,861,423,952
Interest on term placement		380,486,365	497,421,440	380,486,365	497,421,440
Interest on reverse repo		169,849,269	57,167,058	169,849,269	57,167,058
Gain/(loss) on share sale	28.1	(37,605,869)	4,212,721	(46,234,087)	2,040,818
Dividend income - local		105,135,607	37,981,800	67,006,708	34,955,882
Dividend income - Foreign		-	-	-	173,309,420
		3,501,469,298	2,458,206,971	3,454,712,181	2,626,318,570
28.1 Gain from sale of shares of listed companies					
Gain on share sale		105,714,070	7,245,259	105,714,070	7,245,259
Less: Loss on sale of share		(151,948,157)	(5,204,441)	(151,948,157)	(5,204,441)
		(46,234,087)	2,040,818	(46,234,087)	2,040,818
29 Commission, exchange and brokerage					
Commission	29.1	991,723,232	982,172,625	965,131,611	942,838,224
Exchange gain/(loss)	29.2	534,781,144	695,573,614	543,386,446	719,498,177
Brokerage		32,271,877	20,352,880	-	-
		1,558,776,252	1,698,099,119	1,508,518,057	1,662,336,401
29.1 Commission					
Bills purchased (Inland)		378,851	731,947	378,851	731,947
Remittances (inland)		5,332,826	11,438,335	5,332,826	11,438,335
Remittances (foreign)		2,698,332	3,134,240	2,698,332	3,134,240
Letter of guarantee (LG)-local		78,561,809	81,926,382	78,561,809	81,926,382
Letter of guarantee (LG)-foreign		4,295,097	1,166,396	4,295,097	1,166,396
Letter of credit (back to back)		368,549,339	356,725,556	368,549,339	356,725,556
Letter of credit (cash)		139,946,305	127,337,074	139,946,305	127,337,074
Letter of credit (others)		90,205,668	84,972,476	90,205,668	84,972,476
Wage earners development bond		3,076,563	4,574,613	3,076,563	4,574,613
Local documentary bills collection (LDBC)		1,405,617	7,508,447	1,405,617	7,508,447
Inward foreign documentary bills collection (IFDBC)		119,797,564	74,961,720	119,797,564	74,961,720
Foreign documentary bills collection (FDBC)		1,565,400	1,853,500	1,565,400	1,853,500
Foreign bills collection (FBC)		312,315	733,100	312,315	733,100
Add confirmation		19,281,121	21,829,873	19,281,121	21,829,873
Bill collection commission OBU		2,121,951	63,173	2,121,951	63,173
Visa card		17,131,590	12,518,489	17,131,590	12,518,489
Sanchaypatra		94,857	4,276,389	94,857	4,276,389
Foreign correspondent charges		36,476,969	47,202,824	36,476,969	47,202,824
Negotiation against contract		20,434,948	40,701,949	20,434,948	40,701,949
Rebate from foreign correspondent		44,982,180	51,273,358	44,982,180	51,273,358
Commission others		35,073,930	47,242,782	8,482,309	7,908,381
		991,723,232	982,172,625	965,131,611	942,838,224
29.2 Exchange gain/(loss)					
Exchange gain from revaluation of FC		534,781,144	695,573,614	543,386,446	719,498,177
		534,781,144	695,573,614	543,386,446	719,498,177

Particulars	Note	Amount in BDT			
		Group		Bank	
		2020	2019	2020	2019
30 Other operating income					
Locker rent		17,409,164	18,820,201	17,409,164	18,820,201
Cheque Book charge recovery		31,005,994	26,424,264	31,005,994	26,424,264
SWIFT charges recovery		17,819,054	21,720,497	17,819,054	21,720,497
Loan origination fees		121,682,941	67,301,014	121,682,941	67,301,014
Visa card fees		59,772,494	30,857,926	59,772,494	30,857,926
Service charge on accounts		232,920,153	152,701,543	231,699,153	151,482,043
Online Charge		6,483,291	14,562,761	6,483,291	14,562,761
Gain/(loss) on sale of fixed assets	40.5	-	1,623,480	-	1,623,480
Management fee - Foreign*		12,725,625	15,853,125	12,725,625	15,853,125
Miscellaneous earning**		105,543,481	84,608,087	98,476,567	84,560,894
		605,362,198	434,472,898	597,074,284	433,206,205
* 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.					
** Miscellaneous earnings includes BDT 29,451,603 against forfeited amount returned from Provident Fund according to the instruction of Financial Reporting Council [FRC] directives Dated 7 July 2020.					
31 Salary and allowances					
Basic salary		1,156,201,134	1,107,980,129	1,141,032,381	1,092,535,881
House rent allowance		495,138,791	472,965,924	492,149,903	470,160,456
Conveyance allowance		66,832,905	62,979,278	66,442,905	61,903,622
Medical allowances		110,557,941	105,368,885	109,903,849	104,772,557
Entertainment allowance		41,094,808	47,744,569	40,758,808	47,408,569
Other allowances		163,498,172	78,594,384	162,486,736	78,186,034
Incentive bonus		1,662,000	251,550,000	-	250,000,000
Leave encashment		11,534,992	17,660,322	11,534,992	17,660,322
Festival bonus		210,076,155	198,801,407	208,829,005	197,587,595
Leave fare assistance		101,741,173	101,395,717	101,058,373	100,712,917
Provident fund- Bank's contribution		105,369,591	101,182,915	105,369,591	101,182,915
Contribution to gratuity fund		96,800,000	30,000,000	96,800,000	30,000,000
		2,560,507,662	2,576,223,530	2,536,366,543	2,552,110,868
The number of employees for the year of 2020 who were paid remuneration less than Tk. 36,000 was nil (the year 2019: nil). The total number of employees employed in the Bank at the end of the year 2020 was 3,011 (year 2019:2,559).					
32 Rent, taxes, insurance, electricity etc.					
Rent paid		91,172,266	296,763,124	88,516,316	286,571,455
Rates & taxes		20,751,796	8,313,806	20,463,431	5,684,953
Insurance premium		210,437,076	179,520,237	210,336,241	179,331,545
Electricity & water		96,244,408	94,817,425	95,411,536	93,446,617
		418,605,546	579,414,593	414,727,523	565,034,570
Total office rent expenses for the year 2020 are Tk. 578,832,541. Due to application of IFRS 16: Leases, Tk. 510,099,888 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		3,608,201	2,515,190	1,551,463	1,804,546
Professional fees		7,104,778	7,555,521	5,376,010	6,795,144
		10,712,980	10,070,711	6,927,473	8,599,690
34 Postage, stamp, telecommunication etc.					
Postage expenses		8,209,120	7,589,704	8,200,462	7,580,279
Telephone		19,845,981	13,744,194	19,709,636	13,515,201
Communication facilities		45,814,707	42,335,219	45,393,199	42,335,219
		73,869,808	63,669,117	73,303,297	63,430,699
35 Stationery, printing, advertisement etc.					
Printing stationery		5,212,473	5,887,567	4,875,872	5,535,684
Security stationery		11,609,553	7,414,916	11,609,553	7,414,916
Petty stationery		30,834,314	23,639,915	30,834,314	23,639,915
Computer stationery		18,256,250	12,648,728	18,256,250	12,648,728
Advertisement and publicity		293,061,560	390,712,558	293,012,611	390,631,644
		358,974,150	440,303,684	358,588,600	439,870,887



Particulars	Note	Amount in BDT			
		Group		Bank	
		2020	2019	2020	2019
36 Managing Director's salary					
Basic salary		15,427,500	12,000,000	15,427,500	12,000,000
House rent allowance		1,200,000	375,000	1,200,000	375,000
Provident fund- Bank's contribution		1,542,750	1,200,000	1,542,750	1,200,000
Festival bonus		2,805,000	2,145,000	2,805,000	2,145,000
		20,975,250	15,720,000	20,975,250	15,720,000
In addition to the above, the Managing Director was paid BDT 1 million as incentive bonuses in both years and BDT 1.275 million as LFA in Y2020 (Y2019: 1 million).					
37 Directors' fees					
Meeting attendance fees		1,892,000	1,854,500	1,672,000	1,560,000
		1,892,000	1,854,500	1,672,000	1,560,000
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		3,051,750	2,509,093	2,427,778	1,916,667
Interim audit fees		-	1,000,000	-	1,000,000
		3,051,750	3,509,093	2,427,778	2,916,667
* Audit fee is inclusive of tax and VAT.					
39 Depreciation and repair of bank's assets					
Depreciation					
Buildings and premises		47,174,472	47,045,580	47,174,472	47,045,580
Right of Use Assets		459,560,011	174,979,390	454,886,479	172,695,856
Wooden furniture		21,167,011	20,370,160	21,075,551	20,183,246
Steel furniture		4,127,431	3,309,100	4,127,431	3,309,100
Computer equipment		72,234,039	69,296,021	71,735,012	68,928,095
Office equipment		18,099,158	14,503,189	18,099,158	13,694,046
Electrical & gas equipment		93,716,939	88,023,171	93,429,031	87,771,515
Leasehold improvement		32,195,064	20,926,453	30,567,987	20,572,499
Vehicles		11,833,728	11,754,830	11,833,728	11,754,830
Leased vehicles		8,819,373	7,826,745	8,819,373	7,826,745
Soft furnishing		795,240	714,904	795,240	711,217
Software		62,965,003	37,304,916	62,803,177	36,911,905
		832,687,471	496,054,458	825,346,640	491,404,633
Repairs and maintenance					
Property maintenance and repairs		190,568,721	196,431,109	188,896,442	194,577,671
Vehicles maintenance and repairs		47,152,118	48,860,969	47,152,118	48,860,969
		237,720,839	245,292,078	236,048,560	243,438,640
		1,070,408,309	741,346,537	1,061,395,200	734,843,273
40 Other expenses					
Entertainment		29,493,167	42,887,119	29,255,717	42,596,573
Petrol, oil and lubricants	40.1	60,024,751	66,991,479	60,020,446	66,991,479
Training and internship	40.2	7,220,475	28,081,193	7,220,475	28,081,193
Traveling expenses	40.3	50,455,579	68,069,063	49,944,253	67,821,573
Casual and contractual service	40.4	278,546,048	186,488,441	278,347,717	185,883,376
Loss on sales of fixed assets	40.5	4,914,422	-	2,186,382	-
Subscription and donation		114,892,574	38,342,731	114,460,720	35,107,080
Corporate Social Responsibility (CSR)		121,089,235	94,015,985	121,089,235	94,015,985
Books, newspapers and magazines, etc.		1,548,345	1,424,651	1,540,085	1,415,141
Interest on leased assets		57,923,933	28,018,283	55,213,409	26,962,117
NID verification charge		769,180	411,015	769,180	411,015
Reward and recognition		368,500	1,689,961	368,500	1,689,961
Uniforms and liveries		1,091,778	1,760,688	1,091,778	1,760,688
AGM and EGM expense		5,775,504	11,956,633	5,607,504	11,785,133
Business development		10,308,231	42,355,489	10,308,231	42,351,989
Crockeries		1,938,907	1,225,472	1,921,977	1,225,472
Security services		153,479,739	145,540,638	152,654,361	145,068,368
Bank charges and commission		12,762,582	17,898,858	6,974,650	7,679,845
Recovery and sales agent		32,792,499	14,841,187	32,792,499	14,841,187
Visa card expense		51,478,038	26,270,762	51,478,038	26,085,414
Risk charges		10,188,132	17,678,640	10,188,132	17,678,640
Branch Charge		11,399,903	11,582,673	11,399,903	11,582,673
Bond & Rights Share issue		1,433,987	1,976,979	1,433,987	1,976,979
Miscellaneous		46,102,189	24,369,605	40,295,626	24,143,515
		1,065,997,697	873,877,546	1,046,562,803	857,155,397

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.



