



সেবায় সামান্য আস্থায়

আইএফআইসি
আমার ইকোউন্ট

আইএফআইসি
আমার ব্যাঙ্ক

আইএফআইসি
সহজ ইকোউন্ট

আইএফআইসি
সহজ ঋণ

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আমার ডিজিটাল

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ওয়ান স্টপ
সার্ভিস

আইএফআইসি
আমার প্রতিবেশী

ANNUAL REPORT

2019



সেবায় • সাফল্যে • আস্থায়

Country's 1st public private partnership bank model was established through IFIC Bank Limited and it has been a journey of more than four decades for partnering progression with its customers.

We are here to serve our customers best by taking care of their finances and helping them to plan, manage, guard and grow their wealth. To do this, we always assess our customers' needs & choices and innovate the best possible products and services to serve them in a very affable manner. This endless endeavour helps us being the first to introduce the one-stop all-rounder IFIC Aamar Account, one of its kind futuristic deposit scheme IFIC Aamar Bhubishyat, inclusive A/c IFIC Shohoj Account, the best home loan solution in all-over Bangladesh IFIC Aamar Bari and inclusive loan scheme IFIC Shohoj Wrin. For being more supportive to our customers, we are the first to introduce the true One-stop Service to them. For ensuring neighbourhood banking convenience, we are the first to introduce Uposhakha (Sub-branches) beside all our branches. Digital banking platform IFIC Aamar Bank is also here to bring the Bank at the customers' finger tips.

Thus, our pro-active precision and breadth of expertise enable us to support all-class of every individual, families, business owners and entrepreneurs in Bangladesh. As a logical sequence of our unbound services, we have attained success to serve highest number of customers by our home loan and achieved our customers' reliance by pioneering products and services.

We believe, what we have achieved is a story, but this is a journey to go further miles making it better day by day to reach ever-changing goals and aspirations of our customers - our foremost asset.

ANNUAL
REPORT
2019

2019 Highlights



Deposits
ቲ 258,368 m
+14.1%



Assets
ቲ 316,950 m
+11.9%



Investments
ቲ 45,500 m
+45.4%



Loans & Advances
ቲ 228,589 m
+10.5%



Mortgage Loan
ቲ 32,616 m
+12.0%



Market Capitalization
ቲ 14,579 m



Investment in Human Capital
ቲ 28 m
Participants 7,069
231 Training Programs

CRAR

ቲ 12.80%

ROE

ቲ 10.5%

Operating Profit

ቲ 5,120 m

+31.5%

PBT

ቲ 4,177 m

+46.1%

PAT

ቲ 2,444 m

+55.6%



Total Equity
ቲ 24,597 m
+11.2%

Evolutionary Journey of **IFIC Bank** and its LOGO

International Finance Investment and Commerce Bank Limited (IFIC Bank) was incepted at the instance of the Government in 1976 as a joint venture between the Government of Bangladesh and Sponsors in the private sector. Then its objective was to work 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.

We have acquired breadth of expertise by exploring newer avenues of banking and nurturing our customers' needs in the best possible ways. Now it has become a long journey of 4+ decades in banking.

Our first logo was a combination of the IFIC emblem and the typo in abbreviated version "IFIC Bank Limited" in English & full version in Bangla.



Now, at the phase of 4+ decade's solid banking, times has told us to express the Bank in a more matured way. Yes, we have listened to the time's call and revamped our logo to use it from now on in our future communications.



NEW LOGO

Here, we have removed IFIC text from our inherent emblem to make it more dynamic, bold and lucid. In due course this ICONIC EMBLEM will symbolize the Bank independently.

Symbolism

Derived from existing IFIC logo, this dimensional emblem symbolizes a dynamic journey which is forward moving and instills boldness.

Typography

The Typography gives the feel of a solid organization.

Color

Keeping the original color loyalty - red and green.



আবার হাসবে এই স্বদেশ
ঘুরে দাঁড়াবে বাংলাদেশ
এই যাত্রায় মানুষের পাশে

আইএফআইসি
স্বদেশ ফাউন্ডেশন
দিন বদলের
সাথী



☎ ১৬২৫৫ ☎ +৮৮০ ৯৬৬৬৭ ১৬২৫৫

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**LETTER OF
TRANSMITTAL**



All Members of IFIC Bank Limited
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Annual Report for the Year ended 31 December 2019

Dear Sir,

We are pleased to present before you a copy of the Annual Report 2019 along with audited Financial Statements including consolidated and separate Balance Sheet as at 31 December 2019, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement for the year ended on 31 December 2019 with the notes thereto of IFIC Bank Limited and its Subsidiaries for your kind information and record.

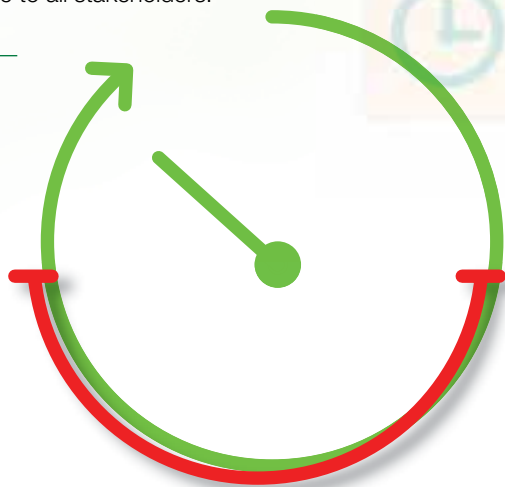
Yours sincerely,



Md. Mokammel Hoque, FCS
Company Secretary

Vision

At IFIC, we want to be the preferred financial service provider through innovative, sustainable and inclusive growth and deliver the best in class value to all stakeholders.



Mission

Our Mission is to provide service to our clients with the help of a skilled and dedicated workforce whose creative talents, innovative actions and competitive edge make our position unique in giving quality service to all institutions and individuals that we care for.

We are committed to the welfare and economic prosperity of the people and the community, for we derive from them our inspiration and drive for onward progress to prosperity. In an intensely competitive and complex financial and business environment, we particularly focus on growth and profitability of all concerned.

Core Values

- Integrity** : Upholding integrity in all that we do, always, everywhere.
- Fairness** : Striving to offer the best to our customers equitably with transparency.
- Innovation** : Encouraging and nurturing creativity.
- Commitment** : Committed to excellence in customer service and maximization of stakeholders' value through teamwork.



Ethical Principles

Code of Conduct

Ethics is the integrity measures, which evaluate the values, norms and rules that constitute the base for individual and social relationship from a moral perspective. Professional ethics regulates the relations between individuals within a professional group and their relations with the community, whereas the organizational ethics defines the Code of Conduct in an organization.

Code of Conduct/Ethics is the integrity measures and a guiding principle for an organization by which it operates and conducts its daily business with the parties who have a direct or indirect contact with it. IFIC Bank's Code of Conduct/Ethics sets forth the guiding principles for the Bank through which it operates and conducts its daily business with the customers, vendors, competitors, regulators and other agencies, the media and anyone else who has a stake in the Bank or with whom the Bank has a contact.

All the members of the Board of Directors and its Committees, employees of all levels and categories of IFIC Bank Limited, business partners, and service providers and receivers to and from IFIC Bank are expected to display the highest standard of professionalism and commitment to ethics and integrity in all of their conducts. It is also strongly expected that they all in every act and at all times would pay due respect, care and consideration to others.

Members of all levels of the Bank are individually and collectively must remain committed and responsible for excelling the practice of

corporate governance principles in its institutions and activities by placing due attention and weights on the compliance of the best ethical standards and integrity as recommended by the regulators for enhancing its internal and external credibility and establishing transparency.

IFIC Bank always employs its resources, policies & procedures, processes and systems, and recognizes that the honesty, integrity and sound judgment of its employees essential to maintain and uphold its success and reputation. The Bank applies these principles to all the employees of IFIC Bank and its wholly-owned subsidiaries to achieve its corporate and social goals putting the public interest first. The principles are delineated below:

Responsibility

As a financial entity, IFIC Bank must behave responsibly with its shareholders, customers, community/society, even to remain committed to the environment to preserve the lawful benefits and interests of its stakeholders. The Management makes the best effort to maximize Bank's profit through fulfillment of customer needs ensuring customers' satisfaction. While lending/financing apart from the business aspect, the Bank has a firm commitment to environmental and climate-protection issues to support the process of sustainable economic growth of the country.

Property & Information of IFIC Bank

The key responsibility of an employee of IFIC Bank is to protect

and safeguard the organization's property by following the provisions of the operational and IT security manuals & policy guidelines meticulously while using the property of the organization, and ensuring information confidentiality of its clients with utmost care. Unless asked by any lawful and competent court/authority, exchange or disclosure of information is treated as a serious violation of ethical standard, and also considered as a breach of contract.

Conflict of Interest

Whatever the circumstances, an employee must avoid all situations that might lead to a real or apparent material conflict between his/her personal interests and the duties and responsibilities as an employee of the Bank. Availing any kinds of undue or illegal benefit/facilities irrespective of its form, involvement in insider trading and abusing confidential information are being treated as malpractices and deviation from the required standard of the services.

Fair Dealing with Counterparties

All relationships with external counter-parties are conducted in professional and impartial manner at IFIC Bank. The Bank seeks to outperform its competitors fairly and honestly through superior performance and never through unethical or illegal business practices. Vendor selection and hiring decisions are made objectively and in the best interest of the organization based on evaluation of the integrity, suitability, price, delivery

of goods/services, quality and other pertinent factors. Employee's personal relationship with the contractors, suppliers and vendors are disclosed to the appropriate level of authority at the time of entering into the negotiation so that they can't influence the decisions made on behalf of the Bank.

Anti-Money Laundering & Combating Terrorism Financing

IFIC Bank prohibits business with drug traffickers, money launderers and other criminal activists very strictly. The Bank has formulated Anti-Money Laundering Guidelines and ensures the best practices by taking appropriate preventive measures against fraud and money laundering, and co-operates with other Banks and relevant institutions, organizations and government agencies for this purpose.

Transparent & Accurate Reporting

IFIC Bank ensures that the Finance, Taxation and Other reports, and the communications made to and from is true, complete and accurate, and must not be misleading. All employees must ensure that records, data and information owned, collected, used and managed by them in the organization are accurate and complete through maintenance of the highest degree of integrity. The

Bank maintains appropriate records as per the policy of the Bank in sufficient details so that these may reflect accurately the financial conditions and the result of the organization.

Zero Tolerance to Violence in the Workplace

IFIC Bank strictly prohibits any act of violence or threat of violence by any employee against any other person at any time. Mutual understanding and respect toward all employees are an essential element of excellence in professionalism towards building a safe and healthy workplace, and maintenance of the corporate culture which ultimately caters the needs of the community. The Bank displays zero tolerance for violence by or against any member of the workforce on its property.

Employees' Conduct outside the Office Premises

The employees and representatives of IFIC Bank must realize that their conduct outside the workplace has an indirect impact on their place of employment and thus, they shall take necessary measures to ensure that the above mentioned service conducts must encompass outside-workplace-activities as well, so that their actions do not compromise with the business interests, safety and security or confidentiality of

their place of employment.

Fair & Equitable Employment Opportunity

IFIC Bank is committed to ensure equal opportunity for all applicants for employment on the basis of the meritocracy i.e. individual merit and personal qualifications. The Bank is also committed to provide a work environment for its employees free from any harassment and discrimination on the ground of their religion, age, gender, family background, ethnicity, personal appearance, etc. In order to create an energizing workplace, all employees of the Bank must behave/interact responsibly to keep the workplace friendly, congenial, and transparent. Besides, close co-operation among the employees is a must in compliance with the rules and laws of the regulatory bodies/ authorities.

Commitment to the Environment

Environmental and climatic protections are among the most pressing global challenges of the time. All of these are to be taken into account in all areas of lending/ financing. By giving due emphasis on the areas of energy and climate change while lending, bankers would support the process of sustainable economic growth of the country.

Business Ethics

IFIC Bank believes that Business Ethics Practices provide a foundation for the stability and sustainable growth of the Bank and supports Bank's effort in achieving its stipulated goals. The Bank, therefore, encourages all parties to conduct business and perform their duties in accordance with this Business Ethics Practices:

Honesty & Integrity

The Bank will adhere to honesty & integrity in conducting its business.

Compliance with Laws and Regulations

The Bank will conduct its

business in accordance with the laws and regulations and will not assist, encourage or support any wrongful transactions or activities.

Good Management and effective & efficient Internal Control

The Bank will put in place a good management system as well as a risk management system to ensure an effective & efficient internal control.

Standards

The Bank will comply with various standards which are generally acceptable for conducting the banking business.

Concern for Stakeholders

The Bank realizes the importance of proper conduct to various stakeholders with appropriate manner and through mutual respect. The Bank will treat its customers, counter-parties or competitors fairly.

Preservation of the Bank's Reputation

The Bank will try to uphold the good reputation all the time and will refrain from engaging in any activity that may jeopardize its reputation.

HR Compliance

To safeguard transparency, lawful action and fair competition among the employees, IFIC Bank complies with every applicable HR related laws, rules & regulations. As part of establishing a compliant culture across the organization, IFIC Bank maintains HR compliance at all levels of the organization. The Bank encourages the employees to abide by all of its

rules and regulations along with all applicable laws of the land and promotes the same through conducting continuous training programs.

The Bank has specific applicable policies for every HR activity covering recruitment to retirement among which the Recruitment Policy, Promotion Policy, Leave Policy, Transfer Policy, Reward

& Recognition Policy are to be mentioned. Moreover, the Bank has a separate disciplinary rules, namely “আইএফআইসি ব্যাংক এমপ্লয়ী শৃঙ্খলা, আচরণ ও আপীল বিধি” in line with the law of the land that focuses on the quasi-judicial disciplinary proceedings for handling all kinds of misconducts committed by any delinquent employee.



Strategic Priority

- ▶ To strive for sound business growth by ensuring customer satisfaction through quality and timely services;
- ▶ To manage and operate the Bank in the most efficient manner to ensure achievement of goals;
- ▶ To maintain adequate capital flow to support further growth;
- ▶ To ensure effective and efficient risk management for sustainable business growth;
- ▶ To diversify loan portfolio through structured finance and expansion of Corporate, SME, Agriculture and Retail businesses;
- ▶ To mount state-of-the-art technologies and adopt innovative ideas for financial inclusion;
- ▶ To groom human resources for serving customers efficiently;
- ▶ To increase brand visibility by creating positive image of the Bank;
- ▶ To be a trend-setter in serving the society and remain responsive to the environment;
- ▶ To ensure sound corporate governance practices;
- ▶ To facilitate mobility in banking by up-gradation of the Internet and Mobile Banking;
- ▶ To add value for all stakeholders.



Cautionary Statement Regarding Forward-Looking Approach

This Annual Report and Financial Statements for the year 2019 contains certain forward looking statements with respect to the financial condition, results of operations and business of the Bank.

These statements are not historical facts, but include statements about Bank's beliefs and expectations or possibilities. Words such as 'expect', 'anticipate', 'intent', 'plan', 'belief', 'seek', 'estimate', 'potential' and 'reasonably possible', the negative of these words or such other variations there on and words of similar expressions are

intended to identify forward looking statements. These statements are based on the current plans, estimations and projections, and therefore, undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made.

These statements may change based on the change in domestic, and global economy and financial condition, natural calamities, movement of interest rates both in lending and deposits, changes or adoption of new regulatory policies, market volatility, changes in the accounting policy, future

foreign exchange market condition, the political condition of the country, technological changes in the banking sector, changes in consumer behavior and other factors that may have effects on the overall operations of the bank.

The Bank will not undertake any obligation to revise or update any one of the forward-looking statements contained in this Annual Report, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Corporate Profile

Name of the Company

International Finance Investment and Commerce Bank Limited (IFIC)

Legal Form

IFIC Bank Limited was incorporated in Bangladesh and registered with the Registrar of Joint Stock Companies & Firms as a public company limited by shares

Company Registration Number

C-4967, Dated: 08 October 1976

Authorized Capital

BDT 40,000.00 million

Paid up Capital

BDT 14,726.13 million

Listing Status

Listed with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) in 1986 and 1997 respectively

Market Category

'A' Category

Tax Payer Identification Number (TIN)

135055865054

VAT Registration Number

19081167140

Business Identification Number (BIN)

000136288

Subsidiary Companies

IFIC Securities Limited
IFIC Money Transfer (UK) Limited

Registered Office

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



Off-shore Banking Unit (OBU)

IFIC Bank Limited - OBU
Federation Branch, FBCCI Building,
60 Motijheel C/A, Dhaka



Auditors

Howladar Yunus & Co.,
Chartered Accountants



Legal Adviser

Ahsanul Karim



Tax Consultants

Adil & Associates



Credit Rating Agency

Credit Rating Agency of
Bangladesh (CRAB) Limited



Chairman

Salman F Rahman MP



Vice Chairman

Ahmed Shayan Fazlur Rahman



Managing Director & CEO

M Shah Alam Sarwar



Head of ICC

Ashim Chowdhury



Chief Financial Officer

Dilip Kumar Mandal, FCA



Company Secretary

Md. Mokammel Hoque, FCS

No. of Employees

2,559

No. of Branches

148

No. of Shareholders

41,573

Investor Relations

IFIC Tower (17th Floor)
61 Purana Paltan, Dhaka-1000
Hotline: 09666716250



Global Corporate Structure



IFIC Securities Limited

A fully owned subsidiary
in Bangladesh



IFIC Money Transfer (UK) Limited

A fully owned subsidiary
in the United Kingdom



Nepal Bangladesh Bank Limited

A joint venture commercial Bank
in Nepal



Oman Exchange LLC

A joint venture exchange company
in Oman



MCB Bank Limited

A commercial Bank
in Pakistan

Milestones in the Development

- 1976** ▶ Established as an Investment & Finance Company under arrangement of joint venture with the Govt. of Bangladesh.
- 1980** ▶ Commenced operation in Foreign Exchange Business in a limited scale.
- 1982** ▶ Obtained permission from the Govt. to operate as a commercial Bank. Set up its first overseas joint venture (Bank of Maldives Limited) in the Republic of Maldives (IFIC's share in Bank of Maldives limited was subsequently sold to Maldives Govt. in 1992).
- 1983** ▶ Commenced operation as a full-fledged commercial bank in Bangladesh.
- 1985** ▶ Set up a joint venture Exchange Company in the Sultanate of Oman, titled Oman Bangladesh Exchange Company (Subsequently, renamed as Oman Exchange LLC).
- 1987** ▶ Set up its first overseas branch at Karachi in Pakistan.
- 1993** ▶ Set up its second overseas branch at Lahore in Pakistan.
- 1994** ▶ Set up its first joint venture in Nepal for banking operation, titled Nepal Bangladesh Bank Ltd.
- 1999** ▶ Set up its second joint venture in Nepal for lease financing, titled Nepal Bangladesh Finance & Leasing Co. Ltd. (Which was merged with NBBL in 2007).
- 2003** ▶ Set up a new Bank in Pakistan, NDLC-IFIC Bank Limited and the Overseas Branches of IFIC and a local leasing company, NDLC were amalgamated with and into it. (Subsequently renamed as NIB Bank Limited and which was again merged with MCB Bank Limited in 2017.)
- 2005** ▶ Acquired MISYS solution for real time online banking application. Core Risk Management implemented.
- 2007** ▶ Launched VISA branded Credit Card (completed full range of Cards i.e. Debit, Credit & Prepaid by 2010).
- 2010** ▶ Set up Offshore Banking Unit (OBU).
- 2011** ▶ Established a fully owned subsidiary exchange company named IFIC Money Transfer (UK) Ltd.
- 2012** ▶ Inauguration of the 100th Branch at Tejgaon-Gulshan Link Road in Dhaka.
- 2013** ▶ Achieved the Landmark of BDT 10,000 crore in Deposits.
- 2014** ▶ Launched IFIC Mobile Banking Service.
- 2015** ▶ Crossed the Landmark of BDT 20,000 crore in Foreign Trade Business.
- 2016** ▶ Inauguration of IFIC Tower at 61 Purana Paltan, Dhaka.
- 2017** ▶ Launched an innovative product IFIC Amar Account, combining benefits of current & saving accounts, FDR, credit cards, etc. Became market leader in Home Loan product under retail banking segment. Introduced One Stop Service model in the branches for the first time in Bangladesh.
- 2018** ▶ IFIC Home Loan outstanding crossed the amount BDT 2,911.40 crore. Amar Account total balance stood at BDT 1,456.49 crore with a total of 99,399 accounts.
- 2019** ▶ Established 35 Uposhakhas accross the country. Launched IFIC Amar Bank (Digital Banking Platform). Launched IFIC Shohoj Account to expand financial inclusion.

**INFORMATION ON
CORPORATE GOVERNANCE**



Composition of Board and its Committees



Board of Directors

Chairman/Chairperson
Salman F Rahman MP

Vice Chairman/Vice Chairperson
Ahmed Shayan Fazlur Rahman

Directors

Anwaruzzaman Chowdhury
Independent Director

Rabeya Jamali
Independent Director

Jalal Ahmed
Govt. Nominated Director
(Up to 15 June 2020)

A. R. M. Nazmus Sakib
Govt. Nominated Director

Quamrun Naher Ahmed
Govt. Nominated Director

Md. Zafar Iqbal, ndc
Govt. Nominated Director
(Since 15 June 2020)

Managing Director & CEO
M Shah Alam Sarwar

Company Secretary
Md. Mokammel Hoque

Executive Committee of the Board

Chairman
A. R. M. Nazmus Sakib

Member
Quamrun Naher Ahmed

Secretary to the Committee
Md. Mokammel Hoque

Audit Committee of the Board

Chairman/Chairperson
Rabeya Jamali

Members
Anwaruzzaman Chowdhury
Jalal Ahmed
(Up to 15 June 2020)

Md. Zafar Iqbal, ndc
(Since 15 June 2020)

Secretary to the Committee
Md. Mokammel Hoque

Risk Management Committee of the Board

Chairman
Jalal Ahmed
(Up to 15 June 2020)

Md. Zafar Iqbal, ndc
(Since 15 June 2020)

Members
Rabeya Jamali
A. R. M. Nazmus Sakib
Quamrun Naher Ahmed

Secretary to the Committee
Md. Mokammel Hoque



From Left

M Shah Alam Sarwar Managing Director & CEO
Quamrun Naheer Ahmed Govt. Nominated Director

Ahmed Shayan Fazlur Rahman Vice Chairman/Vice Chairperson
Salman F Rahman MP Chairman/Chairperson



From Left

Md. Zafar Iqbal, ndc Govt. Nominated Director
Rabeya Jamali Independent Director

Anwaruzzaman Chowdhury Independent Director
A. R. M. Nazmus Sakib Govt. Nominated Director

Directors' Profile



Salman F Rahman
Chairman/Chairperson

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.



Ahmed Shayan Fazlur Rahman
Vice Chairman/Vice Chairperson

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 10 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.



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. Chowdhury 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.



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 and IFIC Securities Limited. She is also an Alternate Director of Nepal Bangladesh Bank Limited, Nepal.



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 Oman Exchange LLC, a joint venture operation of the Bank in the Sultanate of Oman.



Quamrun Naher Ahmed
Director

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

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

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



Md. Zafar Iqbal, ndc
Director

Mr. Md. Zafar Iqbal is an Additional Secretary of the Financial Institutions Division, Ministry of Finance, Government of the People's Republic of Bangladesh. He was nominated as a Director to the Board of IFIC Bank Limited on 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 and IFIC Money Transfer (UK) Limited, UK. He is also an Alternate Director of Oman Exchange LLC, a joint venture operation of the Bank in the Sultanate of Oman.



M Shah Alam Sarwar
Managing Director & CEO

Mr. Shah A Sarwar joined IFIC Bank Limited as Managing Director on 02 December 2012. He started his career as a Management Trainee of ANZ Grindlays Bank in 1982. Over the last 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 sits on the Board of Grameen Bank and previously held various senior management positions in multinational and private commercial banks such as Trust Bank Limited, Premier Bank Limited and Industrial Promotion & Development Company of Bangladesh Ltd., United Commercial Bank Ltd., American Express Bank Ltd., Standard Chartered Bank and ANZ Grindlays Bank.

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

Deputy Managing Directors' Profile



Mr. Muhammad Mustafa Haikal Hashmi joined IFIC Bank on 01 July 2013 as a Deputy Managing Director and currently holding the position of Chief Risk Officer (CRO) and Chief Anti-Money Laundering Compliance Officer (CAMLCO).

He started his career as a Probationary Officer of IFIC Bank Ltd. in 1986 and was enriched with adequate exposure in General Banking, Corporate Banking, Risk Management, ICC Operation, and Foreign Exchange Operation at home and abroad. He played various vital managerial roles in American Express Bank, Standard Chartered Bank, ANZ-Grindlays Bank, Banque Indosuez, Mashreq Bank, Dhaka Bank and Trust Bank.

Mr. Hashmi did his graduation and post-graduation from the University of Dhaka in Management Studies.

Muhammad Mustafa Haikal Hashmi

DMD & Chief Risk Officer



Mr. Shah Md. Moinuddin has been holding the position of Deputy Managing Director and Head of International Division since 01 March 2015. He joined the Bank on 16 July 1986 as a Probationary Officer.

During his long association with IFIC Bank for about 34 years, Mr. Moinuddin has shown his credibility as a dynamic leader, and also held senior management position in core areas of banking. While posted in the branches, he worked in various capacities including holding the position of Branch Manager of Principal Branch and Federation Branch.

Mr. Moinuddin did his graduation and post-graduation from the University of Dhaka in Accounting.

Shah Md. Moinuddin

DMD & Head of International Division



Mr. Md. Nurul Hasnat has been holding the position of Deputy Managing Director and Head of Business since 01 January 2018. He joined the Bank on 27 February 2013 as an Executive Vice President.

Mr. Hasnat has 31 years long banking experience which started with BCCI in February 1989. He also served in Eastern Bank, South East Bank and Trust Bank in various capacities.

In IFIC Bank, he served as Branch Manager of Principal Branch, Federation Branch and Gulshan Branch and made notable contribution to their business portfolio.

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

Md. Nurul Hasnat

DMD & Head of Business



Mr. Syed Mansur Mustafa has been holding the position of Deputy Managing Director and Chief Credit Officer of the Bank since 03 July 2018.

He joined the Bank earlier on 06 April 2015 as a Senior Executive Vice President. He started his career as a Probationary Officer of AB Bank Ltd. in 1996 and also served in Trust Bank.

Mr. Mustafa did his MBA with major in Finance from the Institute of Business Administration and also did his post-graduation in International Relations from the University of Dhaka.

Syed Mansur Mustafa

DMD & Chief Credit Officer



Md. Monitur Rahman

DMD & Chief of Operations & IT

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

Mr. Rahman has 26 years long working experience with the Standard Chartered Bank and National Board of Revenue. His core expertise is in Technology and Operational Governance, Infrastructure Development, Project Management and Service Quality for the Customers.

Mr. Rahman did his MBA with major in Finance from the North South University, and also graduated in Electrical & Electronic Engineering (EEE) from Bangladesh University of Engineering and Technology (BUET).

Senior Management Team (SMT)

1	M Shah Alam Sarwar	Managing Director & CEO	Chairman
2	M. M. Haikal Hashmi	DMD & CRO	Member
3	Shah Md. Moinuddin	DMD & Head of International Division	Member
4	Md. Nurul Hasnat	DMD & Head of Business	Member
5	Syed Mansur Mustafa	DMD & CCO	Member
6	Md. Monitur Rahman	DMD & CoIT	Member
7	K. A. R. M. Mostofa Kamal	Head of Human Resource Management	Member
8	Ashim Chowdhury	Head of Internal Control & Compliance	Member
9	Dilip Kumar Mandal	Chief Financial Officer	Member
10	Md. Mokammel Hoque	Company Secretary	Member Secretary

Senior Management



Managing Director & CEO

M Shah Alam Sarwar

Deputy Managing Director

Muhammad Mustafa Haikal Hashmi
Shah Md. Moinuddin
Md. Nurul Hasnat
Syed Mansur Mustafa
Md. Monitur Rahman

Senior Executive Vice President

Khan Abu Roushan Mohammad Mostofa Kamal
Ashim Chowdhury
Md. Rafiqul Islam
Iqbal Parvez Chowdhury

Executive Vice President

Md. Badrul Alam
Ferdousi Begum
M. Mozibar Rahman
Dilip Kumar Mandal
Helal Ahmed
Md. Zulfiquer Ali Chakder
Nurul Basher Abdul Mamun
Syed Hassanuzzaman
Hossain Shah Ali
Md. Toufiq-E-Elahi Choudhury

Senior Vice President

Shaikh Sohail Khurshid
Mohammad Mahmood
Md. Abdullah Al Masum
Mir Iqbal Hossain
Madhubanti Kabir
Mohammad Shahin Uddin
Sohel Mahmud Zahiduzzaman
A. T. M. Raziur Rahman

First Vice President

Md. Akbar Ali
Sharmilla Manzoor
Md. Ali Imam Khan
Md. Selim Talukder
Humaira Parveen Runi
Md. Salah Uddin
Md. Nazmul Haque Talukder
Md. Mokammel Hoque

Vice President

Ahmed Sayeed
Navedul Islam
A. M. Mahmud Hossain
Md. Mostaque Hossain Chowdhury
Anwara Begum
Morshed Ali
Tauheed Mahmud Hussain
Nazmun Nahar Begum
A. B. M Mohsin Kamal Molla
A. K. M Zahirul Islam
Md. Mozammel Haque
Mohammad Rakibul Islam
Md. Mosharraf Hossain Mridha
Mohammed Mizanur Rahman
Md. Nazimul Hoque
Omar Sharif
Tagore Lakshaman Chandra Ghosh
Muhammed Shafiquzzaman
Shahina Akhter
S. M. Alamgir Hassan

Chairman's
Message



Dear Shareholders,

Assalamu Alaikum.

As another financial year comes to an end, it gives me immense pleasure to welcome you all, our valued shareholders, on behalf of the members of the Board of Directors, to the 43rd Annual General Meeting of your Bank - IFIC Bank and to present before you the audited Financial Statements and Annual Report for the financial year 2019. At the very outset, I would like to express my profound gratitude and sincere thanks for your continued belief, passion, support and patronage extended to the Bank towards making IFIC a caring, reliable and successful bank of the country.

The Directors' Report on the Financial Statements & Internal Control, the Financial Statements as at and for the year ended on 31 December 2019 together with the Auditors' Report thereon are already in your hands. The Annual Report will give a detailed overview of your Bank's performance during the year 2019 that has been presented through various quantitative and qualitative parameters.

The Bangladesh economy has been able to maintain the continuity and stability of the economic growth by tackling the adverse effect of the global and domestic front. According to the provisional estimate of Bangladesh Bureau of Statistics (BBS), GDP growth for FY2018-19 reached 8.13 percent, significantly higher than the growth of 7.86 percent in the preceding fiscal year. A major boost of growth has come from the manufacturing sector of the large industrial sector. The per capita national income reached US\$1,909 in FY2018-19, up by US\$158 a year earlier. On the other hand, per capita GDP grew to US\$1,827 in FY2018-19 from that of US\$1,675 in FY2017-18.

To continue the economic development and higher growth of the economy, the private sector plays a significant role along with the government. In FY2018-19, the total investment of GDP was 31.56

percent, out of which 23.40 percent were from the private sector.

In order to attract the private sector investment, both from local and foreign investors, the government has taken various initiatives for infrastructure development, uninterrupted supply of electricity and also for development of congenial environment for private investment. To facilitate maintaining sustainable economic growth and providing services to the doorsteps of the people, the government has established 'Bangladesh Investment Development Authority' (BIDA) as well as undertaken an extensive reform program to create a congenial environment for the private sector investment.

Per capita
national
income
reached
US\$1,909
in FY2018-19

BEZA is working to achieve
the target of

US\$40 billion
worth of production or
export by 2030 with the
employment
of 10 million
people

As a part of developing Economic Zones within the country Bangladesh Economic Zones Authority (BEZA) under the Prime Minister's Office is assigned with the responsibility to establish and develop Economic Zones. Apart from this, BEZA is working to expedite speedy economic development, especially

industrialization, employment generation, production, enhance and diversification of export. Side by side with the investment in national and international economic zones and bilateral interest and prosperity, the initiative of establishing economic zones will contribute a lot in getting middle income country's status of Bangladesh by 2021. BEZA is working to achieve the target of US\$40 billion worth of production or export by 2030 with the employment of 10 million people. The government has already approved 88 economic zones where 61 are public economic zones and 27 are private economic zones.

Bangladesh has made remarkable progress in implementing reforms in the regulatory environment for doing business and consequently, advanced 8 steps ahead in the ratings during the FY2018-19 and now, ranked 168th among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. However, Bangladesh was ranked 89th in terms of protecting investors. In addition, the country was also ranked 161st in getting credit and 138th and 151st in starting a business and paying taxes respectively.

- ▶ Starting a business
Bangladesh made starting a business less expensive by reducing name clearance and registration fees and abolishing the fee for certifying digital certificates. This reform applies to both Dhaka and Chattogram.
- ▶ Getting electricity
Bangladesh made getting electricity faster by investing in the digitization and human capital at the utility. Bangladesh also made getting-electricity-less-costly by reducing the amount of the security deposit for a new connection. This reform applies to Dhaka.
- ▶ Getting credit
Bangladesh improved access to credit information by expanding

the coverage of the credit information bureau.

Bangladesh Investment Development Authority (BIDA) is relentlessly working with new initiatives to attain overall economic growth through encouraging local and foreign investment in the private sector, providing facilities and assistance to establish industries and providing administrative coordination and better service to utilize government industries and commercial institutions and unutilized land and establishments into more suitable economic activities. A full international standard online One Stop Service was launched on January 2019 in pilot basis. The new horizon of the investment environment is going to be opened by full-fledged One Stop Service.

BIDA is working further to improve the rating of Bangladesh in the 'Ease of Doing Business' report to below 100 within the next 5 years, through holding of a series of discussions with the related ministries/agencies by fixing targets for reducing time, expenditure and cut process for making easy of doing business in the country. In this regard, a National level Steering Committee and a Ministry level Task Force have been formulated.