Particulars	Note	Amount in BDT			
		Group		Bank	
		2020	2019	2020	2019
40.1 Petrol, oil and lubricants					
Petrol, oil and lubricants - pool car		16,157,450	18,867,856	16,153,145	18,867,856
Petrol, oil and lubricants - car purchase scheme		43,867,301	48,123,623	43,867,301	48,123,623
		60,024,751	66,991,479	60,020,446	66,991,479
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.					
40.4 Casual and contractual service					
Driver salary - car purchase scheme		47,494,362	47,650,157	47,494,362	47,650,157
DSA salary and incentive		105,955,051	63,293,461	105,955,051	63,293,461
Casual and contractual - staff		125,096,635	75,544,823	124,898,304	74,939,758
		278,546,048	186,488,441	278,347,717	185,883,376
40.5 Gain/ (loss) on sales of fixed assets					
Cost of fixed assets sold					
Wooden furniture		10,279,262	8,219,388	5,987,739	8,219,388
Steel furniture		1,076,428	280,432	1,076,428	280,432
Computer equipment		8,217,109	41,086,145	8,217,109	41,086,145
Office equipment		3,915,606	2,939,011	3,579,423	2,939,011
Electrical & gas equipment		17,915,510	23,665,104	14,754,679	23,665,104
Leasehold improvement		13,800,069	15,955,183	10,976,260	15,955,183
Vehicles		-	2,428,750	-	2,428,750
Soft furnishing		488,372	350,124	488,372	350,124
Software		315,333	-	315,333	-
		56,007,690	94,924,137	45,395,344	94,924,137
Less : Accumulated depreciation					
Wooden furniture		8,295,722	7,967,946	5,686,424	7,967,946
Steel furniture		577,031	243,849	577,031	243,849
Computer equipment		8,181,015	41,081,636	8,181,015	41,081,636
Office equipment		3,902,157	2,937,062	3,571,502	2,937,062
Electrical & gas equipment		16,855,608	23,151,351	14,158,524	23,151,351
Leasehold improvement		10,150,954	15,777,228	8,045,185	15,777,228
Vehicles		-	2,428,746	-	2,428,746
Soft furnishing		488,338	350,117	488,338	350,117
Software		315,327	-	315,327	-
		48,766,152	93,937,934	41,023,346	93,937,934
Written down value		7,241,537	986,202	4,371,997	986,202
Sale proceeds of above fixed assets		2,327,116	2,609,682	2,185,616	2,609,682
Gain / (loss) on sales of fixed assets		(4,914,422)	1,623,480	(2,186,382)	1,623,480
40.a Details of investment in joint ventures/associates - under equity method					
i) Nepal Bangladesh Bank Limited					
Opening balance		4,025,376,164	3,667,144,961	-	-
Add/ (less): Share of post acquisition profit during the year		509,435,617	530,139,098	-	-
Add/ (less): Cash dividend received		-	(173,309,420)	-	-
Add/ (less): Effect of changes in foreign currency exchange rate		79,672,184	1,401,525	-	-
Closing balance		4,614,483,965	4,025,376,165	-	-
ii) Oman Exchange LLC					
Opening balance		133,400,738	52,691,476	-	-
Add/ (less): New investment made during the year		-	56,654,197	-	-
Add/ (less): Share of post acquisition profit/(loss) during the year		13,043,534	23,693,987	-	-
Add/ (less): Effect of changes in foreign currency exchange rate		10,935,731	361,078	-	-
Closing balance		157,380,003	133,400,738	-	-
iii) Share of post acquisition profit during the year					
Nepal Bangladesh Bank Limited		509,435,617	530,139,098	-	-
Oman Exchange LLC		13,043,534	23,693,987	-	-
		522,479,151	553,833,085	-	-



Particulars	Note	Amount in BDT			
		Group		Bank	
		2020	2019	2020	2019
iv) Investment in joint ventures/associates-under equity method					
A. Book value of investment					
Nepal Bangladesh Bank Limited		2,432,766,863	2,435,097,291	-	-
Oman Exchange LLC		87,021,644	76,085,913	-	-
		2,519,788,507	2,511,183,204	-	-
B. Cumulative share of post acquisition profit					
Nepal Bangladesh Bank Limited		2,181,717,102	1,590,278,874	-	-
Oman Exchange LLC		70,358,359	57,314,825	-	-
		2,252,075,462	1,647,593,699	-	-
Total (A+B)		4,771,863,968	4,158,776,903	-	-
41 Provision for loans, investments and other assets					
Specific provision	15.1	(510,182,101)	341,764,103	(510,182,101)	341,764,103
General provision	15.2	837,830,609	511,471,663	837,830,609	511,471,663
Provision for off-shore banking unit	15.2	(3,482,166)	4,440,038	(3,482,166)	4,440,038
Special general provision COVID-19	15.3	1,200,000,000	-	1,200,000,000	-
Provision for off-balance sheet exposure	15.4	(25,492,449)	(83,634,052)	(25,492,449)	(83,634,052)
Provision for loans and advances		1,498,673,893	774,041,752	1,498,673,893	774,041,752
Provision for diminution in value of investments	15.5	(300,613,649)	130,186,221	(297,353,559)	126,926,131
Other provisions	41.1	35,971,496	42,052,379	35,971,496	42,052,379
		1,234,031,740	946,280,352	1,237,291,830	943,020,262
41.1 Other provisions					
Provision for nostro account	15.6	(12,417)	125,550	(12,417)	125,550
Provision for other assets	15.7	35,983,913	41,926,829	35,983,913	41,926,829
		35,971,496	42,052,379	35,971,496	42,052,379
42 Provision for taxation					
Current tax		975,923,486	1,721,922,569	963,000,000	1,700,000,000
Deferred tax expense/(income)	42.1	137,874,939	35,067,669	139,114,352	33,692,863
		1,113,798,425	1,756,990,238	1,102,114,352	1,733,692,863
Provision for current tax has been made after considering the prior years surplus provision.					
42.1 Deferred tax expense/(income)					
Deferred tax on provision for loans and advances (DF & BL)	10.5	115,851,314	111,671,628	115,851,314	111,671,628
Deferred tax on fixed assets	10.5	29,442,499	(71,096,047)	30,681,912	(71,030,589)
Deferred tax on leased assets	10.5	(7,418,874)	(5,507,912)	(7,418,874)	(6,948,176)
		137,874,939	35,067,669	139,114,352	33,692,863
43 Receipts from other operating activities					
Rent received		17,409,164	18,820,201	17,409,164	18,820,201
Other receipts		587,953,034	415,669,410	579,665,120	414,386,004
Capital gain/(loss)	28.1	(37,605,869)	4,212,721	(46,234,087)	2,040,818
		567,756,329	438,702,331	550,840,197	435,247,023
44 Cash paid for other operating activities					
Postage, stamp, telecommunication etc.		73,869,808	63,669,117	73,303,297	63,430,699
Rent paid		91,172,266	286,571,455	88,516,316	286,571,455
Rates, taxes & utilities		20,751,796	20,064,976	20,463,431	5,684,953
Insurance premium		210,437,076	179,331,545	210,336,241	179,331,545
Electricity & water		96,244,408	93,446,617	95,411,536	93,446,617
Traveling expenses		50,455,579	67,821,573	49,944,253	67,821,573
Auditors' fees		3,051,750	3,509,093	2,427,778	2,916,667
Directors' fees		1,892,000	1,854,500	1,672,000	1,560,000
Legal expenses		10,712,980	10,070,710	6,927,473	8,599,690
Repairs and maintenance		237,720,839	243,438,640	236,048,560	243,438,640
Other expenses		907,462,253	678,972,979	891,679,849	661,236,710
		1,703,770,755	1,648,751,205	1,676,730,733	1,614,038,549

Particulars	Note	Amount in BDT			
		Group		Bank	
		2020	2019	2020	2019
45 Cash and cash equivalents					
Cash in hand		4,088,663,229	2,872,338,679	4,084,799,668	2,871,220,070
Balance with Bangladesh Bank and its agent Bank (s)		14,407,730,302	15,183,691,094	14,407,730,302	15,183,691,094
Balance with other banks and financial Institutions		8,068,327,513	5,637,834,204	8,895,390,969	5,617,034,218
Money at call and on short notice		2,330,000,000	910,000,000	2,330,000,000	910,000,000
Prize Bonds		3,449,000	3,114,600	3,449,000	3,114,600
		28,898,170,044	24,606,978,577	29,721,369,939	24,585,059,982
46 (Increase)/decrease of other assets					
Stationery and stamps		42,897,670	40,919,747	42,895,192	40,919,747
Suspense account		850,058,824	986,739,119	840,559,567	986,739,119
Advance, deposit and prepayments		419,452,304	602,404,120	416,805,081	599,443,491
Investment in subsidiaries		2,234,342,260	2,233,302,400	2,234,342,260	2,233,302,400
Receivable others		933,675,990	194,996,171	71,181,064	193,419,566
Closing other assets		4,480,427,048	4,058,361,557	3,605,783,164	4,053,824,323
Opening other assets		4,058,361,557	3,859,728,751	4,053,824,323	3,845,479,625
		(422,065,491)	(198,632,806)	448,041,159	(208,344,698)
47 Increase/(decrease) of other liabilities					
Withholding Tax payable to government		362,976,044	341,514,845	362,830,343	341,514,845
Withholding VAT payable to government		111,520,816	80,529,151	111,388,832	80,529,151
Excise duty payable to government		291,542,361	192,744,701	291,542,361	192,744,701
Dividend payable		2,814,447	2,814,447	2,814,447	2,814,447
Revaluation of investment abroad		30,946,297	30,946,297	30,946,297	30,946,297
Sale proceeds of PSP & TC		88,416,642	65,743,619	88,416,642	65,743,619
Others		295,585,180	135,547,402	190,229,318	113,205,018
Closing other liabilities		1,183,801,787	849,840,462	1,078,168,240	827,498,078
Opening other liabilities		849,840,462	1,033,496,178	827,498,078	997,470,369
		333,961,325	(183,655,716)	250,670,162	(169,972,291)
48 Reconciliation of statement of cash flows from operating activities					
Profit before provision				2,901,653,719	5,120,446,072
Adjustment for non cash items					
Depreciation on fixed asset				762,543,463	454,492,728
Amortization on software				62,803,177	36,911,905
Adjustment with non-operating activities				825,346,640	491,404,633
Recovery of written off loans				161,055,817	601,783,125
Interest receivable				(233,210,102)	77,162,602
Interest payable on deposits				(1,116,087,864)	1,289,054,780
Charges on loan losses				-	758,054,030
Accrued Expense				20,662,108	54,090,228
Bonus payable				(250,000,000)	9,500,000
Interest on leased assets				55,213,409	26,962,117
				(1,362,366,631)	2,816,606,881
Changes in operating assets and liabilities					
Changes in loans & advances				(31,704,320,689)	(23,239,690,456)
Changes in deposit and other accounts				39,102,888,083	30,720,115,734
Changes in other assets				448,041,159	(208,344,698)
Changes in other liabilities				250,670,162	(169,972,291)
Income tax paid				8,097,278,715	7,102,108,289
				(1,238,529,182)	(1,660,879,183)
Net cash flows from/(used in) operating activities				9,223,383,261	13,869,686,693

Particulars	Note	Amount in BDT			
		Group		Bank	
		2020	2019	2020	2019
49 Number of ordinary shares outstanding					
Balance at the beginning of the year		1,472,612,608	1,338,738,735	1,472,612,608	1,338,738,735
Add: Bonus share issued		147,261,260	133,873,873	147,261,260	133,873,873
		1,619,873,868	1,472,612,608	1,619,873,868	1,472,612,608
50 Earnings Per Share (EPS)*					
Net profit after tax		1,132,996,161	2,827,730,568	562,247,536	2,443,732,947
Number of ordinary shares outstanding		1,619,873,868	1,619,873,868	1,619,873,868	1,619,873,868
Earning Per Share (EPS)		0.70	1.75	0.35	1.51
51 Net Operating Cash Flow per Share*					
Net cash flows from operating activities		8,579,202,724	13,893,097,492	9,223,383,261	13,869,686,693
Number of ordinary shares outstanding in respective years		1,619,873,868	1,619,873,868	1,619,873,868	1,619,873,868
Net Operating Cash Flow per Share		5.30	8.58	5.69	8.56
52 Net Asset Value (NAV) per Share*					
Net assets value at the end of the year		27,823,915,093	26,542,970,473	25,216,954,980	24,596,979,455
Number of ordinary shares outstanding in respective years		1,619,873,868	1,619,873,868	1,619,873,868	1,619,873,868
Net Asset Value (NAV) per Share		17.18	16.39	15.57	15.18

* Previous year's figure has been restated.

53 Events after the reporting period

- 53.1 The Board of Directors in its 792nd Meeting held on 31 March 2021 recommended 5% stock dividend for the year ended 31 December 2020 which will be placed for approval of the shareholders in the forthcoming 44th Annual General Meeting of the Bank.
- 53.2 IFIC Investment Limited, a wholly owned subsidiary company of IFIC Bank was incorporated on 30 November 2020 to carry on the business of merchant banking and subsequently subscription of capital was paid on 03 January 2021.
- 53.3 The Board of Directors in its 789th meeting held on 28 February 2021 decided to issue a redeemable subordinated bond of BDT 5,000 million to meet the capital requirement as per Basel-III and strengthen the capital base of the Bank subject to the approval of regulatory authorities.



Balance with other Banks and Financial Institutions-Outside Bangladesh
as at 31 December 2020

Name of the Bank and Financial Institutions	Account type	Currency type	31 December 2020			31 December 2019		
			FC amount	Conversion rate	Equivalent BDT	FC amount	Conversion rate	Equivalent BDT
AB Bank Ltd., Mumbai	CD	USD	395,913	84.80	33,573,878	588,403	84.90	49,955,411
Amana Bank, Sri Lanka	CD	USD	11,790	84.80	999,805	-	-	-
Bank of Bhutan, Phuentsoling	CD	USD	77,927	84.80	6,608,266	77,927	84.90	6,615,973
Citi Bank N.A, New York	CD	USD	1,290,776	84.80	109,459,226	2,063,130	84.90	175,159,724
Commerz Bank AG, Frankfurt	CD	USD	870,894	84.80	73,852,764	731,794	84.90	62,129,307
Commerz Bank AG, Frankfurt	CD	EUR	259,390	103.87	26,943,552	336,659	94.89	31,945,058
Habib Bank, New York	CD	USD	642,042	84.80	54,445,833	1,231,921	84.90	104,590,065
Habib Bank AG, Zurich	CD	CHF	16,161	95.87	1,549,398	10,950	87.08	953,528
ICIC Bank Ltd., India	CD	USD	777,170	84.80	65,904,870	704,396	84.90	59,803,179
J.P. Morgan Chase Bank AG, Frankfurt	CD	EUR	27,150	103.87	2,820,185	102,687	94.89	9,743,813
J.P. Morgan Chase Bank, New York	CD	USD	3,139,002	84.80	266,190,838	2,500,768	84.90	212,315,237
J.P. Morgan Chase Bank, Sydney	CD	AUD	60,073	64.50	3,874,664	80,090	59.24	4,744,809
Mashreq Bank, PSC, India	CD	USD	323,691	84.80	27,449,330	451,037	84.90	38,293,021
Masreq Bank PSC, New York	CD	USD	1,283,113	84.80	108,809,368	1,787,247	84.90	151,737,253
MCB Bank Ltd, Pakistan	CD	USD	149,715	84.80	12,696,015	149,818	84.90	12,719,509
Nations Trust Bank Ltd., Colombo	CD	USD	-	-	-	113,912	84.90	9,671,134
Nepal Bangladesh Bank Ltd., Nepal	CD	USD	198,346	84.80	16,819,930	282,207	84.90	23,959,387
Sonali Bank Limited, Kolkata	CD	USD	152,559	84.80	12,937,139	154,216	84.90	13,092,906
Standard Chartered Bank, New York	CD	USD	4,900,230	84.80	415,544,859	5,165,275	84.90	438,531,824
Standard Chartered Bank, Kolkata	CD	USD	645,508	84.80	54,739,795	372,060	84.90	31,587,890
Standard Chartered Bank, London	CD	GBP	140,208	114.49	16,053,021	466,191	111.03	51,760,267
Standard Chartered Bank, London	CD	USD	122,970	84.80	10,427,984	122,970	84.90	10,440,145
Standard Chartered Bank, Tokyo	CD	JPY	14,114,314	0.82	11,555,389	7,072,726	0.78	5,487,728
Wells Fargo Bank, New York	CD	USD	592,745	84.80	50,265,436	1,143,436	84.90	97,077,755
Total			30,191,685		1,383,521,546	25,709,818		1,602,314,923



Details of investment in shares
as at 31 December 2020

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 Sangsathan 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
Energypac Power Generation Limited*	10	619,500	41.90	25,960,000	36.88	22,847,073	(3,112,927)
Quoted shares				68,807,220		125,319,239	56,512,019
Under General/own Fund							
Beximco Limited	10	18,193,920	43.72	795,441,620	57.00	1,037,053,440	241,611,820
Beximco Pharmaceuticals Limited	10	3,040,600	105.26	320,041,062	190.50	579,234,300	259,193,238
Confidence Cement Limited	10	184,000	140.82	25,910,052	121.30	22,319,200	(3,590,852)
Fareast Life Insurance Limited	10	979,224	125.11	122,511,641	46.40	45,435,994	(77,075,647)
Linde Bangladesh Limited	10	6,430	1,258.79	8,094,008	1,281.10	8,237,473	143,465
National Housing Finance & Investment Limited	10	5,288,910	7.38	39,010,000	40.20	212,614,182	173,604,182
Power Grid Company Limited	10	1,728,072	69.13	119,453,500	41.80	72,233,410	(47,220,091)
Renata Limited	10	6,550	1,144.75	7,498,124	1,106.90	7,250,195	(247,929)
Runner Automobiles Limited	10	160,000	57.77	9,242,832	50.90	8,144,000	(1,098,832)
Singer Bangladesh Limited	10	70,656	204.96	14,481,915	175.60	12,407,194	(2,074,721)
Square Pharmaceuticals Limited	10	74,025	178.31	13,199,287	219.50	16,248,488	3,049,201
Summit Power Limited	10	399,600	41.91	16,748,715	38.90	15,544,440	(1,204,275)
TITAS Gas Transmission and Distribution Limited	10	2,965,629	76.60	227,159,152	30.80	91,341,373	(135,817,779)
Unique Hotel and Resorts Limited	10	200,000	105.15	21,029,385	39.60	7,920,000	(13,109,385)
Walton Hi-Tech Industries Limited	10	4,500	1,033.43	4,650,429	1,113.80	5,012,100	361,671
Total				1,744,471,722		2,140,995,788	396,524,065
*Energypac Power Generation Limited subsequently listed with the both Stock Exchanges of Bangladesh and started its trading from 19 Jan 2021							
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	190.50	1,404,299,325	622,561,700
Total				781,737,625		1,404,299,325	622,561,700
Mutual funds							
IFIC Bank 1 st Mutual Fund	10	37,951,655	6.59	250,000,000	9.02	342,267,001	92,267,001
ICB Employee 1 st Mutual Fund	10	1,339,500	13.43	17,986,473	7.20	9,644,400	(8,342,073)
Foreign investment: In associate/joint venture				267,986,473		351,911,401	83,924,928
Nepal Bangladesh Bank Limited		34,742,855	70.02	2,432,766,863	195.11	6,778,715,614	4,345,948,751
Oman Exchange LLC		627,841	138.60	87,021,644	257.56	161,704,054	74,682,410
Other foreign investment: MCB Bank Limited, Pakistan				2,519,788,507		6,940,419,668	4,420,631,161
Total foreign investment		175,508	2,052.34	360,202,069	97.89	17,181,308	(343,020,761)
Total				2,879,990,576		6,957,600,976	4,077,610,400
				5,742,993,615		10,980,126,727	5,237,133,112



Required provision for investment in shares

Particulars	Cost price	Market value	Amount in BDT Req. Provision
Unquoted shares ¹			
Quoted- own/general Fund ²	68,807,220	125,319,239	3,112,927
Quoted- under special fund ²	1,744,471,722	2,140,995,788	-
Mutual funds ³	781,737,625	1,404,299,325	-
	267,986,473	351,911,401	8,342,073
Sub-total	2,863,003,040	4,022,525,752	11,455,000
Foreign Investment: In associate/joint venture	2,519,788,507	6,940,419,668	-
Other foreign investment-MCB Bank Ltd.	360,202,069	17,181,308	343,020,761
Grand Total	5,742,993,615	10,980,126,727	354,475,761

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 Mutual Fund made in line with the directives contained in Bangladesh Bank DOS Circular no. 03 and 10, dated 12 March and 28 June 2015 respectively. Calculation as under.