To ensure the transition of Bangladesh to a middle income economy, the government is working through establishing the rights of workers specially living wage, improving safe working condition, ensuring occupational safety and health and to establish peace and stability for enhancing productivity and economic development. Alongside, the government has set up a target to reduce the poverty to 18.6 percent at the end of the 7th Five Year Plan (2016-2020). As a result of poverty reduction, a progress is found in the World Human Development Index. According to 'Human Development Index 2018' Bangladesh's position was 136 among 189 countries. In 2016, Bangladesh was 139 in the list.

Two-third of the total population of the country is currently active. The Government is implementing different types of development programs to accumulate demographic dividend by utilizing the huge number of active working population. The Government has allocated 27.4 percent in the ADP (Annual Development Program) for FY2020-21 in the annual budget for human resource development (education, health and other related sectors).

BIDA is working further to improve the rating of Bangladesh in the

'Ease of Doing Business'

report to

below 100 within the next 5 years

Government has set up a target to reduce the

poverty to 18.6 percent

Bangladesh has been able to maintain its Sovereign Credit Rating for the last consecutive 9 years in a row and has achieved a stable rating from both Moody's and S & P which are Ba3 and BB- respectively. Another credit rating institution, Fitch Ratings, has provided a BB-rating in two consecutive years, which indicates stable economic growth and strong external sector of the economy.

Now let me come to the performance of your bank. Last year, as an outcome of inclusive banking, by pursuing excellence in customer care through customer relevance, by innovating consistently to deliver technology driven

solutions to the banking industry and through continuous product innovations, we have carved a veritable niche for ourselves in the eyes of our customers. And it is thus that your point of view remains our point of consideration.

The Bank also has a significant involvement and proactive participation in benevolent activities. As a trend-setter, the Bank is gradually organizing its involvement in the more structured CSR initiatives, following the Guidelines of Bangladesh Bank.

Our Management Team, like last year, in 2019 also maintained their winning streak, receiving national and international acclamation for transparency, good governance, sustainability, people practices, brand management, CSR and IT applications.

We intend to grow our business in a sustainable manner by enhancing the quality and efficiency, exploring the potential areas for new investment as well as devising new products and focusing on customer service.

We are confident that the Management Team possess the right competencies to capitalize on these opportunities to maintain a higher growth trajectory for the Bank. As such, your Bank would concentrate on sharpening its competitive edge by improving its business strategies and protecting its credibility through fulfillment of the promises.

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

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

sustainable growth of the Bank.

On behalf of the Board, I wish to place on record our sincere appreciation to the Government of the People's Republic of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission and other regulatory authorities, various financial institutions, banks and correspondents at home and abroad for their continued support and guidance.

My sincere appreciation is also to the Managing Director & CEO, the Management Team and the whole Team of IFIC for making 2019 yet another year of commendable success and for their continued

pursuit towards achieving the Bank's objectives despite the veritable challenges.

We endeavor to serve our customers with the highest level of convenience, transparency and respect. We sincerely appreciate the trust they have reposed on us and are looking forward to maintain a long-term relationship with them.

A special word of thanks to our shareholders again, who have been an integral part of the Company's journey throughout the year.

Finally, I wish to place on record my appreciation to my fellow Directors for their unstinted support, guidance and insight which has helped us to

steer the organization towards the many successes it has achieved till date.

We look to the next financial year with confidence and resolute dedication. Let there be good days ahead for all of us. May the Almighty Allah bestow His choicest blessings upon us!

Allah Hafez.



Salman F Rahman MP
Chairman

Managing Director & CEO's Review



Dear Respected Shareholders,

Over the past year, all of us at IFIC Bank have collectively worked as a team in staying true to our vision of being the preferred financial provider through innovative, sustainable and inclusive growth and providing our stakeholders with the best in class value. Therefore, I am immensely pleased to be able to present to you the financial and operating performance of the Bank for the year 2019. 2019 has witnessed slowdown in the global growth due to several factors including declined pace of manufacturing activities and the rising trade tensions between the USA and China. Nonetheless, growth has remained solid for Bangladesh with a rise in GDP to 8.15% reinforced by robust private consumption, favorable policies and consistent flow of capital. However, the Banking sector has faced certain challenges including the slowdown of private-sector credit growth and maintaining a tolerable NPL ratio. Despite the challenges, IFIC Bank has taken successful steps in moving forward with its vision, through innovative thinking, and by exercising relevant Policies and Risk Management Framework, the credit of which goes both to the Regulatory Authorities and to the Bank.

Macroeconomic Scenario of Bangladesh

The Bangladesh economy has once again shown constant economic growth. The Bangladesh economy has recorded 8.15% growth of GDP in FY19 compared to 7.86% in FY18. This growth has been largely supported by strong domestic and external demand which can be reflected in the higher rate of export growth. Improved power supply and favorable weather for crops production also supported the growth. Export growth has risen from 6.7% in FY18 to 10.1% in FY19, while import growth has witnessed a massive fall of 1.8% in FY19 from 25.2% in FY18, lessening the trade deficit by a large margin. Export stood at USD 39,945 million in FY19 from USD

36,285 million in FY18. Import increased to USD 55,439 million in FY19 from USD 54,463 million in FY18. In FY19, remittance inflows saw a growth of 9.6% compared with the massive growth of 17.3% in FY18. The trade deficit lessened to USD 15,494 million in FY19 from USD 18,178 million in FY18 due to the faster pace of export growth in comparison to import growth. The services and income account along with primary and secondary income registered a surplus of USD 10,240 million in FY19 compared to the surplus of USD 8,611 million in FY18. The Current Account Balance improved slightly to USD (-) 5,254 million in FY19 from USD (-) 9,567 million in FY18 and the Capital and Financial Account surplus reached to USD 5,971 million in FY19 from USD 9,476 million in FY18. The overall balance of payments deficit turned into a surplus of USD 12 million in FY19 which was USD (-) 857 million in FY18. The foreign exchange reserves stood at USD 32.7 billion at the end of FY19, representing around 6.3 months of prospective import coverage.

IFIC Bank Performance

Deposits of the Bank increased to BDT 258,368 million in Y2019 from BDT 226,364 million in Y2018, representing a growth of 14.1%. Loans and Advances rose to BDT 228,589 million in Y2019 from BDT 206,930 million in Y2018, indicating a growth of 10.5%.

Import of the Bank was BDT 86,203 million in Y2019 showing 15.2% decline, Export of the Bank was BDT 94,645 million in Y2019 showing 3.7% fall and Remittance was BDT 17,450 million in Y2019 having a rise of 22.5% from the previous year.

Net Interest Income (NII) increased by 40.3% from BDT 4,560 million in Y2018 to BDT 6,398 million in Y2019 and Net Profit after Tax increased to BDT 2,444 million in Y2019 from BDT 1,570 million in Y2018, representing a growth of 55.6%. Non-Performing Loan (NPL)

ratio of the Bank decreased to 5.4% in Y2019 from 6.2% in Y2018. Asset size of the Bank stood at BDT 317 billion in Y2019 against 283 billion in Y2018, indicating a growth of 12.0%.

Capital Adequacy

At the end of December-2019, total Shareholders' Equity stood at BDT 24,597 million, which is 11.2% higher than that of December-2018. The Bank maintained Capital to Risk-weighted Asset Ratio (CRAR) of 12.80% under Revised Regulatory Capital Framework for Banks in line with Basel III as against minimum requirement of 12.50% set by Bangladesh Bank for the year ended December 31, 2019.

Deposits of the Bank increased to

BDT 258,368 million in Y2019, a growth of 14.1%

Loans and Advances rose to

BDT 228,589 million in Y2019, a growth of 10.5%

Growth Initiatives Implemented in 2019

- ▶ The Bank has successfully continued its One Stop Service Model to provide commendable services to its customers.
- ▶ IFIC Bank has introduced its Digital Banking solutions

named IFIC Amar Bank. With the introduction of IFIC Amar Bank, the Bank has taken a step further in providing its customers with faster and better banking services.

- ▶ The Bank has highly promoted the marketing and selling of IFIC Amar Account and IFIC Aagami. The Bank has introduced and also highly promoted IFIC Shohoj Account which focuses on including unbanked people into the Banking Channel.
- ▶ IFIC Bank has continued to give special emphasis on its collateral-based Home Loan Product named IFIC Amar Bari by giving competitive interest rate and quick loan processing service.
- ▶ The Bank has reformed its Contact Center into a one stop touch point for its customers which functions round the clock for giving customer services.
- ▶ IFIC has focused on its goal of reaching the neighborhood of the customers with its all banking services through the opening of 35 Uposhakhas in 2019 which has led to a total network of 183 Branches and Uposhakhas of the Bank in Bangladesh.

Risk Management

The Risk Management approach of the Bank is quite robust and includes the functions of analysis, evaluation, acceptance and management of risks. Securing its capital, resources and ensuring sustainable profitability is of utmost importance to the Bank. The prime responsibility of risk supervision lies with the Board of Directors and the Board believes that Risk Management is an integral component of the Bank's strategy, culture and value generation process. IFIC conducts its Banking Operations by maintaining compliance according to the Risk Management Guideline of the Bank which covers the risks such as credit risk, foreign exchange risk, internal control and compliance

risk, anti-money laundering risk, information & communication technology risk, asset liability management risk etc.

IFIC has focused on its goal of reaching the neighborhood of the customers with its all banking services

The Bank will implement e-KYC functions in all its Branches and Uposhakhas

Commitments Towards the Employees

IFIC Bank is steadfastly committed to enhance the quality and capability of its human resources to attain long term sustainable growth. It has created an enabling-engaging-empowering job environment throughout the entire employee lifecycle. This is being done through a transparent recruitment process, continuous training and development and a fair transfer and promotion process. The Bank ensures equal opportunities and offers diversified career paths for the employees so that they can unfold their full potential. It has created a Meritocracy based Performance Management System through implementing KPIs (Key Performance Indicators) based Quarterly Performance Appraisal System. The Bank has also implemented the multi-functional engagement concept among the employees by including Cross Selling & Cross Servicing as one of the KPIs. It has developed Talent Management Program by fast tracking and retaining critical resources of the Bank. It also has a competitive Pay Structure with enriched Insurance Policy for employees and their families.

Responsibilities Towards the Society

Every year IFIC Bank performs activities that acknowledge the need of those in need and for creating a significant impact on the society. In 2019 the Bank took the following steps as part of Corporate Social Responsibility (CSR) Activities:

- ▶ The Bank has donated to the Honorable Prime Minister's Relief and Welfare Fund as financial assistance for the victims of the tragic fire incident of Churhatta, Chawkbazar.
- ▶ IFIC Bank awarded Emeritus Professor Dr. Anisuzzaman with the IFIC Bank Sahitya-Ratna Sommanona 2017 and Emeritus Professor Serajul Islam Choudhury & travel writer Bulbul Sarwar won IFIC Bank Sahitya Puroshkar 2017.
- ▶ The Bank donated blankets to the Honorable Prime Minister's Relief and Welfare Fund to support the cold affected distressed people of the country.
- ▶ IFIC has donated to University of Dhaka for the enhancement of IFIC Bank Trust Fund, under the banner of IFIC Bank Research Grant & Scholarship Program 2019.
- ▶ The Bank donated to Social Welfare Alumni Association, University of Dhaka.
- ▶ IFIC Bank has donated to Anjuman Mufidul Islam for assistance to complete 18 storeys of Anjuman JR Tower.
- ▶ The Bank donated to Bishwo Shahitto Kendro under its year-long book reading program.

Initiatives for 2020

- ▶ The Bank will implement e-KYC functions in all its Branches and Uposhakhas through which the account opening formalities will be made even easier for the customers.
- ▶ IFIC Bank will be establishing many more Uposhakhas to reach the neighborhood of its customers. The customers will get all banking services from the

Upshakhas which will be near to their home and with utmost ease and comfort.

- ▶ The Bank will continue its special focus on aggressive marketing and selling of IFIC Amar Account, IFIC Shohoj Account, IFIC Amar Bari and IFIC Aagami.
- ▶ The Bank will introduce a loan product named IFIC Shohoj Wrin, which will provide loans for Agriculture & Agro based Activities, Grass root level Entrepreneurs, Marginal & Landless Farmers and Low Income Individuals.
- ▶ The Bank will move further in technological advancement by implementing software for the Bank's Treasury Functions, Foreign Trade Functions, Asset

Liability Management Functions and Loan Origination Functions.

- ▶ IFIC Bank will further reform its Contact Centre and turn it into Customer Care Center, which will be unique in its service delivery capabilities and will further enhance customers' banking service experience.

Concluding Remarks

I express my sincere gratitude to the Regulatory Authorities, especially Bangladesh Bank for the constant guidance and support, and to Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited for their continuous help and assistance. I am highly grateful to the members of the Board of Directors for their policy guidelines and their vital directions in helping

the Management to implement those policy guidelines. I must also convey my gratefulness towards our respected shareholders, valued customers and all other stakeholders for having faith in us and demonstrating confidence in the Bank's Management. Last but not the least, my sincere appreciation goes to my dear colleagues for remaining committed and focused on delivering yet another successful year for IFIC Bank.



M Shah Alam Sarwar
Managing Director & CEO



**DIRECTORS'
REPORT**



Directors' Report

Respected Shareholders,

Assalamu Alaikum

The Board of Directors of IFIC Bank Limited with immense pleasure takes this opportunity of presenting the Directors' Report along with the Audited Financial Statements for the year ended 31 December 2019 before you on the occasion of 43rd Annual General Meeting (AGM) of the Bank. The Report and Financial Statements of the Bank have been prepared in accordance with the regulations, standards & relevant sections mentioned in the Company Act, 1994, the Bank Company Act, 1991 (amended up to 2018), Bangladesh Bank circulars & guidelines and other applicable rules & regulations of the respective Regulatory Authorities. A brief overview of Global and Bangladesh Economy, Bank's performance, overall strength, growth trend and other matters have been incorporated.

1. Global Economy and its outlook

After the strong growth during 2017 and the first half of 2018, global economy slightly slowdown in the second half of 2018. International

Monetary Fund (IMF) in its World Economic Outlook (WEO) April 2019, cut down its global growth forecast with downside risks, blaming the escalation of trade tension between the United States and China, loss of momentum in Europe and uncertainty surrounding Brexit. Global growth picked at 3.8 percent in 2017, softened to 3.6 percent in 2018 and projected to decline further to 3.3 percent in 2019 before returning to 3.6 percent in 2020. Growth for 2018 was revised down by 0.1 percentage point from 3.7 percent forecast of October 2018 outlook. The forecasts for 2019 and 2020 are marked down by 0.4 and 0.1 percentage point respectively.

For the emerging market and developing economy group, growth is expected to down tick to 4.4 percent in 2019 from 4.5 percent in 2018 and projected to rise to 4.8 percent in 2020. Despite rising headwinds, growth in Emerging Asia is expected to slowed slightly to 6.3 percent in 2019 and 2020 from 6.4 percent in 2018. Growth in China is projected to slow due to impact of lingering trade tensions with the United States. The Indian

economy is projected to rebound to 7.3 percent in 2019 and 7.5 percent in 2020 supported by the continued recovery of investment and robust consumption. Global energy prices have decreased since the release of the October 2018 World Economic Outlook (WEO), mostly driven by lower oil prices. Price of base metals have increased due to supply disruption. Prices of agricultural goods have increased somewhat. Consumer price inflation have decreased across advanced economies, given the drop in commodity prices. In advanced economies, inflation is expected to decline to 1.6 percent in 2019 from 2.0 percent in 2018.

According to the IMF, the global growth may face further downward revisions. Key sources of downside risk to the outlook include: rising inequality, weak investment, rising protectionism in trade, climate change and risk from cyber security. However, the growth will be stabilized later this year if the downside risks do not materialize and the policy support put in place become effective. Table 1.1 highlights the global output growth:

Table 1.1: Overview of the World Output Growth Projections

(Percent Change)

Economic Area	Actual		Projection	
	2017	2018	2019	2020
World Output	3.8	3.6	3.3	3.6
Advanced Economics	2.4	2.2	1.8	1.7
USA	2.2	2.9	2.3	1.9
Euro Area	2.4	1.8	1.3	1.5
Japan	1.9	0.8	1.0	0.5
Emerging Market and Developing Economics	4.8	4.5	4.4	4.8
Emerging and Developing Asia	6.6	6.4	6.3	6.3
China	6.8	6.6	6.3	6.1
India	7.2	7.1	7.3	7.5

Source: World Economic Outlook, April 2019, IMF

2. Bangladesh Economy

In spite of various national and international adverse situations, Bangladesh has been able to continue her economic development and high growth trend. According to the provisional estimate of Bangladesh Bureau of Statistics (BBS), GDP growth for FY2018-19 reached 8.13 percent. On the other hand, according to final estimate in FY2017-18, the country's growth rate was 7.86 percent. In FY2018-19 per capita GDP increases to US\$152 compare with the previous fiscal year and raises at US\$1,827. Likewise, per capita national income increased to US\$1,909 in FY2018-19 from US\$1,751 in FY2017-18.