Name of the Company	No. of share		NAV x 85%	NAV/share	Higher of C & D	Required Provision
	A	B				
IFIC Bank 1 st MF	37,951,655	6.59	9.02	10.61	E	G=(A x F)
ICB EP 1 st MF	1,339,500	13.43	6.32	7.44	9.02	-
Total provision required					7.20	(8,342,073)
					(6.23)	(8,342,073)



Loans and advances allowed to each customer exceeding 10% of Bank's total capital
as at 31 December 2020

BDT in million

Sl.	Name of the group	Name of clients	Outstanding as on 31 December 2020			Amount classified
			Funded	Non-funded	Total	
1	Uttara	Uttara Traders(Pvt.) Ltd.	3,038.55	2,892.20	5,930.75	-
		Sub Total:	3,038.55	2,892.20	5,930.75	-
2	Silver Line	Silver Composite Textile Mills Ltd.	2,067.37	400.70	2,468.07	-
		Silver Line Composite Textile Mill Ltd.	2,432.06	697.20	3,129.26	-
		Sub Total:	4,499.43	1,097.90	5,597.33	-
3	Doha-Global	Dohatec Newmedia Ltd.	1,602.03	42.60	1,644.63	-
		Global Voice Telecom Ltd.	2,318.77	1,549.40	3,868.17	-
		Sub Total:	3,920.79	1,592.00	5,512.79	-
4	Habib Hotel	Habib Hotel International Ltd.	5,118.10	6.00	5,124.10	-
		Sub Total:	5,118.10	6.00	5,124.10	-
5	Nassa	Nassa Properties Ltd.	3,911.11	-	3,911.11	-
		Nassa Spinners & Garments	468.74	297.30	766.04	-
		Nassa Supreme Wash Ltd.	337.41	17.00	354.41	-
		Sub Total:	4,717.26	314.30	5,031.56	-
6	Islam	Islam Garments Ltd.	2,574.87	1,697.30	4,272.17	-
		Islam Knit Designs Ltd.	153.27	415.70	568.97	-
		Euro Jeans Ltd.	45.76	-	45.76	-
		Sub Total:	2,773.89	2,113.00	4,886.89	-
7	ENA	Ena Properties Ltd.	1,939.34	28.20	1,967.54	-
		Northern Power Solutions Ltd.	1,870.92	100.00	1,970.92	-
		Ena Building Products Ltd.	286.46	-	286.46	-
		Sakoatex Ltd.	516.37	29.90	546.27	-
		Sub Total:	4,613.09	158.10	4,771.19	-
8	Elham	Elham International Ltd	511.48	-	511.48	-
		Elham Fashion Ltd.	3,061.13	1,058.00	4,119.13	-
		Sub Total:	3,572.61	1,058.00	4,630.61	-
9	Uttara Jute	Uttara Jute Fibres & Industries Ltd.	4,510.47	14.70	4,525.17	-
		Sub Total:	4,510.47	14.70	4,525.17	-
10		Absolute Construction & Engineering Ltd.	4,440.66	-	4,440.66	-
		Sub Total:	4,440.66	-	4,440.66	-
11		Northstone Eng. & Cons. Limited	4,406.38	-	4,406.38	-
		Sub Total:	4,406.38	-	4,406.38	-
12		Global LPG Ltd.	4,397.87	-	4,397.87	-
		Sub Total:	4,397.87	-	4,397.87	-
13		Sristi Real Estate Limited	4,327.88	-	4,327.88	-
		Sub Total:	4,327.88	-	4,327.88	-
14	Teambuild	Teambuild Construction & Eng. Ltd.	4,324.31	-	4,324.31	-
		Sub Total:	4,324.31	-	4,324.31	-
15	Navana	Navana Ltd.	654.46	417.20	1,071.66	-
		Navana Real Estate Ltd.	2,773.67	-	2,773.67	-
		Navana Interlinks Ltd.	101.21	90.00	191.21	-
		Navana Electronics Ltd.	103.95	-	103.95	-
		Sub Total:	3,633.28	507.20	4,140.48	-



Sl.	Name of the group	Name of clients	Outstanding as on 31 December 2020			Amount classified
			Funded	Non-funded	Total	
16		Central Land & Buildings Ltd	4,088.68	-	4,088.68	-
		Sub Total:	4,088.68	-	4,088.68	-
17		Wisdom Attires Ltd.	3,603.84	456.10	4,059.94	-
		Sub Total:	3,603.84	456.10	4,059.94	-
18	Sikder	Powerpac Mutiara Keraniganj (Pvt) Ltd.	2,084.01	-	2,084.01	-
		R & R Holdings	1,975.92	-	1,975.92	-
		Sub Total:	4,059.94	-	4,059.94	-
19		Quick Real Estate Ltd.	4,002.30	-	4,002.30	-
		Sub Total:	4,002.30	-	4,002.30	-
20	Phonix	Appollo Ispat Complex Limited	3,683.34	270.90	3,954.24	-
		Sub Total:	3,683.34	270.90	3,954.24	-
21		Raj Housing Ltd	3,939.97	-	3,939.97	-
		Sub Total:	3,939.97	-	3,939.97	-
22		Vestel Cable TV Networks	3,664.56	-	3,664.56	-
		Sub Total:	3,664.56	-	3,664.56	-
23		Crystal Construction Ltd.	3,652.65	-	3,652.65	-
		Sub Total:	3,652.65	-	3,652.65	-
24		Prisma Digital Network Ltd	3,442.08	117.00	3,559.08	-
		Sub Total:	3,442.08	117.00	3,559.08	-
25	SQ	SQ Celsius Ltd.	2,147.85	139.00	2,286.85	-
		SQ Birichina Ltd.	477.17	771.90	1,249.07	-
		Sub Total:	2,625.02	910.90	3,535.92	-
		Knit Concern Ltd.	829.09	1,684.40	2,513.49	-
		KC Apparels Ltd	58.82	50.90	109.72	-
		Pack Concern Ltd.	68.27	16.70	84.97	-
26	Knit Concern	KC Lingerie Ltd	239.19	499.10	738.29	-
		Zas Concern Ltd	12.86	5.00	17.86	-
		JMJ Mollah Cold Storage Ltd	53.44	-	53.44	-
		Surecell Medical (BD) Ltd	14.06	-	14.06	-
		Sub Total:	1,275.72	2,256.10	3,531.82	-
27	Bengal	Bengal Communications Ltd.	3,488.55	-	3,488.55	-
		Sub Total:	3,488.55	-	3,488.55	-
		Bashundhara Paper Mills	1,425.48	126.20	1,551.68	-
28	Bashundhara	Bashundhara Industrial Complex Limited	104.88	-	104.88	-
		East West Property Development	238.22	-	238.22	-
		Bashundhara Multi Paper Industry Ltd.	1,430.46	-	1,430.46	-
		Sub Total:	3,199.04	126.20	3,325.24	-
		Grand Total:	107,020.26	13,890.60	120,910.86	-



Schedule of fixed assets including premises, furniture and fixture
as at 31 December 2020

Annexure - D

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	Charged during the year	Disposal during the year	
Land	2,423,609,559	-	-	-	2,423,609,559	-	-	2,423,609,559
Buildings and premises	1,902,617,204	-	-	-	1,902,617,204	47,174,472	-	422,008,536
Right of Use Assets	951,944,753	1,045,628,181	-	-	1,938,582,527	454,886,479	5,469,921	584,125,725
Wooden furniture	254,570,346	38,998,932	-	5,987,739	287,581,539	21,075,551	5,686,424	140,489,418
Steel furniture	77,057,552	25,087,869	10,125,000	1,076,428	111,193,993	4,127,431	577,031	61,389,719
Computer equipment	863,236,002	77,513,866	117,214,225	8,217,109	1,049,746,984	71,735,012	8,181,015	743,955,942
Electrical & gas equipment	902,371,888	197,864,907	-	14,754,679	1,085,482,116	93,429,031	14,158,524	562,544,470
Office equipment	242,661,330	51,323,052	-	3,579,423	290,404,959	18,099,158	3,571,502	219,524,399
Leasehold improvement	329,274,712	173,277,081	17,061,674	10,976,260	508,637,207	30,567,987	8,045,185	208,944,409
Vehicles	147,985,565	17,122,936	-	-	165,108,501	11,833,728	-	127,415,383
Leased vehicles	47,600,000	-	-	-	47,600,000	8,819,373	-	44,418,361
Soft furnishing	12,646,335	802,092	-	488,372	12,960,055	795,240	488,338	11,745,436
Software	693,375,354	33,888,255	380,261,630	315,333	1,107,209,905	62,803,177	315,327	402,183,786
Capital work in progress *	8,848,950,600	1,661,507,171	524,662,529	104,385,750	10,930,734,549	825,346,640	46,493,267	3,523,762,842
	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	825,346,640	46,493,267	3,523,762,842

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



Particulars	Cost				Depreciation/Amortization				Written down value as at 31 December 2019
	Balance as at 1 January 2019	Addition during the year	Transfer from CWIP	Disposal during the year	Balance as at 31 December 2019	Charged during the year	Disposal during the year	Balance as at 31 December 2019	
Land	2,423,609,559	-	-	-	2,423,609,559	-	-	-	2,423,609,559
Buildings and premises	1,902,617,204	-	-	-	1,902,617,204	327,788,484	47,045,580	-	374,834,064
Right of Use Assets	-	989,931,442	-	37,986,689	951,944,753	-	172,695,856	-	1,527,783,140
Wooden furniture	254,995,657	7,794,078	-	8,219,388	254,570,346	119,487,693	20,183,246	37,986,689	134,709,167
Steel furniture	69,355,032	7,982,952	-	280,432	77,057,552	43,188,623	3,309,100	7,967,946	131,702,993
Computer equipment	834,234,736	60,434,811	9,652,600	41,086,145	863,236,002	652,555,487	68,928,095	243,849	46,253,874
Electrical & gas equipment	872,562,106	48,863,916	4,610,970	23,665,104	902,371,888	418,653,799	87,771,515	41,081,636	680,401,945
Office equipment	227,658,391	17,941,950	-	2,939,011	242,661,330	194,239,758	13,694,046	23,151,351	483,273,963
Leasehold improvement	295,691,386	32,476,835	-	15,955,183	312,213,038	181,626,335	20,572,499	2,937,062	204,996,742
Vehicles	134,040,330	16,373,985	-	2,428,750	147,985,565	106,255,571	11,754,830	15,777,228	186,421,607
Leased vehicles	47,600,000	-	-	-	47,600,000	27,772,243	7,826,745	2,428,746	115,581,655
Soft furnishing	11,764,626	1,231,833	-	350,124	12,646,335	11,077,434	711,217	-	35,598,988
Software	554,133,463	8,036,889	131,205,202	-	693,375,354	302,784,032	36,911,905	350,117	11,438,534
Capital work in progress*	7,628,262,489	1,191,068,490	145,468,772	132,910,826	8,831,888,926	2,385,429,459	491,404,633	131,924,623	2,744,909,469
	195,116,279	247,571,931	(145,468,772)	-	297,219,437	-	-	-	6,086,979,456
Total	7,823,378,768	1,438,640,420	-	132,910,826	9,129,108,363	2,385,429,459	491,404,633	131,924,623	2,744,909,469

* Capital work in progress represents the amount paid for Data Centre, Fusion Banking Essence, Digital Channel Solution, Network Solution for Digital Channel, Implementation of SWIFT etc.