Both public and private investment increased in FY2018-19 from previous fiscal year. The total investment rose to 31.56 percent in FY2018-19, which was 31.23 percent in FY2017-18. In FY2018-19, public sector investment is 8.17 percent and private sector investment is 23.40 percent of GDP.

In FY2018-19, growth of revenue collection is at satisfactory level. In this fiscal year revised target for revenue receipt was set at Tk. 3,16,599 crore (12.48% of GDP). Out of this amount tax revenue from NBR sources was marked at Tk. 2,80,000 crore (11.04% of GDP), tax revenue from non NBR sources at Tk. 9,600 crore (0.38% of GDP) and non-tax revenue at Tk. 27,000 crore (1.06% of GDP). Against these targets as per the provisional estimates of Integrated Budget and Accounting System (iBAS++), in the first eight months of the current fiscal (July-February 2019) total revenue receipt stood at Tk. 1,56,136 crore. It is 49.32 percent of the revised target of total revenue receipt and 10.06 percent more than the same period in preceding fiscal year. In this amount tax revenues received to Tk. 1,38,275 crore, up by 8.88 percent from the previous year. The amount of nontax revenue raised to Tk. 17,861 crore, which is 20.15 percent more than the same period of last fiscal year.

As per the revised budget, the expenditure for FY2018-19 has been targeted at Tk. 4,42,541 crore (17.45% of GDP). Of which operating expenditure Tk. 2,66,926 crore (10.52% of GDP), food account Tk. 282 crore, loans and advances Tk. 1,884 crore and development expenditure Tk. 1,73,449 crore (6.84% of GDP). Annual Development Program (ADP) expenditure has been fixed at Tk. 1,67,000 crore (6.58% of GDP) in development expenditure. As per the iBAS++ provisional data, the total expenditure up to February 2019, stood at Tk. 1,74,114 crore. Out of this amount operating expenditure was Tk. 1,27,659 crore and ADP expenditure was Tk. 41,424 crore. Operating expenditure and ADP expenditure increased to 22.21 percent and 22.39 percent respectively in compare with the same period of the previous fiscal year.

The monetary policy stances for FY2018-19 aimed at attaining price and macro-financial stability along with sustainable growth. The monetary policy of FY2018-19 was formulated in order to keep inflation below 5.6 percent as well as attaining GDP growth rate at 7.8 percent. The monetary policy puts emphasis on inclusive, employment supportive and environment-friendly initiative for attaining sustainable economic growth.

Lending interest has been decreasing since 2017. On the other hand, deposit interest has been increasing gradually. The weighted average lending rate decreased to 0.15 percentage point within one year (9.55 percent at February 2018 and 9.40 percent at February 2019). Conversely, the weighted average deposit rate increased to 0.16 percentage point during the same period. The interest rate spread decreased to 4.06 percent at February 2019 from 4.37 percent of February 2018.

The export earnings of Bangladesh stood at US\$30,903.00 million during July-March of FY2018-19, which is 12.57 percent higher than the export earnings during same

period of FY2017-18. Ready-made garments and knitwear product have significant contributions to the country's total export earnings. On the contrary, total import payments of Bangladesh in FY2018-19 (July-February) stood at US\$40,895 million, which is US\$2,180 million higher than previous year.

Bangladesh Bank maintained stability in retaining foreign exchange reserves. At the end of 30 April 2019, the gross foreign exchange reserves stood at US\$32.12 billion. The weighted average inter-bank rate stood at Tk. 83.85 per US dollar on 28 February 2019, which was Tk. 82.10 per US dollar in FY2017-18 resulting in a depreciation of 2.83 percent.

3. Banking Industry in 2019

The banking industry in Bangladesh has even gone a step further by promoting financial inclusion of the very poor in rural areas of which microfinance and microcredit are the policy instruments to achieve that objective. This has helped to expand the monetization of the rural economy, and as a consequence it has become more market-oriented. Such market orientation of the rural economy also facilitated continuous resource transfer from rural areas to urban areas. Now the biggest threat to achieving sustained economic growth has become the banking industry itself, especially the state-owned banks. This is despite Bangladesh adopting internationally recognised banking practices such as Basel III Accord.

Bangladesh's financial sector is facing a liquidity crunch due to a number of factors on the demand and supply side. In addition, governance issues within the banking system have led to high levels of non-performing loans (NPLs), leading to a lack of trust for the banking industry.

The country's current weighted average deposit and lending rate is 5.56 percent, respectively, and 9.59 percent. Commercial banks also earn revenue from exchange and

treasury services income based on commissions.

The amount of nonperforming loan (NPL) now estimated to be in excess of Tk 1.0 trillion (US\$ 12 billion) (FE, 18/2/19). And half of it is owed to six state-owned banks requiring continuous recapitalisation of these banks with tax-payers' money. The rest are owed to private and foreign-owned banks. The share of NPL now stands at close to 11 per cent of the total loan portfolio. When restructured and rescheduled loans are included, the share of NPL goes up to about 20 per cent.

A good number of instances are really motivating within Bangladesh's banking industry. There are instances where bank leadership has significantly changed their institutions in terms of improved infrastructure, procedures, developing new goods, and launching technology-driven payment and finance services. Several banks have established their own internet banking applications already to provide services. Mobile banking & agent banking has been a remarkable activity in recent times.

3.1 Highlights of Monetary Policy of Bangladesh Bank

- ▶ The two key monetary policy objectives (inflation containment within targeted ceiling and supporting attainment of targeted real GDP growth) were well achieved in FY19 (July 2018-June 2019); with end June 2019 CPI inflation at 5.47 percent (below the targeted 5.60 percent ceiling), and strong 8.13 percent real GDP growth (against target of 7.80 percent).

The urgency of narrowing the sudden spiking (3.2 percent of GDP) in FY18 balance of payment current account deficit was also handled successfully (1.7 percent of GDP in FY19). Policy actions in FY19 also eased off lingering

stresses from the FY18 liquidity crunch in private sector banks, restoring full normalcy in interbank Taka and USD money markets.

- ▶ FY19 growth in broad money, domestic credit and its private sector component moved along programmed directions but with significantly lower trajectories, in close alignment with those in other fast growing East Asian and South Asian economies. Attainment of high real GDP growth with moderating broad money and domestic credit growth indicates a welcome decline in frothiness of unproductive dubious quality lending in the domestic credit market, signifying turn towards maturation of the credit market in its role more typical of middle income economies.
- ▶ Even as headline 12-month average CPI inflation was declining in FY19, its 'core' (non-food, non-energy) component crept up to 5.48 percent by June 2019; BB's in-house projections and public perception revealed in quarterly inflation expectation surveys signify persistence of inflationary pressure, leaving no room for complacency.
- ▶ In this context, BB's FY20 monetary policy stance and monetary program will as always cautiously accommodate monetary and credit expansion needs of all productive pursuits for attaining the FY20 real GDP growth target of 8.2 percent while also keeping CPI inflation contained within the targeted ceiling of 5.5 percent.
- ▶ As always, BB will in FY20 be closely monitoring both magnitude and direction of credit flows to diverse sectors and subsectors of the economy, and continue promotion and support for inclusive, adequate credit flows

to under-served sectors/niches promising for job creation in productive pursuits. Priority of green transition of output practices for environmental sustainability will also continue to be in focus. BB's refinance support lines for promotion of these priorities in lending will be replenished and expanded as necessary, within the monetary and credit expansion envelope of FY20 monetary program.

4. IFIC in the Banking Sector of Bangladesh

International Finance Investment and Commerce Bank Limited (IFIC Bank) was set up at the instance of the Government in 1976 as a joint-venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint-venture banks/financial institutions 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 and the rest of the share capital is held by the sponsors/directors, local and foreign institutions and general public shareholders.

A total of 148 branches and 35 new Uposhakhas of IFIC are dedicated to fulfill the Mission of providing services to the clients with the help of a skilled and dedicated workforce. As one of the leading banks of the banking sector in the country, IFIC is always committed to the welfare and economic prosperity of the people and the community.

4.1 Client as Trusted & Development Partner

IFIC Bank recognizes customers as partners and aims at providing high quality products and services at a very competitive price. The

Bank focuses on the 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.

4.2 Cluster Management

Cluster Management is considered as a new and highly efficient form of innovation support providers that provides and channelizes specialized and customized business support services to the 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.

5.0 Financial Performance of IFIC Bank Limited

5.1 Financial Review

After a rally of growth over the past few years, the banking sector of Bangladesh has passed the year 2019 as a period of internal consolidation to sustain the achievements as well as competitive year in terms of increasing regulatory enforcements and monitoring by the central bank for deposit-lending rate and liquidity management. Regardless of a relatively stable political atmosphere banking sector suffered by increased bad debts, which rose to 9.32% (approx.) by the end of the year 2019. Despite all such challenges IFIC adopted prudential policies and measures to strengthen its financial health in its quest to attain long term sustainable growth. The prime focus during

the year 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. Brief of key indicators (standalone basis) are stated below:

- ▶ Balance sheet size reached at BDT 368,046 million including off balance sheet exposure
- ▶ Deposit growth 14.1%
- ▶ Lending portfolio growth 10.5%
- ▶ NPL was 5.37% (Y2018: 6.16%)
- ▶ Net Interest Income grew by 40.3%
- ▶ Operating profit increased by 31.5%
- ▶ Profit before tax increased by 46.1%
- ▶ Net profit increased by 55.6%

5.2 Financial Position

Along with existing liquidity crisis of banking sector due to demand and supply factors, IFIC bank continued to step forward with remarkable growth throughout the year of 2019.

A review of the financial position (standalone basis) of the bank as at 31 December 2019 is presented below:

BDT in million

Particulars	2019	2018	Change
Cash & Bank Balance	24,582	28,077	-12.4%
Investments	45,500	31,304	45.3%
Loans and Advances	228,589	206,930	10.5%
Fixed Assets	6,384	5,438	17.4%
NBA & Other assets	11,896	11,325	5.0%
Total Assets	316,950	283,073	12.0%
Borrowing	8,216	9,969	-17.6%
Subordinated debt	2,800	3,500	-20.0%
Deposits	258,368	226,364	14.1%
Other Liabilities	22,969	21,124	8.7%
Shareholders' Equity	24,597	22,116	11.2%
Liabilities & Equity	316,950	283,073	12.0%
Contingent Liability	51,095	60,436	-15.5%

As the main source of funding of the Bank, deposits stood at BDT 258,368 million (+14.1%) at the end of Y2019 vis-à-vis BDT 226,364 million of year 2018. Mobilising low cost deposits was one of the distinct characteristics of the Bank which results development of its core deposits 16.4% more over last year with 122.2% growth of IFIC flagship products 'IFIC Aamar Account'. On the other side Bank focused more on household deposits as a result at the end of Y2019 total household deposits stood at BDT 138,818 million (+29.4%) vis-à-vis BDT 107,260 million of Y2018.

Lending portfolio of the bank stick up at BDT 228,589 million (+10.5%)

in 2019 where as in the year 2018 it was BDT 206,930 million. The growth in the loan book was an outcome of Bank's efforts and combined participation in Corporate and concentrate on retail based mortgage finance.

5.3 Status of Asset Quality

IFIC Bank maintains its approach of careful selection of borrower and strong credit assessment process with non-compromised strategy in question of assets quality which results better asset quality over prior year. NPL of the Bank at the end of year 2019 was 5.37% vis-à-vis 6.16% of year 2018. The Bank classifies its assets as performing and non-performing in accordance with Bangladesh Bank's guidelines.

The Bank has made enough coverage against its lending portfolio by way of maintaining provision of BDT 6,034 million and suspense of BDT 6,633 million to mitigate the expected credit loss.

5.4 Financial Performance

Operating under a controlled regulatory framework as well as implied pressure to boost up business growth; it's really a competitive surroundings. IFIC committed to build up its policies to increase the capacity to remain sustainable in the long run. IFIC Bank posted impressive growth of financial result in the Y2019. A summary of standalone basis financial performance of the bank for the year 2019 is provided below:

BDT in million

Particulars	2019	2018	Change
Net interest income	6,398	4,560	40.3%
Non-Interest Income	4,722	4,441	6.3%
Operating income	11,120	9,001	23.5%
Operating expenses	5,999	5,106	17.5%
Operating profit	5,120	3,895	31.5%
Loan loss provision	943	1,035	-8.9%
Profit before taxes	4,476	2,859	46.1%
Provision for tax	1,734	1,289	34.5%
Net profit after tax	2,444	1,570	55.6%

- ▶ At the end of year 2019, Net interest income (NII) which contributed 57.5% of total operating income increased by 40.3% compared to the year 2018 as bank maintain healthy spread over prior year.
- ▶ Non-interest income which contributed rest 42.5% increased by 6.3%. Higher interest earning from government securities has influenced the increment compared to last year. During the year 2019, Bank recovered BDT 602 million from written-off accounts which was adjusted with loan loss provision in line with the Central Bank guidelines, rather showing as income. In the event it shown

under category of income, non-interest income growth would be 15.6% in place of existing 6.3%.

- ▶ In total operating income increased by 23.5% and operating expense increased by 17.5%. Resulting which Bank posted 31.5% growth of its operating profit over last year. However, inclusion of BDT 602 million write off recovery in other income and excluding of charges on loan loss of BDT 758 million from operating expense, growth of operating profit of the Bank was 55.4%.
- ▶ Bank maintained adequate provision in line with Bangladesh Bank guidelines in Y2019

against its lending and investment portfolio and other assets. Total provision expense of the bank decreased by 8.9% in 2019 compared to Y2018 due to reduction of NPL ratio by (-0.79%).

- ▶ The Bank earned (+ 46.1%) growth of Profit before Tax (PBT) during the year 2019 and stood at BDT 4,177 million vis-à-vis BDT 2,859 million of Y2018 due to higher level of NII and lower loan loss provision expense.
- ▶ Total tax provision increased by (+34.5%) due to higher level of operating profit and deferred tax effect on newly adopted IFRS 16: Leases.
- ▶ Finally Bank posted its profit

after tax (PAT) at BDT 2,444 million at the end of Y2019 representing 55.6% higher over Y2018 due to healthy spread, effort of write-off recovery and maintaining operating expense at certain level.

The increase in profit had an impact on ROA and ROE to increase to 0.81% and 10.46%; respectively in FY2019 as opposed to 0.59% and 7.40% in FY2018.

At the end of Y2019 Consolidated PAT of the Group i.e. Bank, its Subsidiaries and Associate stood at BDT 2,828 million vis-à-vis BDT 1,650 million at the end of Y2018 mostly influenced for BDT 554 million i.e. +38.4% enhanced post acquisition profit from associates.

5.5 Quarterly Financial Performance

As a part of our governance and compliance processes and practices, the Audit Committee of the Board and the Board itself review the quarterly financial performance of the bank, both on standalone and consolidated basis over the year. The Board Audit Committee and the Board of Directors (BOD) continuously monitor and evaluate both financial and non-financial performance of the bank and the group. During the year 2019, the Board Audit Committee reviewed the quarterly financial statements and BOD approved the same before disclosing it to stakeholders. The quarterly financial performance

of the Bank maintained a steady growth in all the first 3 (three) quarters. In 4th quarter total operating income jumped mostly attributed to interest income on treasury bill/bond. On the other hand, operating expenses also remarkably increased due to charges of loan loss, expansion of Bank's outlet and publicity expenditure. However aggregately, during 2019, both the standalone and consolidated results showed consistent, steady and expected growth with respect to many performance parameters.

5.6 Extra-ordinary gain/losses

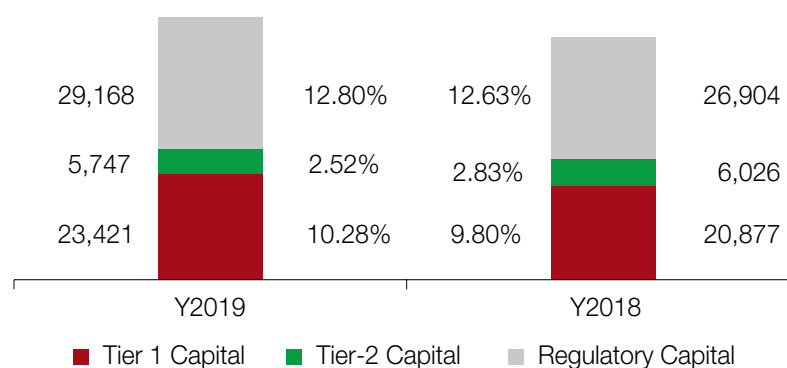
The Bank didn't earn any extra-ordinary gain/loss during the year 2019.

5.7 Status of Capital Adequacy – Basel III

BDT in million

Particulars	Q1	Q2	Q3	Q4	Y2019
Net interest income	1,338	1,821	1,689	1,551	6,398
Non-interest income	1,032	1,023	1,111	1,556	4,722
Operating Income	2,370	2,843	2,800	3,107	11,120
Operating expenses	1,110	1,240	1,185	2,464	5,999
Profit before tax	1,259	1,604	1,615	643	5,120
Loan loss provision	486	351	461	(354)	943
Profit before tax	774	1,252	1,154	997	4,177
Net profit after tax	532	689	701	521	2,444

In terms of regulatory requirements, IFIC is under an obligation to keep a minimum capital requirement to sustain its business growth. At the end of year 2019 Bank maintained an optimum capital to risk weighted asset ratio (CRAR) at 12.80% on standalone basis and 13.42 on consolidated basis against the requirement of 12.50%. Capital adequacy position of the Bank as on 31 December 2019 in comparison with the year 2018 (standalone basis) are furnish below:



Tier-I capital and Tier-II capital ratio as on 31 December 2019 stood at 10.28% and 2.52% respectively on standalone basis, and 10.94% and 2.48% respectively on consolidated basis. The bank needs to grow this

regulatory capital further through retaining the existing capital as long as feasible.

5.8 Disclosure on Credit Rating

As per Bangladesh Bank's guidelines and notifications

of Bangladesh Securities and Exchange Commission, IFIC Bank conducts its credit rating each year with due disclosure. According to Bangladesh Bank's BRPD Circular No. 06 dated 5 July

2006 and in order to improve the risk management and corporate governance frameworks as well as to safeguard the interests of investors, depositors, creditors

and shareholders, the bank was rated by Emerging Credit Rating Limited (ECRL) for the year ended 31 December 2019 and by Credit Rating Agency of Bangladesh

(CRAB) for the year ended 31 December 2018. The latest and previous rating of the Bank is furnished below:

Particulars	31 December 2019	31 December 2018
Rating Company	ECRL	CRAB
Long Term	AA	AA ₂
Short Term	ST-2	ST-2
Outlook	Stable	Stable
Date of Rating	29 June 2020	27 June 2019
Validity	30 June 2021	30 June 2020

5.9 Contribution to National Exchequer

According to the law of country, IFIC contributed to national economy through collecting government revenue and depositing through national exchequer and complying

with the laws. IFIC regularly pays corporate tax on time, sometime even before it falls. Bank also deposit excise duty, withheld tax and VAT to govt. exchequer on time deducted from customers, employees' salary as well as on bills

from third parties including vendors. During the calendar year 2019 IFIC contributed BDT 4,549 million to national exchequer as tax, VAT and excise duty.

Year	Direct Tax		Indirect Tax		Total
	Withholding Tax	Corporate Tax	VAT	Excise Duty	
Y2019	2,299	1,661	313	276	4,549
Y2018	2,007	1,057	312	278	3,654

5.10 Related party Disclosure

The bank conducts transactions with related parties in the normal course of business. The nature of related party transactions are either loans and advances or deposits or other services made with the bank at an arm's length price or fair market value. Details of related party transactions are disclosed separately in 'Annexure – F' of audited financial statements.

5.11 Preparation of Financial Statements and the Annual Report

- ▶ Proper books of accounts as required by law have been maintained
- ▶ Appropriate accounting policies have been consistently applied in preparation of the financial statements
- ▶ Accounting estimates and underlying assumptions are

made on reasonable ground and prudent judgment and are reviewed on an ongoing basis

- ▶ The Financial Statements (FS) of the Bank are prepared in accordance with applicable International Financial Reporting Standards (IFRSs) and relevant circulars/instructions issued by Bangladesh Bank and any departure therefrom has been adequately disclosed
- ▶ The main emphasis of IFIC is placed on the integrity and quality of its financial statements. When drafting the annual report, true and fair presentation is prioritized as per prevailing laws of the land.
- ▶ There is no significant doubt upon the Bank's ability to continue as a going concern. IFIC has neither intention nor the need to liquidate or curtail materially the scale of its

operations. Hence, the financial statements of the Bank have been prepared on the going concern basis and will continue in operation for the foreseeable future.

A declaration on Financial Statements for the year ended on 31 December 2019 by the Managing Director & CEO and the Chief Financial Officer to the Board of Directors of the Bank has been disclosed in this Annual Report.

5.12 Protection to minority shareholders

IFIC Bank has established an appropriate and effective internal control environment through the Board of Directors, management and organisational and independent audit mechanisms in order to ensure protection of minority shareholders interest from any abusive actions by, or in the interest of, controlling shareholders acting

either directly or indirectly have effective means of redress.

5.13 Appropriation of Profit and Dividend

In the year 2019, Earnings Per share of the Bank was BDT 1.66 (standalone basis) and BDT 1.92 (consolidated basis). Adequate regulatory capital is the pre-condition for sustainable business growth of the bank. To keep in mind and strengthening the capital base as per Basel – III, the Board of Directors has recommended 10% stock dividend for the year 2019, subject to approval at the forthcoming Annual General Meeting. The dividend for the year 2019 is declared out of profit of the year or any other undistributed profits and dividend is not declared from capital reserve or revaluation reserve or out of profit earned prior to incorporation of the Company or through reducing paid up capital or through doing anything so that the post- dividend retained earnings become negative or a debit balance.

5.14 Five Years Performance

The bank has achieved its intended balance sheet growth as well as sustainable profit growth over the last 5 (five) years. 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. Details of all the key financial highlights of the bank for the last 5 (five) years are disclosed in this Annual Report.

5.15 Management's Discussion and Analysis

A Management's Discussion and Analysis signed by the Managing Director & CEO of the Bank has been presented with detailed analysis of the Bank's financial position and operations in this Annual Report.

6. Overseas Operations

Since the inception of its journey in 1983, IFIC Bank has been playing the pioneering role among the private sector banks in establishing joint venture/overseas operations beyond the national boundary. The

Bank has so far been able to set up joint venture operations in the Maldives, Oman, Nepal, Pakistan and UK. Bank's operation in the Maldives was, however, handed over to the Maldivian Government in 1993.

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. A pen picture of the existing overseas joint venture operations of the Bank is furnished hereunder for information of the Honourable Shareholders.

6.1 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 with 50% equity from IFIC Bank Limited. 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.

The profitability of Nepal Bangladesh Bank Limited is in the increasing trend and recently, it has declared 7% Cash Dividend & 5% Stock Dividend for the FY 2018-19 for its Shareholders.

6.2 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.

6.3 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.

6.4 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.

6.5 Correspondent Banking Relationship

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 422 (both local & foreign) as on 31 December 2019.

6.6 Foreign Remittance

IFIC Bank handles both inward and outward foreign remittances. The outward remittance includes FC Cash/FDD and Wire transfer by SWIFT. The Bank's inward remittance covers Account Credit Service and Instant Cash Payout

Service under the Electronic Fund Transfer (EFT) arrangement. Inward foreign remittance business amounted to BDT 17,450 million (equivalent to USD 210.24 million) in 2019.

To facilitate inward foreign remittance in Bangladesh from the United Kingdom, a fully owned subsidiary Exchange Company of the Bank was incorporated as IFIC Money Transfer (UK) Limited which finally commenced its operation in London, UK from August 2011. Moreover, IFIC Bank has ensured greater access to the unbanked population of different remote areas with the strategic alliances for distribution of remittance with UDDIPAN where we do not have any presence. At present 101 Branches of UDDIPAN are performing as the remittance distribution agents of the Bank throughout the country.

Recently, IFIC Bank has executed a remittance agreement with the Western Union, USA for inward foreign remittance business. IFIC Bank has remittance arrangements with the following 09 (Nine) Exchange Companies to cater the inward foreign remittances from abroad, including Bank's own and its joint venture Exchange Company:

- ▶ Oman Exchange LLC, Oman
- ▶ IFIC Money Transfer (UK) Limited, UK
- ▶ Placid NK Corporation, USA - global company
- ▶ Multinet Trust Exchange LLC, UAE
- ▶ Al Fardan Exchange, UAE
- ▶ Sigue Global Services Ltd. (SMT) - global company
- ▶ Xpress Money Services Ltd., UK
- ▶ Trans-Fast Remittance LLC, USA
- ▶ Western Union - global Company

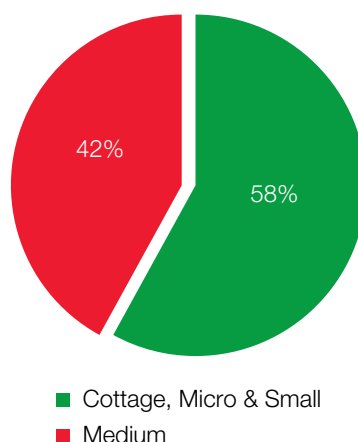
7. SME Performance

IFIC Bank is now maintaining its SME portfolio by serving the customers through a network of 183 outlets.

7.1 SME Portfolio

In order to remain focused on the Cottage, Micro & Small Enterprises, IFIC Bank has deployed 58% of its total SME portfolio i.e. BDT 16,384 million in this sector and the remaining 42% amounting to BDT 11,864 million has been deployed in the Medium Enterprise sector. At the end of 2019, the SME portfolio of the Bank stands at BDT 28,248 million.

Pie Diagram: % Cottage, Micro, Small & Medium Enterprise financing



7.2 Key loan Products of SME

Product Name	Remarks
IFIC-Krishi Shilpo	Loan for Agro-based Industry
IFIC-Shilpo Sohay	Loan for Cottage & Micro Industry
IFIC-Shilpo Shongjog	Loan for Manufacturing & Service Industry
IFIC-Protyasha	Loan for Women Entrepreneurs
IFIC-Prantonari	Loan for Grassroots Women Entrepreneurs

7.3 Sustainable Financing

To promote sustainable growth in economy, IFIC Bank has financed BDT 7,048 million in Green Industry & Green Building projects under Green Establishment Category. Besides, the Bank has also financed in the Domestic Bio-gas plants, Commercial Bio-gas plants, Vermin Compost, Brick Kiln Efficiency

Improvement Projects and Fire Fighting & Safety Equipment projects under other Green products category.

7.4 Financial Inclusion activities

IFIC Bank performs Financial Inclusion activities by undertaking the following programs:

7.4.1 10 Tk. Account Holders Loan

As a part of helping the government in achieving Sustainable Development Goals, IFIC Bank has disbursed BDT 7.24 million under 10.00 Taka account program during 2019 to serve the small/marginal/low income professionals/traders.

7.4.2 School Banking Account

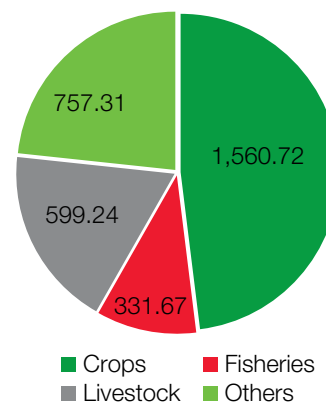
IFIC Bank has been promoting the school banking program since 2014. The cumulative number & volume of school banking accounts are 12,810 and BDT 104 million respectively by the end of 2019.

7.5 Agri. Credit

At the end of 2019, total Agricultural Credit stood at BDT 3,249 million through disbursement in the following Agri. Loan products:

Name	Remarks
IFIC-Suborno Gram	Loan for crops, fisheries & livestock
IFIC-Sech Soronjam	Loan for irrigation equipment
IFIC-Krishi Soronjam	Loan for cultivation instrument

Sector-wise Agricultural loan as on 31.12.2019



(Amount in BDT Million)

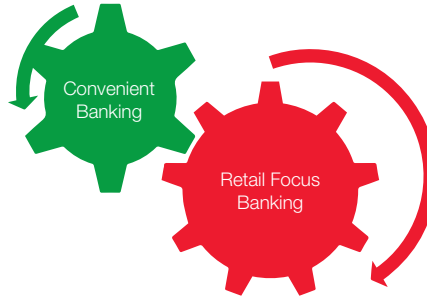
8.0 Retail Banking

IFIC Bank's Retail Banking Division began its journey in 2012 with the aim of broadening the Bank's reach and horizons in the Banking sector of Bangladesh. This required a marked shift in strategy and dimensions. The evaluation and analysis process led to the development of 'IFIC Aamar Bari' in 2015 as a response to the demand for quality housing for the growing economy. Finally, the continued efforts came to be fruitful and IFIC, now has become the pioneer and market leader in Home Loan products in Bangladesh. IFIC Bank has proved itself to be a game changer through the development of other innovative products that have changed the landscape of the local retail banking industry and positioned it in the minds of the people of the country as a reliable and trustworthy partner.

8.1 Business Transformation in 2019

The dimension of Retail Banking has changed dynamically in the year 2019. In order to build sustainable development over the years thought leadership of the Management is navigating us through a new path which enables to move the Retail Banking towards many successes.

IFIC Bank has taken a bold new step of moving towards the Retail Banking as the means of driving the Bank's growth. By replacing the previous methodology, the Bank has ensured a safer and more sustainable pattern



of growth that will not only benefit the stakeholders and the employees, but the future of the country as well.

8.2 Building Retail Ecosystem

The Retail Banking has proven itself to be the face saving for IFIC as it has grown to have a large share of business by providing the perfect ecosystem for Retail Banking products to thrive. Due to the nature of Retail Banking, where deposits and loans are divided into thousands of accounts and of varying amounts of money, it enables us to help more of the population while also minimizing and distributing own risks.

8.3 Driving Products

As a part of this, Bank's flagship product "IFIC Aamar Account" has made a history while another groundbreaking product such as "IFIC Shohoj Account" is paving the way for financial inclusion in the banking industry. "IFIC Aagami" has proven to be a successful means for the population to secure futures, whereas "IFIC Aamar Bari" has added a new dimension

in the banking landscape of the country by fulfilling the dream of owning a home.

8.4 IFIC Aamar Account

IFIC Aamar Account, a groundbreaking innovation in the banking industry, was launched in the year 2016. To overcome the hassle of maintaining multiple accounts and to avoid unnecessary expenses on account of various fees/charges & government duties, IFIC Bank has introduced an interest bearing account which has brought the ultimate solution for making deposits as well as availing loan (overdraft) facility into a single account.

"আইএফআইসি আমার একাউন্ট" has a pay-off line "সুবিধা যেমনই চাই, হিসাব একটাই". As of 31 December 2019, the total balance of "IFIC Aamar Account" stands at BDT 32,361.38 million with a total of 1,09,018 accounts.

Product Communication Highlights:

- ▶ An interest bearing Relationship Account with OD facility
- ▶ Deposit & credit (overdraft) enable in a single account
- ▶ Attractive interest rate on both deposit and loan amount
- ▶ Single Card will work both as a debit card and a credit card

সুবিধাসমূহ

- সব পেশার, সব বয়সের, সবার জন্য
- কার্ডেট একাউন্টের মতো লেনদেনের সুবিধা-সহ
- দৈনিক মুদাফাভিত্তিক সেভিংস একাউন্ট
- একডিম্বার-এর মতো আকর্ষণীয় মুদাফা
- মেয়াদের অপেক্ষা না করে প্রতি মাসে মুদাফা উত্তোলন সুবিধা
- তাৎক্ষণিক সাক্ষরীয় ঋণ সুবিধা
- ক্রেডিট কার্ডের উত্তম বিকল্প

১৬৬৫৫ | +৮৮০ ৯৬৬৬৭ ১৬২৫৫ | আইএফআইসি ব্যাংক-এর যেকোনো শাখা বা উপশাখায়
IFICBankLimited | www.ificbank.com.bd

8.5 IFIC Shohoj Account

With the view of creating access for the unbanked and underbanked population to the full range of financial services at an affordable rate and with minimum risk through a competitive financial marketplace, IFIC has introduced a new product namely, **IFIC Shohoj Account**.

The product is a deposit account with high return for the unbanked and underbanked savings-oriented

group. Therefore, the product has been developed to minimize account opening barriers, enabling free services along with other limited functionalities.

“আইএফআইসি সহজ একাউন্ট” was launched in the year 2019 with pay-off line “হিসাব খুলি, এগিয়ে চলি”. As of 31 December 2019, the total balance of “**IFIC Shohoj Account**” stands at BDT **136.86** million with a total of **5,967** accounts.

Product Communication Highlights:

- ▶ Minimum account opening balance
- ▶ Interest bearing deposit account
- ▶ Attractive interest rate
- ▶ Free enrolment in Digital Banking
- ▶ Eligible for micro-finance loan



সাধারণ মানুষের অসাধারণ একাউন্ট
আইএফআইসি
সহজ একাউন্ট
হিসাব খুলি, এগিয়ে চলি

- ✓ মাত্র ১০ টাকায় একাউন্ট খোলা যায়
- ✓ কাগজপত্রের বামেলা নেই বললেই চলে
- ✓ আকর্ষণীয় সুদের হার
- ✓ একই হিসাবে টাকা জমানো ও ঋণ সুবিধা



8.6 IFIC Aamar Bari

IFIC Bank participates in fulfilling one's dream into reality, to build their own identity, their own home in the year 2014. The competitive interest rate combined with quick and hassle free processing has made a big sound in the banking landscape of Bangladesh by providing best in class service and benefits. The Bank also has taken

initiatives to develop the whole country by contributing in the Urban as well as Rural areas.

The dream fulfilling product is named “আইএফআইসি আমার বাড়ি” with pay-off line “ভালোবাসায় বসবাস”. As of 31 December 2019, an amount of BDT 46,852.54 million was approved wherein BDT 8,352.02 million approved for the rural area

with a total of 8,089 customers.