Computation of Risk Weighted Assets

Solo Basis

Annexure -E

as at 31 December 2020

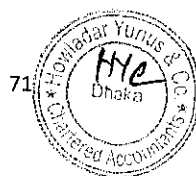
1.0 Risk Weighted Assets for Credit Risk Balance Sheet Exposures

BDT in Million

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
1	2	3	4	5	6 = (4x5)
a.	Cash		0	4,084.80	-
b.	Claims on Bangladesh Government (other than PSEs) and Bangladesh Bank		0	50,846.11	-
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	255.85	51.17
		2,3	0.50	18.40	9.20
		4,5	1.00	4.11	4.11
		6	1.50	-	-
		Unrated	1.00	62.69	62.69
	ii) Maturity less than 3 months		0.20	11,807.19	2,361.44
h.	Claims on Corporate (excluding equity exposure)				
		1	0.20	11,746.77	2,349.35
		2	0.50	26,451.79	13,225.90
		3,4	1.00	64,707.99	64,707.99
		5,6	1.50	-	-
		Unrated	1.25	19,910.31	24,887.89
h(1)	Claims on SME				
		SME 1	0.20	-	-
		SME 2	0.40	255.50	102.20
		SME 3	0.60	2,602.07	1,561.24
		SME 4	0.80	658.68	526.94
		SME 5	1.20	-	-
		SME 6	1.50	-	-
		Unrated (small enterprise & <BDT 3m)	0.75	2,293.31	1,719.98
		Unrated (small enterprise having ≥ BDT 3m&Medium enterprise)	1.00	10,485.21	10,485.21



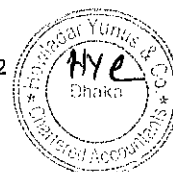
Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
i.	Claims under Credit Risk Mitigation	PSE		-	-
		Banks & NBFIs		-	-
		Corporate		7,445.52	4,667.94
		Retail		531.15	6.20
		SME		890.74	123.10
		Consumer finance		1,539.86	46.52
		Residential property		153.64	21.62
		Commercial real estate		-	-
j.	Claims categorized as retail portfolio (excluding SME, Consumer Finance and Staff loan) up to 1 crore		0.75	765.52	574.14
k.	Consumer finance		1.00	1,276.29	1,276.29
l.	Claims fully secured by residential property		0.50	56,844.21	28,422.10
m.	Claims fully secured by Commercial real estate		1.00	35,806.12	35,806.12
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	6,036.88	9,055.32
	ii) Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim		1.00	1,856.11	1,856.11
	iii) Where specific provisions are more than 50 percent of the outstanding amount of the past due claim		0.50	404.84	202.42
	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	522.78	522.78
	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	38.93	29.19
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	135.83	169.79
q.	Investments in venture capital		1.50	-	-
r.	Investments in premises, plant and equipment and all other fixed assets		1.00	7,495.17	7,495.17
s.	Claims on all fixed assets under operating lease		1.00	203.61	203.61
t.	All other assets			-	-
	i) Claims on GoB & BB		0.00	7,602.48	-
	ii) Staff loan/Investment		0.20	1,266.62	253.32
	iii) Cash items in Process of Collection		0.20	-	-
	iv) Claims on Off-shore Banking Units (OBU)		1.00	2,294.70	2,294.70
	v) Other assets (net off specific provision, if any)		1.00	6,313.01	6,313.01
Sub-Total				345,634.80	221,404.80



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	4,659.32	931.86
		2	0.50	6,372.82	3,186.41
		3,4	1.00	3,259.30	3,259.30
		5,6	1.50	-	-
		Unrated	1.25	3,784.33	4,730.41
h)	Claims under retail exposure		0.75	7.70	5.77
h(1)	Claims under SME Credit Rating-wise exposure	1	0.20	68.18	13.64
		2	0.40	163.55	65.42
		3	0.60	430.02	258.01
		4	0.80	191.56	153.25
		5	1.20	-	-
		6	1.50	-	-
		Unrated (small enterprise & <BDT 3.00m)	0.75	58.61	43.96
		Unrated (small enterprise having ≥ BDT 3.00m & Medium enterprise)	1.00	940.99	940.99
i)	Consumer Loan		1.00	-	-
j)	Claims fully secured by residential property		0.50	-	-
k.)	Claims fully secured by commercial real estate		1.00	-	-
l)	Investments in venture capital		1.50	-	-
m)	All other assets		1.00	-	-
Sub-Total				19,936.36	13,589.01



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	41.68	10.00	416.80
b	Equities	757.29	10.00	7,572.89
c	Foreign Exchange Position	74.08	10.00	740.80
d	Commodities	-	-	-
Sub-Total		873.05		8,730.59

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	11,914.40
Sub-Total		1,191.44	10.00	11,914.40
Grand Total Risk Weighted Assets				255,638.80



Name of Directors and their interest in different entities
as at 31 December 2020

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	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 Securities Limited
			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



Sl No.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
5	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 Securities Ltd.
			Director (Nominated by IFIC Bank)	IFIC Investment Limited
6	Ms. Quamrun Naher Ahmed	Govt. nominated Director	Chairman (Nominated by IFIC Bank)	IFIC Securities Limited
			Chairman (Nominated by IFIC Bank)	IFIC Investment 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	
7	Mr. Md. Zafar Iqbal, ndc	Govt. nominated Director	Director (Nominated by IFIC Bank)	IFIC Securities Limited
			Director (Nominated by IFIC Bank)	IFIC Money Transfer (UK) Limited
			Director (Nominated by IFIC Bank)	IFIC investment Limited
			Alternate Director (Nominated by IFIC Bank)	Oman Exchange LLC
			Additional Secretary	Ministry of Public Administration, Bangladesh Secretariat
8	Mr. M. Shah Alam Sarwar	Managing Director	Director (Nominated by Govt. of Bangladesh)	Grameen Bank
			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
			Director (Nominated by IFIC Bank)	IFIC Investment 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:



Nature of Transaction	As at and for the year ended	
	31 December 2020	31 December 2019
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	82,462,094	207,156,658
C. BO account balance	829,312,122	3,659
D. Loan	2,860,263,433	-
2) Name of the Party : IFIC Money Transfer (UK) Limited		
Relationship with the company : Subsidiary		
A. Capital investment	34,348,260	33,308,400
3) Name of the Party : Oman Exchange LLC		
Relationship with the company : Associate		
A. Capital investment	87,021,643.94	76,085,913
4) Name of the Party : Nepal Bangladesh Bank Limited		
Relationship with the company : Associate		
A. Capital investment	2,432,766,863	2,435,097,291
B. Borrowing	508,806,600	1,698,000,000
C. Cash Dividend received	-	173,309,420
D. Management fee received	12,725,625	15,853,125
E. Share money deposits	2,482,632	2,485,527

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 (10.05.21)	Director	25,000,000
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 (22.02.21)	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:

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 KYC 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 12,704,722 and BDT 984,922 to Independent Television Ltd. and Independent Publications Ltd. respectively in the year 2020.

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	795,441,620
Confidence Cement Limited	Ms. Rabeya Jamali	Independent Director	Independent Director	25,910,052



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	Independent Director	Member	MBA
3	Mr. Md. Zafar Iqbal, ndc	Director	Member	B. Com (Hons), M. Com (Accounting), MBA, Masters in Economics

* The Audit Committee of the Board was lastly reconstituted by the Board of Directors of the Bank in its 771st Meeting held on 18 March 2020.

b) Particulars of meetings held by the Audit Committee during the period from 01 January to 31 December 2020

Sl.	Meeting No	Meeting held on
1	143 rd Audit Committee Meeting	23.01.2020
2	144 th Audit Committee Meeting	06.02.2020
3	145 th Audit Committee Meeting	26.02.2020
4	146 th Audit Committee Meeting	18.03.2020
5	147 th Audit Committee Meeting	24.06.2020
6	148 th Audit Committee Meeting	24.06.2020
7	149 th Audit Committee Meeting	09.07.2020
8	150 th Audit Committee Meeting	23.07.2020
9	151 st Audit Committee Meeting	29.07.2020
10	152 nd Audit Committee Meeting	15.10.2020
11	153 rd Audit Committee Meeting	29.10.2020
12	154 th Audit Committee Meeting	02.11.2020
13	155 th Audit Committee Meeting	02.12.2020
14	156 th Audit Committee Meeting	20.12.2020
15	Adjourned 156 th Audit Committee Meeting	21.12.2020

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 and Branches of the Bank.

As per guideline of Bangladesh Bank, the Audit Committee, in the meetings held during the 2020, 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 as well as enabling them to monitor up-to-date status of compliance.

All audited/Un-audited yearly/quarterly Financial Statements submitted during 2020 have been explained and endorsed to the Audit Committee whether the statements reflects 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 2020 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 31 December 2020

Particulars	IFIC Bank Limited			Subsidiaries			Associates			Amount in BDT
	Conventional Banking	Off-Shore Banking Unit	Adjustment	Total	IFIC Securities Limited	IFIC Money Transfer (UK) Limited	Nepal Bangladesh Bank Limited	Oman Exchange LLC	Consolidated	
Interest income	21,042,205,807	116,853,921	-	21,159,059,728	45,204,904	-	-	-	21,170,256,030	
Interest paid on deposits and borrowings, etc.	18,294,764,064	95,056,661	(95,056,661)	18,294,764,064	34,008,601	-	-	-	18,292,521,314	
Net interest income	2,747,441,743	21,797,260	(95,056,661)	2,864,295,664	11,196,302	-	-	-	2,877,734,717	
Investment income	3,454,712,181	-	-	3,454,712,181	46,757,117	-	-	-	3,501,469,298	
Commission, exchange and brokerage	1,507,233,239	1,284,818	-	1,508,518,057	32,271,877	26,591,621	2,330,428	(10,935,731)	1,558,776,252	
Other operating income	596,237,151	837,133	-	597,074,284	5,029,531	5,501,133	-	(2,242,750)	605,362,198	
Total operating income	5,558,182,571	2,121,951	(95,056,661)	5,580,304,522	84,059,525	32,092,754	2,330,428	(10,935,731)	5,665,607,748	
Salary and allowances	2,536,366,543	-	-	2,536,366,543	15,756,658	8,384,461	-	-	2,560,507,662	
Rent, taxes, insurance, electricity, etc.	414,727,523	-	-	414,727,523	783,017	3,095,006	-	-	418,605,546	
Legal expenses	6,927,473	-	-	6,927,473	18,917	3,766,580	-	-	10,712,980	
Postage, stamps, telecommunication, etc.	73,303,297	-	-	73,303,297	454,798	111,713	-	-	73,869,808	
Stationery, printing, advertisement, etc.	358,588,600	-	-	358,588,600	225,432	180,118	-	-	358,974,150	
Managing Director's salary	20,975,250	-	-	20,975,250	-	-	-	-	20,975,250	
Directors' fees	1,672,000	-	-	1,672,000	220,000	-	-	-	1,892,000	
Auditors' fees	2,427,778	-	-	2,427,778	323,750	300,222	-	-	3,051,750	
Depreciation and repairs of Bank's assets	1,061,395,200	-	-	1,061,395,200	6,598,824	2,414,285	-	-	1,070,408,309	
Other expenses	1,046,562,803	-	-	1,046,562,803	12,696,215	6,738,679	-	-	1,065,997,697	
Total operating expenses	5,522,946,467	-	-	5,522,946,467	37,077,612	24,971,075	-	-	5,584,995,153	
Operating profit	2,782,677,847	23,919,211	(95,056,661)	2,901,653,719	58,177,216	7,121,679	2,330,428	(10,935,731)	2,958,347,312	
Share of profit of joint ventures/associates	-	-	-	-	-	-	-	-	-	
Profit before provision	2,782,677,847	23,919,211	(95,056,661)	2,801,653,719	58,177,216	7,121,679	511,766,045	2,107,803	3,480,826,463	
Provision against loans and advances	1,498,673,893	-	-	1,498,673,893	(3,260,090)	-	-	-	1,498,673,893	
Provision for diminution in value of investments	(297,353,559)	-	-	(297,353,559)	-	-	-	-	(300,613,649)	
Provisions for other assets	35,971,496	-	-	35,971,496	-	-	-	-	35,971,496	
Total provision	1,237,291,830	-	-	1,237,291,830	(3,260,090)	-	-	-	1,234,031,740	
Profit before taxation	1,545,386,017	23,919,211	(95,056,661)	1,664,361,889	61,437,306	7,121,679	511,766,045	2,107,803	2,246,794,722	
Provision for taxation	963,000,000	-	-	963,000,000	12,923,486	-	-	-	975,923,486	
Current tax	139,114,352	-	-	139,114,352	(1,239,413)	-	-	-	137,874,939	
Deferred tax	1,102,114,352	-	-	1,102,114,352	11,664,073	-	-	-	1,113,798,425	
Net profit after taxation	443,271,664	23,919,211	(95,056,661)	562,247,556	49,753,233	7,121,679	511,766,045	2,107,803	1,132,996,297	



The Bank reports its operations under geographical location and business segment as per IFRS.8 Operating Segment
Balance Sheet as at 31 December 2020

Particulars	IFC Bank Limited			Subsidiaries			Associates			Amount in BDT
	Inside Bangladesh Conventional Banking	Off- Shore Banking Unit	Adjustment	Total	IFC Securities Limited	IFC Exchange (UK) Ltd.	Nepal Bangladesh Bank Limited	Oman Exchange LLC	Adjustment	
PROPERTY AND ASSETS										
Cash	18,492,529,970	-	-	18,492,529,970	11,060	3,852,501	-	-	-	18,496,382,531
Balance with other banks and financial institute	8,895,390,969	76,732,600	(76,732,600)	8,895,390,969	82,462,094	2,248,666	-	-	(911,774,216)	8,068,327,513
Money at call and on short notice	2,330,000,000	-	-	2,330,000,000	-	-	-	-	-	2,330,000,000
Investments	52,722,425,470	-	-	52,722,425,470	3,125,579,651	-	-	-	2,252,075,462	58,100,080,583
Loans and advances	258,355,585,109	2,294,703,416	-	260,650,288,525	3,907,401,381	-	-	-	(2,860,263,433)	261,697,427,473
Fixed assets	7,495,172,120	-	-	7,495,172,120	40,435,064	1,517,392	-	-	-	7,537,124,576
Other assets	12,447,294,149	5,190,073	-	12,452,484,222	1,198,721,401	9,874,323	-	-	(2,234,342,260)	11,426,737,686
Non-banking assets	373,474,800	-	-	373,474,800	-	-	-	-	-	373,474,800
Total Assets	361,111,873,587	2,376,626,089	(76,732,600)	363,411,767,076	8,354,610,650	17,492,882	-	-	(3,754,304,447)	368,029,566,161
LIABILITIES AND CAPITAL										
Borrowings from other banks, financial institute	13,021,794,012	2,347,836,793	(2,347,836,793)	13,021,794,012	2,860,263,433	-	-	-	(2,860,263,433)	13,021,794,012
Subordinated debt	2,100,000,000	-	-	2,100,000,000	-	-	-	-	-	2,100,000,000
Deposits and other accounts	296,373,946,429	-	-	296,373,946,429	884,317,463	-	-	-	(911,774,216)	296,346,489,666
Other Liabilities	26,694,201,568	4,870,086	-	26,699,071,654	2,037,476,155	812,565	-	-	-	28,737,360,374
Total Liabilities	336,189,942,009	2,352,706,879	(2,347,836,793)	338,194,812,095	5,782,057,041	812,565	-	-	(3,772,037,649)	340,205,644,052
Capital/Shareholders' equity										
Paid up capital	16,198,738,680	-	-	16,198,738,680	2,200,000,000	34,348,260	-	-	(2,234,348,260)	16,198,738,680
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	107,849,126	-	-	107,849,126	-	-	-	-	-	107,849,126
Revaluation reserve against fixed assets	115,314,704	-	-	115,314,704	-	-	-	-	-	115,314,704
Foreign currency translation reserve	-	-	-	-	-	1,442,548	119,996,466	12,649,392	-	134,088,406
Surplus in profit and loss account	1,775,205,220	23,919,211	(23,919,211)	1,775,205,220	372,552,596	(19,110,491)	2,152,120,471	70,358,359	(103,049,229)	4,248,076,927
	25,216,954,980	23,919,211	(23,919,211)	25,216,954,980	2,572,552,596	16,680,317	2,272,116,937	83,007,751	(2,337,397,489)	27,823,915,093
Minority interest	-	-	-	-	7,016	-	-	-	-	7,016
Total shareholders' equity	25,216,954,980	23,919,211	(23,919,211)	25,216,954,980	2,572,559,612	16,680,317	2,272,116,937	83,007,751	(2,337,397,489)	27,823,922,109
Total liabilities and shareholders' equity	363,406,856,990	2,376,626,089	(2,371,756,004)	363,411,767,076	8,354,616,652	17,492,882	2,272,116,937	83,007,751	(6,109,435,138)	368,029,566,161



**Financial highlights of the Bank
as at and for the year ended 31 December 2020**

Sl.	Particulars	Currency/ percentage	31 December 2020	31 December 2019
1	Paid up capital	BDT	16,198,738,680	14,726,126,080
2	Total capital	BDT	31,289,951,586	29,167,460,005
3	Capital surplus/(deficit)	BDT	(664,881,718)	692,648,106
4	Total assets	BDT	363,411,767,076	316,950,343,190
5	Total deposits	BDT	296,373,946,429	258,368,141,236
6	Total loan & advances	BDT	260,650,289,525	228,588,500,237
7	Total contingent liabilities & commitments	BDT	50,483,678,851	51,095,166,712
8	Credit deposit ratio	%	82.75	84.08
9	Percentage of classified loan against total loans & advances	%	3.97	5.37
10	Profit after tax & provision	BDT	562,247,536	2,443,732,947
11	Amount of classified loans	BDT	10,345,761,856	12,265,471,777
12	Provision kept against classified loans	BDT	2,737,576,718	3,086,703,002
13	Cost of fund	%	5.41	6.01
14	Interest earning assets	BDT	317,877,110,625	275,639,501,293
15	Non-interest earning assets	BDT	45,534,656,451	41,310,841,897
16	Return on Investment (ROI)	%	7.03	6.84
17	Return on Assets (ROA)	%	0.17	0.81
18	Income from investment	BDT	3,454,712,181	2,626,318,570
19	Earnings per share	BDT	0.35	1.51
20	Net income per share	BDT	0.35	1.51
21	Net Asset Value (NAV)	BDT	25,216,954,980	24,596,979,455
22	Net Asset Value (NAV) per share	BDT	15.57	15.18
23	Net Operating Cash Flow Per Share (NOCFPS)	BDT	5.69	8.56
24	Price earning ratio	Times	43.79	6.56



Annexure - J

Disclosure of Restructured Loan
as at and for the year ended 31 December 2020

Sl. No.	Name of the Borrower	Type of Loan	Date of restructure	Down Payment		Due Date of 1st Installment	At the time of taking NOC from BB	Outstanding Amount		Total Provision as at 31 December 2020		Present Status	Outstanding as at 31 December 2019
				Required	Realized			New/Fresh Disbursement amount after NOC	Outstanding as at 31 December 2020	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	2,084.01	41.70	41.70	SMA(RST)	1,891.51
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	1,063.03	21.30	21.30	SMA(RST)	965.44
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	912.90	18.20	18.20	SMA(RST)	828.96
Total				-	-		3,573.30		4,059.94	81.20	81.20		3,685.91

BDT in Million



Statement of Tax Position
As at 31 December 2020

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
2010	2011-2012	1,454,854,995	1,508,170,344	(53,315,349)	1,385,538,554	Assessment was completed with loss, however, advance tax paid for 2005 amounting to Tk. 90.27 mln was adjusted in subsequent years.
2016	2017-2018	700,000,000	1,030,632,248	(330,632,248)	926,670,146	Honorable High Court Division of Supreme Court
2017	2018-2019	750,000,000	1,361,487,496	(611,487,496)	1,249,792,394	Subsequently settled in February 2021. Bank is waiting for Tax Clearance Certificate and Zero Demand Notice.
2018	2019-2020	1,080,000,000	1,199,674,275	(119,674,275)	1,069,572,247	Subsequently settled in February 2021. Bank is waiting for Tax Clearance Certificate and Zero Demand Notice.
2019	2020-2021	1,700,000,000	1,759,159,826	(59,159,826)	1,402,427,849	Bank has received the order from Deputy Commissioner of Taxes which are under review of the Management for next course of action.
2020	2021-2022	963,000,000	1,190,000,000	(227,000,000)	564,633,976	Assessment under process
Total		8,133,240,939	8,049,124,189	84,116,750	6,598,635,166	Not yet due