Product Communication Highlights

- ▶ Competitive interest rate
- ▶ No hidden charge
- ▶ Facility to finance both in Urban & Rural areas
- ▶ Faster delivery

এখন গৃহস্বপ্নের অনুমোদন মাত্র ৪৮ ঘণ্টায়!

সবচেয়ে সশ্রমী ঋণ সুবিধা

লুকানো খরচবিহীন ঋণ

স্বল্পতম সময়ে ঋণ অনুমোদন ও বিতরণ প্রক্রিয়া

গ্রাম পর্যায়েও সবার আগে সর্বাধিক ঋণ ৮৩৫ কোটি টাকা

অর্জন করেছি ব্যাংকিং সেক্টরে সর্বোচ্চ গৃহস্বপ্ন অনুমোদনের কৃতিত্ব, আজ অবধি সর্বমোট অর্থায়ন করেছি ৪৬৮৫ কোটি টাকার গৃহস্বপ্ন সারা দেশে শহর-গ্রাম সবখানে

আইএফআইসি
আমার বাড়ি
ভালোবাসায় বসবাস

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8.7 IFIC Aagami

IFIC Bank feels pride in being the medium through creating a product for the future asset planners especially for the young professionals. IFIC Bank has launched a youth-centric product in 2017 that would provide an opportunity for the savers to take control of their future through their savings. By giving them the freedom of making monthly deposits and save at their own pace, IFIC Aagami (Newly named as **IFIC Amar Bhubishyat**) has proven to be a

versatile means for building their future.

“আইএফআইসি আগামী” has worked under Pay-Off line “আমার ভবিষ্যতের ভিত্তি”. As of 31 December 2019, the total balance of “**IFIC Aagami**” stands at BDT **691.58** million with a total of **20,461** accounts.

Product Communication

Highlights:

- ▶ Attractive interest rate
- ▶ Deposit now and avail loan with attractive discount in the future

- ▶ Discounted interest rate for any consumer loan

Considering the current economic condition of Bangladesh and the world as a whole, it makes sense to have solid and sustainable foundations in terms of a strong and mutually beneficial relationship between IFIC Bank and the people of Bangladesh. This exactly what the Management has been striving for and it is this vision that the Bank would like to continue in 2020 and beyond.



9. Alternative Delivery Operation

9.1 ATM Services

IFIC Bank has introduced ATM Services from 2011 and till 2019 IFIC Bank has installed 82 ATM Booths having 93 ATMs all over the country. IFIC ATM Team is focused on providing digitized and 24/7 service model to its customers in a pleasant and secured manner. The Bank also has a special arrangement with Corporate Houses where ATMs have been installed to facilitate easy cash facility against their employee's monthly salaries and to fulfill their other needs. The ATMs are capable of accepting not only the IFIC Debit & Credit Cards but also any cards

from VISA (Local & International) Q-Cash & all Bangladeshi cards through NPSB. Currently the ATMs are also supporting the card-less payments of Mobile Financial Services for better financial inclusions.

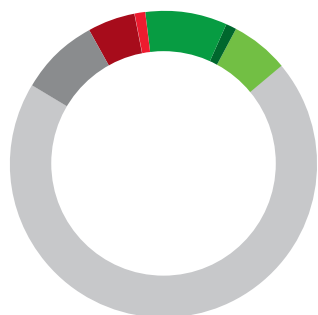
Initiatives during 2019

- ▶ IFIC ATM Team has installed Trend Micro Safe Lock Intelligent Manager into all IFIC ATMs as endpoint protection to prevent unauthorized Access for the fraudulent users.
- ▶ Integration of IFIC ATM with bKash has widened the horizon of 2 crores of bKash customers for withdrawal of cash from their bKash account through using IFIC ATMs.

Goals for 2020

- ▶ IFIC is focused on ensuring the maximum usage of the ATMs and accordingly, the ATM Team is working to relocate 20 low volume offsite ATMs to high volume branches to reduce the cash transaction pressure over the counter.
- ▶ Engaged 3rd party for ATM Cash replenishment for better and smooth operations of the ATMs and also enhanced dispute management and reconciliation process.
- ▶ Implemented the Centralized CCTV Monitoring System so as to bringing all the ATMs under real time monitoring on 24/7 basis.

ATMs Distribution



■ Khulna, 7	■ Barisal, 1
■ Rajshahi, 4	■ Chittagong, 5
■ Rangpur, 1	■ Dhaka, 57
■ Sylhet, 7	

9.2 Card Services

IFIC Card is powered by VISA, world's largest electronic payments network. IFIC Bank has been issuing VISA branded Credit Card, Debit Card & Prepaid Card which can be used both at home & abroad. Moreover, these cards are accepted at all terminals powered by Q-Cash & NPSB Network within Bangladesh. IFIC Cards can be used at any ATM Terminal displaying VISA/Q-Cash/NPSB Logo to avail cash withdrawal, Balance check, mini-statement, mobile top-up, PIN change and lots of other facilities. Moreover, these cards can be used at any merchant points across the country for purchasing of goods & services. International cards can be used globally through any VISA branded ATMs & POS at merchant locations. Moreover, IFIC cardholders can perform online transactions both at home and abroad. ATM and POS transactions are secured by Personal Identification Number (PIN), while the online transactions are secured through 3D Secured One Time Password (OTP). The Bank has 1,782 credit cards and 53,073 debit cards till December 2019.

Achievements during 2019

1. IFIC Bank has been issuing Aamar Card, the First dual currency debit card in the market. The card can be used

both at home and abroad at any VISA Branded ATM & POS and Online payment sites. While the conventional foreign cards on the market are using multiple accounts to settle the transactions, IFIC Aamar Card's transactions made in both local and foreign currencies are being settled using the single IFIC Aamar Account maintained in Bangladeshi Taka. The foreign transactions are performed under the Travel Quota limit provided against the passport of the customer, where the foreign currencies are settled with the Bangladeshi Taka account using the exchange rate of the bank. Till 2019, IFIC bank has issued 20,400 IFIC Aamar Cards to the customers.

2. It's needless to say that the online transactions are increasing day by day. To meet the growing demand of online transactions, IFIC has extended the online transaction facilities for the customers. Customers can make transactions up to BDT 100K through any online payment sites in a day. The transactions are secured by VISA 3D Secured One Time Password (OTP).
3. IFIC Card Operations have introduced the automated fee deduction process for debit cards. Previously, debit card fee was deducted manually and the customers had to dial contact center to unblock cards for the failure of realizing the card fee through manual process. However, the system has been fully automated, where no cards are required to be blocked, rather the amounts are deducted directly. If there is no required balance in the account then it is blocked temporarily and the amount gets deducted automatically once the deposits are made such automation process has removed the manual hassles, increased customer satisfactions and finally assisted IFIC to generate

more revenue.

Goals for 2020

- ▶ Easy Debit Card Onboarding Process focused on providing debit cards to the customers immediately after opening the accounts.
- ▶ Increase the channel of Debit Card requisition through SMS, Contact Center and Website.
- ▶ Increase the transaction approval rate and reduce both systems related and customer related errors.
- ▶ Automate the Debit Card issuance and maintenance related operational process to provide flawless and customer satisfactory services.

9.3 Contact Center

In order to provide service excellence to the customer, IFIC Bank has been operating 24/7 service hours since 2012. By simply dialing **16255** or **880 96667 16255**, customers can avail banking services anytime from anywhere. Contact Center has now become an essential part of the Bank to maximize customer satisfaction through rendering excellent service in a timely and cost-efficient manner. IFIC Bank Contact Center Team is dedicated to provide various services that facilitate all other Departments of the Bank running their campaigns.

Achievements during 2019

- ▶ Implemented country standard IVR system from May 2019. The key features of which are:
 - Automatic voice response about the available service.
 - Dedicated channel of major services of the Bank.
 - Availability of ATPIN option by which the registered customer can be identified and served without further verification.
 - Available balance checking option without making interaction with any human being.

- More than 35% of total daily callers are able to take service from the IVR.
- ▶ Digital Banking access management and usage support for customers through Contact Center.
- ▶ Dedicated team for handling customer complaints on various issues of the Bank.
- ▶ Customer service associates are not only giving the customer the required information, but they are also promoting different products and converting the query to a sales lead.

Goals for 2020

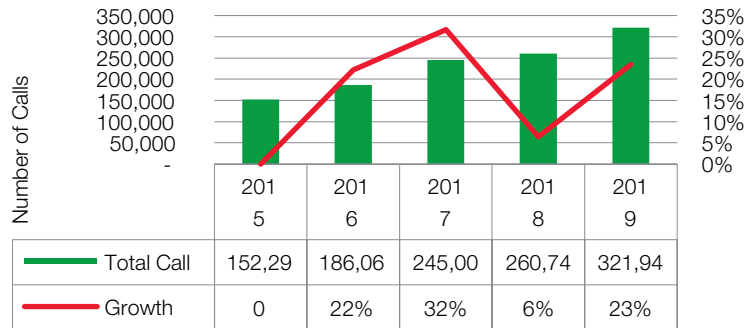
- ▶ Inclusion of newer services through Contact Center.
- ▶ Convert contact into Customer care, where team will be supporting not only over the phone but also through different

channels like email, social media, websites etc. and will give a feel of omni-channel platform to customers.

- ▶ Rearranging the IVR to make more convenient for the customer.

- ▶ Will act as a virtual Bank - only one call away to get the desired services from 16255.
- ▶ Necessary expansion of customer care to ensure the smooth service for the customers.

Call Volume trend of IFIC Contact Center:



9.4 Dispute & Fraud Management

A Strong Dispute & Fraud Management team plays key role and providing significant support for smooth and secured card transactions. In 2019, Bank has taken various initiatives to minimize the fraud risks and handling disputes efficiently.

Achievements in 2019

- ▶ The Bank has adopted enhanced dispute management policy for capacity building of proactively indentifying and settling disputes instead of waiting for complaints to be

lodged for reversal on the fund to customer's account.

- ▶ Settle all the transaction disputes of IFIC Aamar Bank. For managing disputes of IFIC Aamar Bank, the Dispute management team is identifying all the failed transactions and reversing the fund back to the customer's account within one business day.
- ▶ Settle all the bKash cash-out disputes through ATMs.

Goals for 2020

To minimize fraud, the Bank has

taken initiatives to implement the following Projects:

- ▶ Ensure zero level of fraud in card transactions.
- ▶ Ensure the safety of plastic money through PCI-DSS Security.
- ▶ Ensure 100% SLA for Dispute Settlement.
- ▶ Reduce Dispute Settlement timeline.
- ▶ Round the clock suspicious transactions monitoring team.

Dispute Resolution during 2019

SL	Network	Number of Disputes	Charged Back Amount (In BDT Million)
1	NPSB	1,441	9.9
2	Q-Cash	557	5.46
3	Visa	30	0.13

10. Risk Management

The focus of the risk management practices in the banking industry is to manage bank's exposure to losses or risk and to protect the value of its assets. Boards have the ultimate responsibility for overseeing risk-taking in their institutions.

The Board of Directors of IFIC has a clear understanding of the types of risks inherent in business lines and takes appropriate steps to ensure continued awareness of any changes in the level of risks. They have defined the risk appetite, risk tolerance and risk limit, and set risk strategies. The Board also ensures that the management is taking necessary steps to implement those strategies and manage associated risks. There exist the clear message from the Board of Directors for the management that risk management is not an impediment to conduct business nor a mere supplement to a company's overall compliance program but is, on the contrary, an integral component of the company's strategy, culture and value generation process.

The Board of the Banks is very much focused to establish bank-wise risk culture, based on full understanding of the risks it faces and how they are managed, considering risk tolerance and appetite. They have developed the risk culture through policies, examples, communication, and ensuring training of staffs regarding their responsibilities for risk. Senior management is there to ensure that it is clearly understood and communicated to staffs at all levels in units that are exposed to material operational risks. Senior management also needs to place proper monitoring and control processes in order to have an effective implementation of the policy. The policy should be regularly reviewed and updated, to ensure it continue to reflect the environment within which the bank operates. Along with the senior management, the Risk Management Committee of the Board, which is comprised of the Board Members is also there

to ensure overseeing and signing off risk-related disclosures to the investors, customers and regulators. These disclosures provide external parties with a clear and accurate account of the institution's current and projected risk appetite, profile and governance status.

Finally, the Members of the Boards find themselves today at an inflection point. The banking industry of Bangladesh is becoming more complex and competitive. As a result, Boards are expecting more ownership for risk issues as well. In line with that the Board of Directors of IFIC Bank has also stepped up to the new challenges and built more robust oversight mechanisms for risk management.

10.1 Credit Risk Management

Credit risk is one of the major risks that is faced by the Bank. The Credit Risk Management Policy of the Bank addresses the following:

- ▶ Definition of Credit Risk, Types of loan facilities, facilities offered to corporate clients, discouraged business types/ sectors.
- ▶ Detailed and formalized credit approval process.
- ▶ Risk identification, measurement, mitigation strategies, monitoring and control and acceptance criteria.
- ▶ Managing credit risk in the administration process.
- ▶ Management Information System for managing Credit Risk.
- ▶ Concentration limits on single party or group of connected parties, particular industries or economic sectors, geographic regions and specific products.
- ▶ Risk based pricing.
- ▶ Policies for the frequency and thoroughness of collateral verification and valuation.
- ▶ Review and approval authority of allowances for probable losses and write-offs.
- ▶ Guidelines on regular monitoring and reporting systems.

- ▶ Guidelines on management of problematic loans.
- ▶ Policies on loan rescheduling and restructuring.
- ▶ Strict monitoring of the Credit Portfolio from the sanctions of the loans as well as their recovery.

Segment Information

IFIC Bank maintains a balanced credit portfolio aimed at minimizing loan concentration in a particular sector through loan diversification and expanding product range. Considering the past economic trends of a particular sector and possible future prospects, IFIC Bank has identified the following industry and business segment focus:

- ▶ Encouraged Sectors
- ▶ Retained Sectors (Normal Growth)
- ▶ Discouraged Sectors (No Growth)

Credit Concentration Risk

Concentration of credit risk in asset portfolios has been identified as one of the major causes of bank distress. Concentration risk arises when a Bank invests most or all of its assets on a single or few individuals or entities or sectors or instruments. In order to avoid creation of such circumstances, IFIC Bank pays due attention to the following credit concentration risk areas:

- ▶ Sector-wise exposure
- ▶ Division-wise exposures
- ▶ Group-wise exposure
- ▶ Single borrower-wise exposure
- ▶ Top borrower-wise exposure

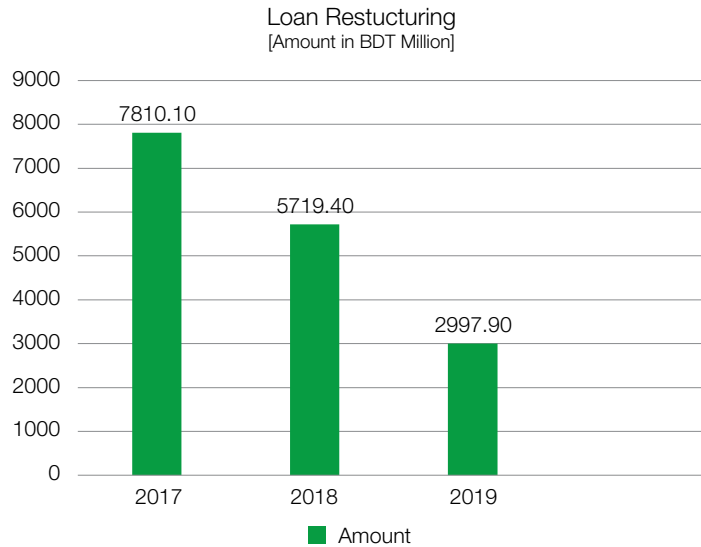
Details of Accounts Restructured

IFIC Bank restructures loans [classification status: UC & SMA] of the borrowers for a specific time period after realization of required down payments in order to facilitate the smooth repayment by the clients.

IFIC Bank strictly follows the following issues while considering applications of the borrowers for restructuring of the unclassified loans:

Trends of last 03 years Loan Restructuring

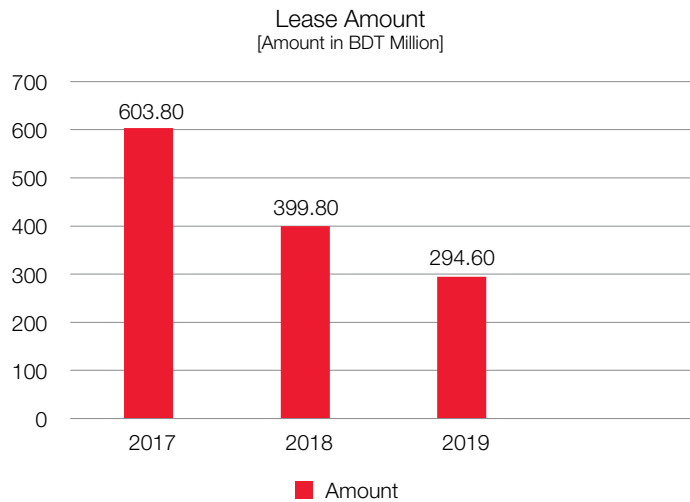
- ▶ When a borrower asks for restructuring of his/her loan(s), the Bank meticulously examines the reason for loan restructuring.
- ▶ Borrowers must pay required down payment.
- ▶ Assess overall repayment capability of the borrower.
- ▶ Review the borrower's cash-flow statement, audited balance sheet, income statement and other financial statements in order to ensure whether the borrower would be able to repay the restructured installments/ existing liability or not.



Trends of last 03 years Lease Finance

Assets disclosure given on operation & lease financing

Lease financing is made to acquire the assets selected by the borrower (the lessee) for hiring of the same at a certain agreed terms and conditions with the bank (the lessor). In such case, the Bank retains the ownership of the assets and the borrower possesses and uses the same on payment of rental as per contract.



10.2 Remedial Asset Management

The Remedial Asset Management (RAM) directly manages the Non-Performing Loans (NPLs) for recovery/regularization. Non-Performing Loans (NPLs) have become a worrisome issue for the Bank. NPLs have adverse effect on the day to day operation and overall profitability of the Bank. Bank's growth is retarded if loans are classified resulting not only

suspension of interest income, but also forces to arrange loan loss provisioning from the income of the Bank. Thus, a bank becomes weak and highly non-profitable due to the excessive NPL portfolio. So, the higher the NPL, the lower the net profit and vice versa.

The Bank has unlimited appetite for the recovery of NPLs and is exerting all-out efforts to chase NPLs, to arrest the upward trend and to keep

the percentage of classified loans at an acceptable level to retain the asset quality. In order to achieve the organizational goals, the RAM, CRM and Law & Legal Affairs Divisions are working together to maximize the recovery of NPLs as well as to avoid new classification.

The Bank has a Recovery Policy approved by the Board of Directors for strengthening the recovery of Non-Performing Loans. To

streamline the recovery process and to reduce the lead time, the Bank has also devised a Standard Operating Procedure (SOP) as well as Standard Action Plan with specific “Time Frame” for different steps to be taken for the recovery from the NPL Accounts.

On the basis of Recovery Policy, SOP and related circulars of Bangladesh Bank, the RAM Division has undertaken the following steps for the recovery of NPLs as well as to increase the profitability of the Bank:

1. Close monitoring of the NPL Accounts as per Standard

Operating Procedure (SOP).

2. Teleconference between RAM and Branch for devising appropriate Strategy and Action Plan for the recovery of NPLs.
3. Visiting the branches for communicating directly with the branch Officials and different defaulting borrowers for amicable settlement outside the Court by way of negotiation.
4. Monitoring of the Court cases through teleconference with the branches and dealing with the Lawyers to avoid unwanted delay for initiation of legal process.

5. Rescheduling of the NPL account(s).
6. Settlement of the NPL account(s) by allowing Waiver of Interest.
7. Writing-off Classified Loans.
8. Entrustment of difficult Accounts to the Recovery Agents.

The RAM Division also performs Loan Classification and Provisioning Exercise on a quarterly basis as per Bangladesh Bank circular.

A comparative position of recovery against Non-Performing Loans (NPL/NPLs) during the year 2018 and 2019 is given below:

(BDT in Million)

Particulars	2019	2018	Changes
Recovered by:			
a) Cash	2,029	1,968	61
b) Re-schedulement & Declassification	4,621	10,506	(5,885)
c) Waiver of Interest	136	58	79
Total:	6,786	12,532	(5,746)
Total Loans & Advances	228,589	206,930	21,659
Total Classified Loans & Advance	12,266	12,740	(475)
Percentage of Classified Loans against Total Loans	5.37%	6.16%	(0.79%)

10.3 Foreign Exchange Risk Management

Foreign Exchange Risk arises when a bank holds assets or liabilities in foreign currencies that has a direct impact on the earnings and capital of the Bank due to the fluctuations in the exchange rates. No one can predict what the exchange rate will be in the next period, it can move in either upward or downward direction regardless of the estimates and predictions are being made. This uncertain movement in the exchange rates poses a threat to the earnings and capital of the Bank, if such a movement takes place in an undesired and unanticipated direction.

The commercial banks, actively deal in foreign currencies by holding assets and liabilities in foreign denominated currencies,

are continually exposed to Foreign Exchange Risk. Foreign Exchange Risk of a commercial bank comes from its every trade and non-trade services. To provide a comprehensive guideline on foreign exchange exposure risk management in the context of a bank's financial/treasury objectives, existing business activities and operating environment, a “Foreign Exchange Risk Management Policy” are required.

The Treasury Division of the Bank acts to minimize Foreign Exchange risk which is considered as one of its prime responsibilities. Moreover, the functions of the Treasury Front Office, Treasury Mid Office and the Treasury Back Office are clearly defined. The Treasury Front Office manages and controls the day-to-day trading and fund management

activities and ensures the continuous monitoring of the level of assumed risk and takes necessary actions accordingly. The Mid Office and the Back Office are conducting operations from a separate location from that of the Treasury Front Office. To aim at maintaining a low level of risk, reporting lines of these three offices are being separated and made independent.

To minimize the Foreign Exchange Risk a number of steps have been taken by the Bank. The Bank has formulated Treasury Manual and Foreign Exchange Risk Management Policy as per the directives of Bangladesh Bank. The Bank has also formulated different strategies and set some limits for the Treasury Dealing Room to control Foreign Exchange Risk, e.g., Net Open Position (NOP) Limit (As

set by Bangladesh Bank), Overall Gross Limit for forward transaction, Stop Loss Limits for per deal and per day, and the Counterparty Limits. The Treasury Division also analyzes the future risks that may arise from the adverse market movements and takes necessary steps for minimizing the risk of possible losses in order to maximize the profit of the Bank.

10.4 Asset Liability Management

Asset Liability Management (ALM) can be defined as a mechanism to address the risk faced by a bank due to a mismatch between its assets and liabilities across various time zones either due to liquidity or changes in the interest rates. Asset Liability Management (ALM) seeks to limit the risk to an acceptable level by monitoring and anticipating possible pricing differences between the assets and liabilities.

To mitigate various risks, the Bank has formulated its own ALM policy approved by the Board of Directors (BODs). Under the Bank's ALM policy, the management and the BODs take necessary care as guided by the Central Bank. Asset and liability management process is managed by the Asset and Liability Management Committee (ALCO), comprising the senior management of the Bank, is primarily responsible for managing assets and liabilities under the set ALM policy.

The major responsibilities of ALCO are as follows:

- ▶ To ensure that bank's measurement and reporting system accurately convey the degrees of liquidity and market risk;
- ▶ To monitor the structure and composition of a bank's assets and liabilities and identify balance sheet management issues that are leading to under-performance;
- ▶ To decide on the major aspects of balance sheet structure, such as maturity and currency mix of assets and liabilities, mix of wholesale versus retail funding,

deposit mix, etc.;

- ▶ To decide on how to respond to significant, actual and expected increases and decreases in required funding;
- ▶ To review maturity profile and mix of assets and liabilities;
- ▶ To articulate interest rate views of the bank and decide on balance sheet strategy;
- ▶ To approve and periodically review the transfer pricing policy of the bank;
- ▶ To evaluate market risk involved in the launching of new products;
- ▶ To review deposit-pricing strategy; and
- ▶ To review contingency funding plan for the bank.

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

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

ALM technique helps to manage the

volume mix, maturity, rate sensitivity, quality and liquidity of assets and liabilities as a whole to attain a predetermined acceptable risk limit.

10.5 Internal Control and Compliance

The internal control framework is designed to manage the Bank's risks within an acceptable risk profile, rather than completely eliminate the risk of failure to achieve the goals, align with the policies and gratifying the objectives of the Bank. It can only provide reasonable, rather than absolute assurance resulting in operating efficiency, compliance with regulations and conservation against material misstatements, disposition of assets or financial information or against financial losses and fraud.

The control system applies across the Bank's all divisions, departments and branches of its operations, allowing the bank to foresee potential problems that may lead to incur possible financial losses and thereby help in preventing or minimizing any future problem. The internal control system consists of five interrelated components which are as follows:

- a. The control environment refers to the foundational basis established by the Board of Directors and Management through policies, procedures, processes, standards and structures for carrying out internal controls in an organization. Elements under IFIC's control environment include:
 - Active participation by those charged with governance as evidenced through regular meetings of its Board of Directors and Audit Committee;
 - Fostering an environment that consistently requires integrity and ethical behavior as evidenced by regular communication and confirmation of its Code of

- Conduct and zero tolerance for illegal or unethical behavior;
- A formal well-defined organizational structure, setting out key areas of authority and responsibility and appropriate reporting lines that is relevant to the nature and size of the Company's business.
- b. Risk assessment refers to the process through which the Bank identifies and assesses risks affecting the effectiveness and efficiency of internal controls as well as affecting the achievement of its objectives. Risk assessment is a dynamic process and must occur at all levels of the organizational structure, ranging from branch and department level reviews of portfolios, functions and operations to MANCOM and ALCO meetings at the very top level of the management.
- c. Control activities are the policies and procedures that help to ensure that the management directives are carried out. Control activities have various objectives and are applied throughout the Bank at all levels and in all functions such as authorization, reviews, reconciliation and verification.
- d. Monitoring ensures that controls are operating as intended and they are appropriately modified in response to changing conditions. At IFIC, this is achieved through a variety of measures including ongoing monitoring which occurs in the course of, and as a part of, day-to-day operations as well as separate management reviews, evaluations and periodic internal audits of various departments and business functions. Although the Board of the Bank is primarily responsible for ensuring that the Bank has an adequate and effective control system in place, side by side, all employees are accountable for managing internal controls. Business and operational units, particularly departmental heads, are in charge of ensuring that internal controls are established, well-documented and maintained across his/her department.
- e. The Internal Control and Compliance (ICC) Division acts as a second line of defense by conducting tests on the efficiency and effectiveness of the control systems through periodical audit. A prudently designed management structure, clearly defined responsibilities, delegation of authorities, risk awareness, establishment of accountability at each level and a system of periodic reporting and performance monitoring represent the key elements of the internal control framework established at IFIC. A well-structured and proactive risk management system is in place within the Bank to address risks relating to:
- Credit risk;
 - Market risk;
 - Liquidity risk;
 - Operational risk;
 - Business risk; and
 - Money laundering and terrorist financing risk.

10.6. Prevention of Money Laundering & Combating Financing of Terrorism

Prevention of Money Laundering & Combating Financing of Terrorism in the context of the country and the rest of the world is a very challenging job and ensuring AML/CFT compliance in the banking business has become much more relevant than before.

Anti-Money Laundering Prevention Act, 2012 (amended up to 2015) and Anti-Terrorism Act, 2009 (amended up to 2013) have been enacted in Bangladesh and IFIC Bank Limited has been complying with all the rules and regulations

related to AML/CFT issues since the beginning. Both the Acts have empowered Bangladesh Financial Intelligence Unit (BFIU) of Bangladesh Bank to perform the key role in combating ML/TF through issuance of the instructions and directives for reporting organizations/agencies as well as raising awareness in the financial sectors.

As per BFIU's directives and with the approval of the Board, the Bank has prepared a comprehensive policy on ML & TF named "Money Laundering and Terrorist Financing Risk Management Guidelines – 2016" which was subsequently, amended in 2019. The Bank has its own Customer Acceptance Policy (CAP) which was also revised in 2018 as advised by the BFIU.

The Board of Directors and the Senior Management are very much aware of the consequences of Money Laundering and Terrorist Financing offences and therefore, due importance is given on the compliance issues for a balanced business activity and sustainable growth.

The AML compliance and its activities in the Bank are run by AML & CFT Department at Head Office. As per BFIU's directives, the Bank has formed a Central Compliance Committee (CCC) comprising the Heads of different core business Department/Division. The CCC sets out AML & CFT strategies of the Bank and follow up the progress of implementation. The CCC seeks decision and prudent guidance from the Managing Director and CEO and the Board of Directors regarding ML & TF issues as and when required.

A DMD has been assigned as the Chief Anti Money Laundering Compliance Officer (CAMLCO) to supervise the overall AML & CFT compliance activities. The Deputy CAMLCO looks after the day-to-day AML functions as the Head of AML & CFT Department and assists the CAMLCO in devising AML goals, policies and programs.

The BAMLCOs of the 148 Branches carry out AML & CFT compliance programs of the Bank at Branch level. They are mainly responsible for ensuring KYC of the Customers, Risk Categorization of the Customers, Transaction/Structuring Monitoring, Screening of Sanctions List, arranging AML Meeting(s) at Branch level, Record Keeping and Reporting of Suspicious Transaction/Activity (STR/SAR).

As per BFIU's directives, the Bank has implemented goAML Software provided by the United Nations Office on Drugs and Crime (UNDOC) for Cash Transaction, STR/SAR, other required reporting and for communicating with the BFIU on AML/CFT issues. The Bank has also introduced Watch List Check (WLC) Software for screening different Sanctions list.

For creating awareness on AML/CFT Laws, Rules, Regulations, Guidelines, Policies and Circulars issued by the regulators from time to time, the Bank has been arranging Regional as well as In-house Training on "Prevention of Money Laundering and Combating Financing of Terrorism with particular focus on Trade Based Money Laundering" for all levels of Officials (newly recruited/refreshers) working in different Branches and at different Units/Departments/Divisions of Head Office of the Bank. As per CCC's directives, AML & CFTD Officials conduct inspections at the Branches for checking Records/Activities and creating awareness on AML & CFT issues as well.

11. Information and Communication Technology (ICT)

IFIC Technical Division has been instrumental in setting up the technological backbone towards the mission of becoming the best financial service provider through innovative, sustainable and the best in class delivery to all stakeholders. The division has been ensuring

consistent business development by adopting new technology and providing quality and timely services. The division is committed to guarantee an uninterrupted customer experience to the valuable stakeholders.

The Division has achieved the following milestones in 2019:

- ▶ Launched the IFIC Digital Platform for the Customers generally known as "**IFIC Aamar Bank**".
- ▶ Upgraded Bank's Technology Infrastructure embracing cutting edge technology solutions.
- ▶ Upgraded "**Core Banking System**".
- ▶ Upgraded Bank's Core Technology Network to best in class network topology known as "**Software Define Network (SDN)**".
- ▶ Innovated the "**Server Virtual Storage**" for managing the incremental Server Storage Capacity.
- ▶ Developed various tools for the valued Customers satisfying their digital demands through the in-house programmers.
- ▶ Established Technology Network scheme for accommodating the Upshakhas opened across the country.
- ▶ Implemented **Interactive Voice Response (IVR)** framework for Bank's Customer Care Centre.
- ▶ Developed a creative product for the Customers known as "**Dual Currency Aamar Card**".
- ▶ "**IFIC Insight**" for the employee.
- ▶ Launched "**IFIC Website**" for the Customers and visitors

11.1 IFIC Aamar Bank

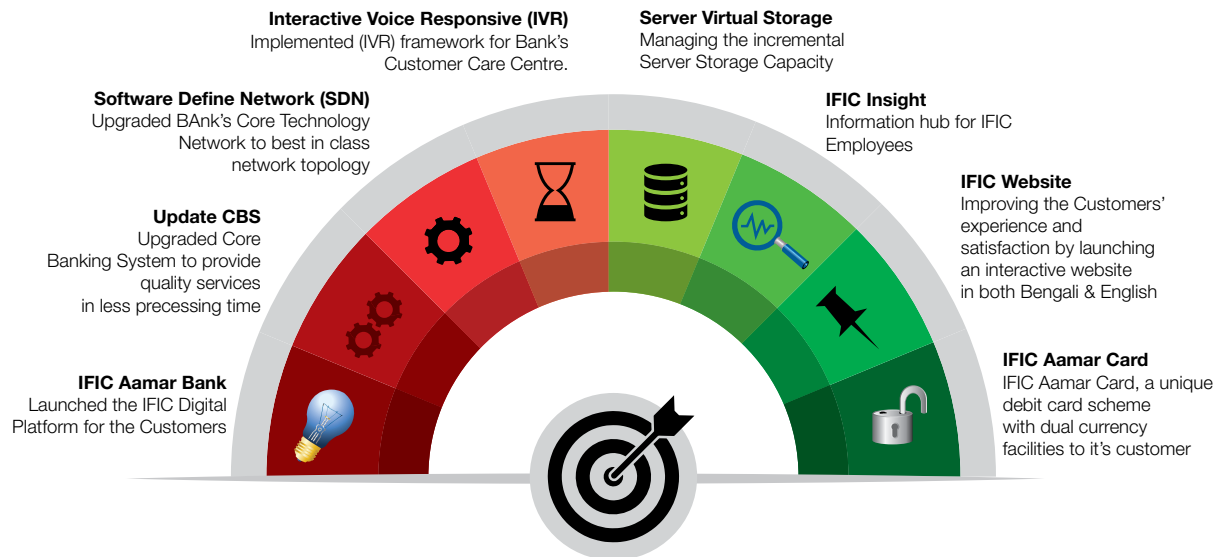
IFIC Bank is going through a progressive change by executing of its Digital Banking Platforms to provide nourishment regarding the Customers' needs from the advanced perspectives. In October 2019, the Bank launched one of the

signature products "**IFIC Aamar Bank**" for the customers. The key features of "**IFIC Aamar Bank**" are overseeing account balance in the Comfort Zone (a unique feature in the Industry), checking exchange history, sending cash to IFIC and other bank account through EFT & RTGS, sending Credit Card payment to IFIC or any other bank's Card account, moving cash between own/within IFIC Accounts, searching for close by branch and ATMs etc. The Bank is working on some well-known popular services to be integrated with IFIC Digital Channel Aamar Bank.