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Off-shore Banking Unit

Balance Sheet

as at 31 December 2020

Particulars	Note	31 December 2020		31 December 2019	
		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		904,854	76,732,600	-	-
In Bangladesh		904,854	76,732,600	-	-
Outside Bangladesh		-	-	-	-
Money at call and on short notice					
Investments					
Government securities		-	-	-	-
Other investments		-	-	-	-
Loans and advances					
	3	27,059,831	2,294,703,416	31,129,800	2,642,920,061
Loans, cash credits, overdrafts etc.	3.1	24,218,050	2,053,717,248	27,513,158	2,335,867,153
Bills purchased and discounted	3.2	2,841,781	240,986,168	3,616,642	307,052,908
Fixed assets including premises, furniture and fixtures					
Other assets	4	61,203	5,190,073	549,431	46,646,732
Non banking assets					
Total assets		28,025,888	2,376,626,090	31,679,231	2,689,566,793
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from other banks, financial Institutions and agents	5	27,686,395	2,347,836,793	30,694,848	2,605,992,630
Deposit and other accounts					
Current deposits and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed Deposits		-	-	-	-
Other liabilities	6	57,430	4,870,086	562,347	47,743,295
Total liabilities		27,743,825	2,352,706,879	31,257,195	2,653,735,925
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	282,063	23,919,211	422,036	35,830,868
Total shareholders' equity		282,063	23,919,211	422,036	35,830,868
Total liabilities and shareholders' equity		28,025,888	2,376,626,090	31,679,231	2,689,566,793



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Off-shore Banking Unit

Profit and Loss Account

For the year ended 31 December 2020

Particulars	Note	31 December 2020		31 December 2019	
		USD	Taka	USD	Taka
Interest income	8	1,377,977	116,853,921	1,464,999	124,378,426
Interest paid on deposits, borrowings etc.	9	1,120,937	96,056,661	1,047,447	88,928,257
Net interest income		257,040	21,797,260	417,552	35,450,169
Investment Income		-	-	-	-
Commission, exchange and brokerage	10	15,151	1,284,818	744	63,173
Other operating income	11	9,872	837,133	3,740	317,526
Total operating income		282,063	23,919,211	422,036	35,830,868
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		282,063	23,919,211	422,036	35,830,868
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		282,063	23,919,211	422,036	35,830,868

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



Off-Shore Banking Unit
Notes to the Financial Statements
as at and for the year ended 31 December 2020

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	31 December 2020		31 December 2019	
		USD	Taka	USD	Taka
3 Loans and advances					
3.1 Loans, cash credits, overdrafts etc.					
Term loan		24,218,050	2,053,717,248	27,513,158	2,335,867,153
		24,218,050	2,053,717,248	27,513,158	2,335,867,153
3.2 Bills purchased and discounted					
Inside Bangladesh		2,841,781	240,986,168	3,616,642	307,052,908
Outside Bangladesh		-	-	-	-
		2,841,781	240,986,168	3,616,642	307,052,908
		27,059,831	2,294,703,416	31,129,800	2,642,920,061
4 Other assets					
Interest receivable on term loan		46,860	3,973,758	507,472	43,084,406
Interest receivable on bills discount		14,343	1,216,315	41,959	3,562,326
		61,203	5,190,073	549,431	46,646,732
5 Borrowing from other banks, financial Institutions and its agents					
In Bangladesh:					
IFIC Bank Limited		27,686,395	2,347,836,793	30,694,848	2,605,992,630
		27,686,395	2,347,836,793	30,694,848	2,605,992,630
Outside Bangladesh		-	-	-	-
		27,686,395	2,347,836,793	30,694,848	2,605,992,630
6 Other liabilities					
Interest on borrowing from abroad		-	-	-	-
Due to Head Office		57,430	4,870,086	562,347	47,743,295
		57,430	4,870,086	562,347	47,743,295
7 Surplus in profit and loss account					
Opening balance		422,036	35,830,868	183,724	15,414,428
Less: Adjustment/ payment for the year		(422,036)	(35,830,868)	(183,724)	(15,414,428)
Add: Addition during the year		282,063	23,919,211	422,036	35,830,868
		282,063	23,919,211	422,036	35,830,868



Particulars	Note	31 December 2020		31 December 2019	
		USD	Taka	USD	Taka
8 Interest income					
Term Loan		1,345,402	114,091,566	1,288,433	109,387,936
Bills discount		32,575	2,762,355	176,566	14,990,490
Interest on loans and advances		1,377,977	116,853,921	1,464,999	124,378,426
9 Interest paid on deposits, borrowings etc.					
Interest paid on IFIC Bank Limited		1,120,937	95,056,661	1,047,447	88,928,257
Interest paid on SCB, NY		-	-	-	-
		1,120,937	95,056,661	1,047,447	88,928,257
10 Commission, exchange and brokerage					
Income-Fees & Commission		15,151	1,284,818	744	63,173
		15,151	1,284,818	744	63,173
11 Other operating income					
Income-Other Operating		9,872	837,133	3,740	317,526
		9,872	837,133	3,740	317,526



ANNEXURE 2: CREDIT RATING REPORT OF THE ISSUE

Credit Rating Report

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

Analysts:
Tahmina Islam

tahmina.islam@crab.com.bd

Mohammed Nazrul Islam Bhuiyan

nazrul@crab.com.bd

RATING BASED ON: Audited financial statements of the Bank up to 31 December 2020 and other relevant information up to the date of rating declaration.

Key Performance Indicator of the Bank

	Year Ended December 31	
	2020	2019
Mil. BDT		
Loans	260,650.3	228,588.5
Deposit	296,373.9	258,368.1
Tier 1 Capital	24,085.9	23,420.6
Gross NPL	10,345.8	12,265.5
Figures in %		
NIM	1.1	2.8
Cost to Income Ratio	65.6	54.0
ROAA (after tax)	0.2	0.8
CRAR	12.2	12.8
Gross NPL Ratio	4.0	5.4

Assigned Ratings:
Bond Rating

 Long Term : **AA₃(Hyb)**

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

 8th April 2021 30 June 2022

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

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 16,198.7 million against authorized capital of BDT 40,000.0 million at the end of December 2020. Bangladesh Government holds around 32.7% shares of the Bank. The Bank offers all kinds of banking and investment services for retail and corporate customers through its network of 154 branches. The Bank has two subsidiaries named IFIC Securities Limited 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 (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 December 2020 and other relevant information up to the date of rating declaration.

The Bank is planning to issue floating rate non-convertible subordinated bond 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 2.5% p.a., ranging 7.5% to 10.5% 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.



Managing Director
Credit Rating Agency
of Bangladesh Ltd.

CRAB Structured Finance Rating

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, provision shortfall, cost to income ratio and marginal risk weighted capital adequacy.

Purpose of Issuance

IFIC Bank Limited is going to issue BDT 5,000.0 million floating rate non-convertible subordinated bond mainly to increase its tier II capital and to support the overall capital adequacy ratio of the Bank. IFIC's capital adequacy ratio was 12.2% at the end of December 2020. The proposed BDT 5,000.0 million bonds 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

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																												
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																												
Maturity:	End of 7 years from the Issue Date																												
Expected Issue Date:	June 2021 or any other mutually agreeable date																												
Status of Debt:	Subordinated Non-Convertible																												
Security:	Unsecured																												
Form:	Registered																												
Listing:	Unlisted																												
Credit Rating of the Issue:																													
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
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																											

Coupon Rate:	To Be Determined as a sum of Benchmark Rate & Margin; However, during the tenor the yield [benchmark + margin] will be floored at 7.50% and capped at (benchmark + margin) 10.50%.
Benchmark Rate:	<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>
Margin:	2.50%
Transferability/Liquidity:	Freely transferable subject to the terms and conditions of the Bond documents.
Prepayment, Call, Refunding, Conversion features:	Not applicable
Late Redemption:	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.
Cost Related to the Issue:	<p>Arrangement Fee: 0.50% of the Face Value Amount of the Bonds</p> <p>Trustee Fee: BDT 300,000 for 1st year and BDT 250,000 per annum from 2nd year onward</p> <p>Credit Rating Fee: BDT 150,000 for initial and annual surveillance rating</p> <p>Application Fee to BSEC: BDT 10,000</p> <p>Consent Fee to BSEC: 0.10% on the Face Value</p> <p>Other/Legal/Regulatory Cost (if any): At Actual</p>
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:	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 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.

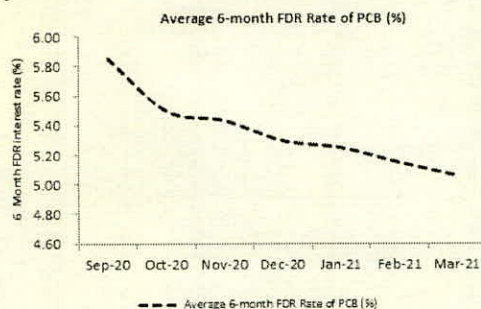
■ TRANSACTION AND REDEMPTION OF THE BOND

IFIC Bank Ltd. has planned to issue subordinated coupon bearing Bond of BDT 5,000.0 million having denomination of each lot of Bond is indicated at BDT 10,000,000 Face Value. 20% of the total bond value will be redeemed at the end of each year starting from 3rd year. The rest redemption will be done at the end of 5th, 6th and 7th years from settlement date. The bond's the yield [benchmark + margin] will be floored at 7.5% and capped at (benchmark + margin) 10.5%.

■ 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 will be fixed semi-annually. In this context, current highest fixed deposit rate of IFIC Bank Limited for 6 months is now

6.0%. However, the coupon rate of the bond is ranged within 7.5% -10.5%.



■ 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 25,217.0 million at the end of December 2020. The Government of the People's Republic of Bangladesh holds around 32.7% 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 154 branches. The Bank has an Off-shore Banking Unit (OBU) located at Dhaka and also two subsidiaries namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited. Moreover, the Bank has investment in two joint

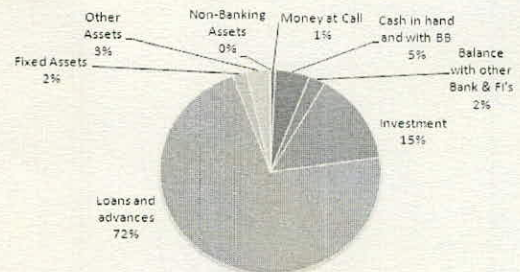
CRAB Structured Finance Rating

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 for the last couple of years. On an average, loans and advances dominated the asset structure by 72.3% of total asset for the last 3 years. During the 2020, total asset grew (by 14.6%) and reached BDT 363,411.8 million. At the end of 2020, total asset was strongly dominated by loans & advances (shared 71.7% of total asset) followed by investment (14.5% of total asset) and cash in hand and with BB (5.1% of total asset). Other asset was BDT 12,452.4 million at the end of Dec'2020, major portion of which includes advance, deposit & prepayments, investment in subsidiary, accrued interest income receivables. The

Bank's risk weighted asset was 70.3% of total asset in Dec'2020 (Dec'2019: 71.8%).



Asset composition of IFIC Bank Ltd. FY2020

Graph 1

Investment Profile: In Dec'2020, investment portfolio of the Bank reached BDT 52,722.4 million. 89.1% of the Bank's investment portfolio consisted Government securities. The Bank also held quoted and unquoted shares amounting BDT 2,595.0 million at the end of Dec'2020. Market price of IFIC Bank's quoted share in investment portfolio was BDT 3,545.2 million as of 31 December 2020 against cost price of BDT 2,526.2 million. The Bank maintains BDT 354.4 million provisions for investment as per regulatory requirement. During 2020, total income from investment was BDT 3,454.7 million.

Table 2

Investment Portfolio of Bank				
Year Ended December 31				
(Mil. BDT)	2020		2019	
	Amount	% of Total	Amount	% of Total
Government Securities & Bonds	46,979.4	89.1	41,369.3	90.9
Others	5,743.0	10.9	4,130.9	9.1
Quoted Shares	2,526.2	4.8	922.3	2.0
Unquoted Shares	68.8	0.1	68.8	0.2
Mutual Funds	268.0	0.5	268.0	0.6
In Share (Outside of Bangladesh)	2,880.0	5.5	2,871.8	6.3
Others	-	-	-	-
Total	52,722.4	100.0	45,500.1	100.0

Loan Profile and Loan Quality: The Bank's loan portfolio grew by 14.0% during 2020 and reached BDT 260,650.3 million, whereas gross NPL (in absolute amount) reduced by 15.7% during the same period due to loan growth and reschedule of classified loans. Therefore, gross NPL ratio reduced to 4.0% at the end of Dec'2020. The Bank had reschedule loan amounting BDT 1,669.8 million in 2020 (0.6% of total loans). Recovery from classified loans was BDT 476.0 million in the same duration. In context of industry wise segment loan portfolio of the Bank was dominated by consumer finance sector financing (17.6% of total) followed by garments (13.8% of total) and Housing societies (12.0% of total) at the end of De'2020. The Bank has significant large loan concentration in Dec'2020, the Bank's top 50 funded large loans made up 57.2% of total loan portfolio.

CRAB Structured Finance Rating

Table 3

NPL Movement of the Bank				
Mil. BDT	Year Ended December 31			
	2020		2019	
Particulars	Amount	% of Total Loans	Amount	% of Total Loans
Opening balance of NPL	12,265.4	4.7	12,740.1	5.6
Add Fresh NPL Generation	226.2	0.1	7,960.4	3.5
Less: Cash Recovery	476.0	0.2	1,427.5	0.6
Less: Rescheduling	1,669.8	0.6	4,620.7	2.0
Less: Write off	-	0.0	2,349.1	1.0
Less: Waiver	-	0.0	37.8	0.0
Closing Balance of NPL	10,345.8	4.0	12,265.5	5.4

The Bank's gross NPL (in absolute amount) decreased to BDT 10,345.8 million at the end of Dec'2020 from BDT 12,265.5 million in December 2019. Out of total NPL, 68.6% belonged to bad & loss category followed by sub-standard category (26.9% of NPL) and doubtful category (4.5% of NPL). SMA to total loans and advances of the Bank was high at 2.0% at the end of Dec'2020. Gross NPL coverage ratio of the Bank was 64.2% in Dec'2020. The Bank maintained provision amounting BDT 6,641.7 million for classified and unclassified loans & advances as well as for off balance sheet exposure against required provision of BDT million in Dec'2020. Provision against 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 is 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 64.2% in Dec'2020 (Dec'2019: 49.2%). On an average, the Bank's pre-provision profit to net loan ratio was 2.1% for the last five years which indicates that 2.1% of currently performing loans can be written off without charging on reserves and equity.

Capital Summary:

Table 4

Capital Structure of the Bank						
Mil. BDT	2020		2019		2018	
	Amount	% of RWA	Amount	% of RWA	Amount	% of RWA
Tier 1 Capital	24,085.9	9.4	23,420.6	10.3	20,877.4	9.8
Tier 2 Capital	7,204.1	2.8	5,746.9	2.5	6,026.3	2.8
Total Capital	31,290.0	12.2	29,167.5	12.8	26,903.7	12.6
Required Capital	31,954.8	12.5	28,474.81	12.5	25,295.0	32.5
Capital Surplus/ (Shortfall)	(664.9)	(0.3)	692.6	0.3	1,608.6	0.8

The Bank's total capital (Tier 1 and Tier 2) grew marginally and reached BDT 31,290.0 million at the end of Dec'2020 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 1 subordinated bond outstanding BDT 2,100 million which plays an important role in building the Bank's Tier 2 capital. Risk weighted asset of the bank enhanced marginally. Therefore, capital to risk weighted asset ratio of IFIC reduced slightly to 12.2% at the end of Dec'2020 from 12.8% in Dec'2019. Around 83.8% of total corporate clients of IFIC Bank were rated at the end of Dec'2020. Core capital to total exposure (on and off balance sheet) of the Bank was 5.8% at the end of Dec'2020.

Liability and Liquidity Profile: Total asset of the Bank was funded by deposit (81.6%) followed by borrowing & debt instruments (4.2%) and equity (6.9%). Total deposits of the Bank reached BDT 296,373.9 million at the end of Dec'2020 from registering growth of 14.7%.

CRAB Structured Finance Rating

Table 5

Funding Mix of the Bank						
Year Ended December 31						
(Mil. BDT)	2020			2019		
Particulars	Amount	%	Growth (%)	Amount	%	Growth (%)
Current Deposit	92,720.6	31.3	62.4	57,089.8	22.1	39.4
Bills Payable	2,547.3	0.9	38.4	1,840.4	0.7	(10.9)
Savings Deposit	25,343.7	8.6	8.8	23,299.4	9.0	(5.7)
Term Deposit/Fixed Deposit	175,762.4	59.3	(0.2)	176,138.5	68.2	11.1
Other Deposits	-	-	-	-	-	-
Total Deposit	296,373.9	100.0	14.7	258,368.1	100.0	14.2

In Dec'2020, Total deposit of the Bank was strongly dominated by term deposit (59.3% of total) followed by current deposit (31.3% of total) and savings deposit (8.6% of total). CASA/ Total Deposit ratio was 39.8% in 2020. On an average, AD remained within 83.0% during 2020. Private sector deposit shared 83.3% of total deposit whereas 34.3% of total deposit will be mature over 5 years.

Table 6

Structural Liquidity Profile of the Bank					
Mil.BDT	As of December 2020				
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years
Net Mismatch	9,792.9	(8,802.9)	122.0	254.3	133.7
Cumulative Net Mismatch	9,792.9	990.0	1,112.0	1,366.3	1,500.0

IFIC Bank has strength in earning generation capacity, large branch network, and substantial shareholding of the government (32.7% shares). On the other hand, principal concerns of the Bank are previous continuation of NPL ratio, deficit provision maintenance and marginal risk weighted capital adequacy.

Off Balance Sheet Exposures: The Bank's off balance sheet portfolio reduced by 1.2% in Dec'2020 and reached BDT 50,483.7 million. During Dec'2020, contingent liabilities portfolio was mainly dominated by letter of credit (35.4% of total) followed by acceptance of endorsement (32.4% of total). Total off balance sheet exposures of the Bank was 13.9% of total assets at the end of Dec'2020.

Earning Profile: In 2020, total operating income of the Bank was dominated by investment income (40.1% of total) followed by net interest income (34.0% of total), commission/fees & exchange income (17.9% of total) and other operating income (7.1% of total). Other operating income was BDT 597.1 million at the end of Dec'2020 major portion of which was BDT 231.7 mill income from service charge on accounts. Interest income of IFIC reduced by 13.4% at the end of Dec'2020 compared to that of its previous financial year on the back of moderate loan growth. On the other side, interest expense slightly increased by 1.5% during the same period mainly resulted from increased deposit portfolio especially CASA account. As an overall effect, net interest income reduced significantly by 55.2% and reached BDT 2,864.3 million.

Table 7

Key Performance Indicator of the Bank						
Year Ended December 31						
(Mil. BDT)	2020		2019		2018	
	Amount	Growth (%)	Amount	Growth (%)	Amount	Growth (%)
Interest Income	21,159.1	(13.4)	24,425.9	28.8	18,964.5	27.1
Interest Expense	18,294.8	1.5	18,028.0	25.2	14,404.7	52.7
Net Interest Income	2,864.3	(55.2)	6,397.9	40.3	4,559.8	(17.0)
Investment Income	3,454.7	31.5	2,626.3	11.4	2,358.5	13.9
Commission/Exchange &	1,508.5	(8.6)	1,649.8	3.6	1,592.8	(4.5)

CRAB Structured Finance Rating

Brokerage Income						
Other Operating Income	597.1	33.9	445.8	(9.0)	489.6	(8.0)
Total Operating Income	8,424.6	(24.2)	11,119.7	23.5	9,000.7	(7.8)
Total Operating Expense	5,522.9	(7.9)	5,999.3	17.5	5,106.0	(4.5)
Pre Provision Profit	2,901.7	(43.3)	5,120.4	31.5	3,894.7	(11.8)
Provision	1,237.3	31.2	943.0	(8.9)	1,035.3	(49.2)
Profit Before Taxes	1,664.4	(60.2)	4,177.4	46.1	2,859.4	20.3
Provision for tax	1,102.1	(36.4)	1,733.7	34.5	1,289.2	317.4
Profit After Tax	562.2	(77.0)	2,443.7	55.6	1,570.2	(24.1)

Investment income of the Bank grew significantly to BDT 3,454.7 million at the end of Dec'2020 whereas 53.9% investment income shared by interest from Govt. securities. Commission/ exchange income was slightly lesser than that of previous period. As an overall effect, total operating income of the Bank reached BDT 8,424.6 million at the end of Dec'2020. Operating expense was BDT 5,522.9 million for the same period which consist of personnel and overhead expense. Cost to income ratio of the Bank stood at 65.6% in 2020 on the back of moderate operating income. Pre provision profit reached BDT 2,901.7 million as of 31 Dec'2020. Provision expense was BDT 1,237.3 million. As an overall effect, profit after tax of the Bank reached BDT 562.2 million at the end of Dec'2020. Net profit margin reduced 15.3 percentage points to 6.7% in Dec'2020 resulted from lesser operating revenue.

Financial Reporting and Disclosures

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. According to the auditor the financial statements gave a true and fair view of the state of the Bank as at December 31, 2020.

Senior Management

Presently, the Management team of IFIC is headed by Managing Director Mr. M 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:

Details of shareholding (segregate with Sponsors/Directors, Institutions and General Shareholders and percentage of holding) as of 28 February 2021:

Table 2.1

Shareholders' Group	No. of shares held	% of Total Shares
Sponsors/Directors	597,088,437	36.86
Institutions	386,951,132	23.89
General Shareholders	635,834,299	39.25
Total	1,619,873,868	100.00

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 3: DUE DILIGENCE CERTIFICATE OF THE TRUSTEE



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

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13 April, 2021

DUE DILIGENCE CERTIFICATE OF THE TRUSTEE OF THE ISSUE

Chairman

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

**Subject: Issuance of Non-convertible Redeemable Subordinated Bond of "IFIC Bank Limited"
worth BDT 5,000 Million.**

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

1. We, while act as trustee to the above mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, it's directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials 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 (Private Placement of Debt Securities) Rules, 2012 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 (Private Placement of Debt Securities) Rules, 2012 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.


Pronab Kumar Saha

EVP & Head of Underwriting Dept.
Sena Kalyan Insurance Company Ltd.
For Trustee