Bank had invested in robust **security assessment** of "**IFIC Aamar Bank**" before its launching to the public domain. This assessment was taken into account to eliminate the advanced digital vulnerabilities of the system. To protect the customer data security, the Bank had installed state-of-the-art Firewall devices to ensure protection of Bank's system from any unethical access and digital attacks from the cyber security perspective. The Bank has implemented "**Network Access Control (NAC)**" system to protect any unauthorized access into the application and the Network devices.

11.2 Best in Class Technology Infrastructure

The Bank is always embracing new technologies with advanced facilities. The Technology Division has upgraded Bank's Core Infrastructure Server to the latest IBM Server technology. The Bank has embraced "**IBM Power 9**" servers from the latest version of IBM Power Series. IBM POWER9 servers provide a Performance advantage with two times more threads in POWER9 cores than compared to x86 cores. With this implementation, the Core banking processing power has been increased to 49% over the past POWER7 servers which will ultimately minimise service downtime to the customers during any system maintenance.



11.3 Core Banking Software

IFIC Bank is using "Equation", "FBParty" & "FBTeller" for the Core Banking System (CBS) for processing the customer transactions. The CBS has been upgraded to the latest versions supplied by the Software Partner "Finastra", an International reputed software vendor located in UK. With the upgraded Core Banking version, the services towards the customers have been turned to highly satisfactory at Bank's different Branches and Uposhakhas.

IFIC Bank is now processing around 5% of country's foreign trade volume. Bank is using "Trade Innovation (TI+)" software of Finastra for managing its robust trade operation. The new version of Trade Innovation software was installed for better performance and easy management for/of its import/Export based transactions. It ensures effective and efficient risk management for sustainable foreign trade business growth of the Bank.

11.4 Software-Defined Networking (SDN)

SDN is a new and disruptive technology in the networking domain. Software-Defined Networking (SDN) is a network architectural approach that enables the network to be intelligently and centrally controlled, or 'programmed,'

using software applications. The Bank has implemented the SDN network topology for its Core and branch connected networks. This is helping the Bank to manage the entire network consistently and holistically, regardless of the underlying network technology. The solution has simplified the control of Network Management.

SDN virtualizes both the data and control planes allowing the user to provision physical and virtual elements from one location. It is also facilitating mobility in banking by using Internet and Mobile Banking.

11.5 Server Virtual Storage

Virtual Storage is a software-defined storage solution combining Compute, Storage and Networking in a single system. This solution simplifies the usage of software and servers to replace the traditional expensive, purpose-oriented hardware. Server virtualization Storage brings positive transformations, such as reduced hardware costs, improved server provisioning and deployment, better disaster recovery solutions, efficient and economic use of energy, and increased staff productivity. With the implementation of Virtual Server Storage, Bank has a provision of virtual server with storage and network within an hour. The system downtime has been minimized with this implementation.

11.6 Software tools for fulfilling digital demands

A number of software tools have been developed using the Bank's internal technical resources to cater the digital demands from the Customers. Some of them are described hereunder:

- ▶ SMS Engine (Sends SMS for any transaction of an account)
- ▶ NID Verification application (Verifies the NID of a customer stored in the database of the Election Commission)
- ▶ Integration with IVR (Interactive Voice Response)
- ▶ Career Portal upgradation for the new entrants in Bank
- ▶ Customer Statement generation
- ▶ Transaction Alert via e-mail
- ▶ Card Requisition application etc.

11.7 Uposhakha Network

IFIC Bank has launched Uposhakhas across all locations in Bangladesh for reaching customers to ensure services to the urban/rural people. The Technology Division has ensured the network connectivity for these Uposhakhas by installing along with network configuration of core network infrastructures, routers & switches.

11.8 Interactive Voice Responsive (IVR)

Alternative Delivery Channel (ADC) Operations has implemented the

Interactive Voice Responsive (IVR) Customer Care solution for IFIC Bank, for the first time of its kind. The IVR system is accessed by Customers through TIN (Telephonic Identification Number) set by the Customer themselves and avail the services from the system. IFIC Customer Care can be accessed by dialing **16255**, which provide **24x7** support on accounts, cards, SMS, Bank Statement, Aamar Bank and various deposit and loan related services to the customers.

11.9 IFIC Aamar Card

The Bank has designed the **IFIC Aamar Card**, a unique debit card scheme with dual currency facilities to its customers. This feature is the first of its kind in the Banking industry with the facility of performing transactions both at home and abroad, charge-free cash-withdrawal from a single Card in the Customer's wallet. The brand visibility of the card has created a positive branding image for IFIC Bank.

11.10 "IFIC Insight" – Intranet for the employee

IFIC Bank has implemented an Intranet systems named "**IFIC Insight**", the fundamental source of resources for the employees where

they can view circulars, policies and procedures, all forms, products & service details, rates, access to all application, contact information, upcoming events, and any other pertinent information, all of which enables them to serve customers better by ensuring compliance and a high level of productivity.

11.11 IFIC Website

IFIC Bank is progressing to keep up with the evolving expectations and improving the customers' experience and satisfaction by launching an interactive website in both Bengali & English version that contains all latest information relating to all innovative products & services, Digital Banking & SMS Banking Services, Investors' Corner, Branch & ATM location, Contact Center Information, online product application and IFIC's presence in the social networks in one place.

Bank's goal with this Bangla/English website is to provide the visitors an easier way to know about IFIC Bank's products & services and to browse information based on their own choice of language. The website is accessible through the <https://www.ificbank.com.bd/> web address with a facelift

to the Bank's image. A language toggle bar is located at the top right corner of the website. The website is Mobile responsive and dynamic in nature. The customers can enjoy the uncluttered design of the website that is faster & easier to navigate and more user-friendly.

12. Corporate Governance

IFIC is always committed to adopting highest corporate governance standards for attaining its operational goals. At IFIC Bank, Corporate Governance is aimed at increasing the shareholders' value by being efficient, transparent, professional and accountable to all of its stakeholders, the society and the environment as well.

IFIC Bank complies with the guidelines regarding composition of the Board of Directors, all of its Committees, terms of the Office of the Directors as well as competency and eligibility of the Directors as outlined by the Bangladesh Bank, the Companies Act, 1994 and the Bank Company Act, 1991 (Amended up to 2018). The Bank has also implemented the requirements of the Corporate Governance Code of the Bangladesh Securities and Exchange Commission as enumerated in its Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 03 June 2018.

Pursuant to the above Notification of BSEC, the compliance status of the Bank has been reported in this Annual Report for information. Some of the statements, i.e. brief resume of the Director(s), nature of their expertise & other relevant information, Directors' remuneration, five years' operating and financial data, the report regarding meetings of the Board of Directors and its Committees, the report on the pattern of Shareholding, Management Discussion and Analysis, etc. have been incorporated in this Annual Report for information of the Members, stakeholders and all statutory and market regulators.



13. Human Resource Management (HRM)

IFIC Bank always considers “human resources” as the most important factor that can add distinguishable value for survival in this competitive world. Therefore, the Bank puts high value on the development of the human resources to add an advantageous edge for driving the organization towards attaining its goals. The HRM Division takes the lead in fostering a positive work environment that places high value on the professional relationships based on fair, competitive and merit based qualities. The Bank recognizes individual contributions and does the best to turn those into resources.

HRM Division of the Bank is committed to ensure a resource pool by recruiting potential talents, side by side, developing and retaining them as high performers. The Bank has developed a diverse workforce by implementing progressive human resource management policies through organizational and employee development, compensation & benefits, HRIS and regulatory compliance.

With the rapid technological changes around the globe, automation has become crucial for the development of any organization, especially service-oriented business entities like Banks. Accordingly, IFIC Bank HRM Division has adapted to a wide ranging HR software which operates the central storage of HR data with a number of extensive workflows, notifications, process automation and analytical reports. It has also created a shared environment for the HR specialists, managers and employees in order to provide the effective management and compliance thereof.

IFIC Bank continuously works on restructuring its Organogram based on the volume of business, change of technology, automation of the process, business complexity and functionality, and places its employees at the right place

through appropriate process. Continuous learning initiatives help the Bank to overcome employee skill deficiencies. All the efforts put together ultimately assists in maximizing the outcome from the bottom line.

13.1 Human Resource Planning

IFIC Bank believes that employees are the most valuable assets, as their professionalism and proficiency along with their diverse backgrounds and experience contributes significantly to its success. The Bank seeks the most competent and cultured candidates and never discriminate with regard to their race, language, religious beliefs, gender or age. Only the relevant skills and competencies of the employees are considered to be the attributes which create sustainable values.

The primary goal of human resource management is to ensure that the right people will be in the right position at the right time by virtue of their individual quality. IFIC Bank has already fixed the job-wise Organogram and HRM Division determines the HR requirements with the support of other departments and job evaluation process. Round the year, the Bank circulates Internal Job Posting Circular (IJPC) openly to all the employees to fill up the vacant functional positions at the Branches and Divisions/ Departments/Units at Head Office which ultimately assist in talent acquisition, talent development and succession planning. Therefore, the best employees are selected for the appropriate functional positions at the Branches and Divisions/ Departments/Units at Head Office through a transparent and merit based placement process.

Internal Job Posting Circular enables the Bank to create more career opportunities for employees and enhances upward mobility within the organization. The Bank focuses to recruit dynamic potential young people through multistep merit-based recruitment and selection process so that they can

turn into resources at the very next levels.

IFIC Bank always focuses to uplift its homegrown employees and do not recruit from outside organizations if not critically required. It gives more emphasis on recruiting the fresher as the Management Trainee and Transaction Service Officer.

13.2 Training & Development

At IFIC Bank, it's believed that the employees would be equipped with all necessary skills to meet the ever-changing demands of this fast-faced and competitive industry. Therefore, the Bank aims to create a culture of continuous development to enable them to grow and succeed all through their careers. The investment made in training gives the employees a greater understanding of their responsibilities within their role and also provides an opportunity to expand their knowledge base. The training and development plans of IFIC are designed towards an inclusive training plan which ensures skill gap mitigation and leadership development.

Besides the in-house and customized training programs, employees of the Bank are sent to the training programs arranged by BBTA, BAB Research & Training Centre, BIBM and other reputed local training institutes. Management Trainee Development Program and Induction Program for new joiners are regularly conducted at IFIC. Both on the job and off the job training programs, Head Office orientation followed by case presentation as well as written and practical examinations have been conducted to make the training sessions more effective.

In 2019, a good number of participants have attended different foreign training and conference on Leadership Development, Strategic Management, Credit, Trade Processing, IT etc. in Singapore, India, Malaysia, Thailand and UAE.

More emphasis is given on control & compliance issues and ensured training on Money

Laundrying Prevention Act, 2012, Money Laundering (Amendment) Act, 2015, Anti-Terrorism Act, 2009, Anti-Terrorism (Amendment) Act, 2013, Integrated Supervision System (ISS), Corresponding Bank's Financial Crime Compliance Academy, Land & Loan Documentation etc. covering all the

branches and Head Office. Also programs on gender equality and health awareness issues have been arranged during the year 2019.

Moreover, some customized programs were also conducted on Soft Skills Development for the concerned desk officials of IT, HR

and Finance and Accounts.

In order to enhance the negotiation skills in sales and marketing, IFIC Bank has arranged a separate training program on Sales and Negotiation for the employees involved in relationship management.

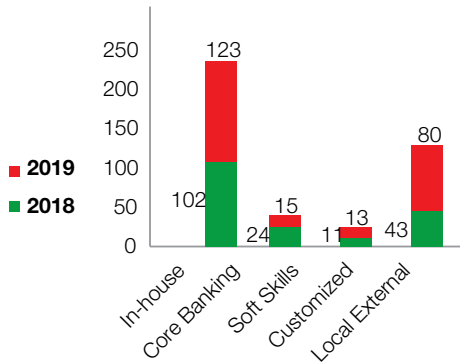


Figure 1: Training

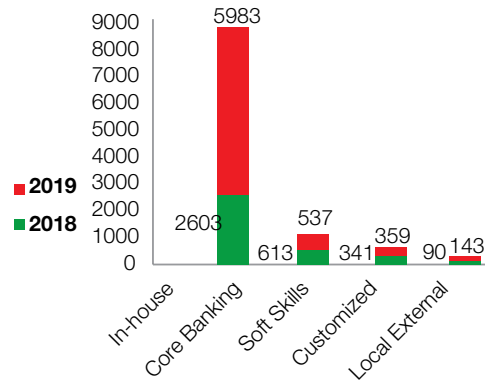


Figure 2 : Participants

To create an organizational culture of employee engagement, HRM Division organizes workshop on 'Leading Teams' in collaboration with Malaysian Institute of Management (MIM).

Furthermore, to enhance the Team Building & Leadership knowledge, skills & abilities necessary to

become a future leader and to raise competencies in managing organizational challenges, HRM Division in collaboration with Dream Dare Do organizes training on "Team Building & Leadership".

To acquaint the Officials with the inter-dynamics of relationship based marketing, insights on how

to maximize relationship marketing opportunities and business outcomes & help them to develop their Banking Skills; HRM Division in collaboration with Malaysian Institute of Management (MIM) organizes Training Program titled "Relationship Based Marketing".



Team Building & Leadership, BRAC CDM



Relationship Based Marketing, MIM

13.3 Employee Compensation & Benefits

Formulation of “Compensation & Benefits Strategy” in IFIC Bank is very much challenging for ensuring HR Budget under control through effective utilization of the resources and maintaining the jobs within the competitive pay packages. The Management of the Bank believes that attractive Salary & Benefits packages bring competitive edge in the industry for both the organization and the employees. In line with the Management’s mission & vision, the Human Resource Management Division always conducts both formal & informal benefits surveys in the industry to make them competitive.

13.4 Competitive Pay Package

The pay package is one of the most effective tools that really attracts the potential employees to consider the macro economic factors like cost of living expenditures, industry practices, bank’s capabilities etc. Bank’s overall competitive strategy ensures the nominal salary hike by cost of living adjustment which in fact works as a cover to protect the purchasing power of the employee while the Pay for Performance strategy highly encourages individual employee to boost up his/her performance. Modern and effective performance appraisal system based on the theory of Management by Objectives (MBO) triggers the performance of the employees. The Balanced Scorecard model are being followed in designing individual employees Key Performance Indicators (KPI) which has a direct impact on the overall business performance of IFIC Bank.

13.5 Other Benefits of the Employee

To keep the employees’ motivation level high, IFIC Bank provides numerous benefits which include Staff House Building Loan, Car Purchase Finance Scheme, Salary Overdraft and Staff Salary Loan. As a part of long term service benefits, Provident Fund, Gratuity Fund, Earned Leave Encashment are being provided to the employees

as per existing compensation & benefits policy of the Bank. These facilities are designed in such a way so that the employees may get a handsome amount out of the benefits while leaving the bank to enjoy a decent family-life thereafter.

13.6 Process Management for Compensation & Benefits

By using the standard HR software, the Human Resource Management Division has become capable to fully/partly automate the process of disbursement of Monthly Salary, Increment, Bonuses, Leave Fare Assistance (LFA), Salary Overdraft (OD) and Car Reimbursement effectively and efficiently so as to slash the processing time and the associated cost. Likewise, Key Performance Indicators (KPI) for Performance Appraisal of all eligible employees have come under the purview of HR Software for prompt processing.

13.7 Employee Engagement Programs and Awards

The Bank believes every employee to be a part of “IFIC Family” who are bonded to grow together to achieve common goals. Employee engagement activities are aimed at enhancing the employee-commitment and sense of belongingness towards the Bank. IFIC Bank regularly arranges programs like welcoming the newborn children of its employees and awards-giving ceremony for the meritorious children of its employees. It also celebrates the Pohela Boishakh, Hemonto Sondhya and Pitha Utshob as well as arranges Art Festival for the kids to contribute towards creating a supportive environment and to promote teamwork and fellowship.

13.8 Health and Work-Life Balance

IFIC Bank believes that healthy employees are more engaged and productive at their work. To ensure personal health and well-being of the employees, IFIC Bank has equipped its Branches and Head Office with modern health-safety equipment. The Bank periodically arranges wellness programmes for its employees with the assistance

of external experts. It has already started providing emergency medical services to its employees at the Head Office. It has arranged medical insurance facilities for its employees as well as their family members under a Health Insurance Scheme. Moreover, the Bank provides Earned Leave, Maternity Leave and Mandatory Annual Leave to the employee to maintain a healthy work and family life. The employee, specifically the female employees are always encouraged to leave office after completing their assigned tasks on schedule time.

13.9 Grievance Management

As part of complying the Code of Conduct, IFIC Bank is committed to ensure equal opportunity, unbiased treatment towards all individuals based on job related qualifications rather than any other basis or status. The Bank’s policy is to provide a work environment that is free from intimidation or harassment. Such harassment by co-workers, supervisors or outsiders is strictly prohibited.

The Bank treats every individual in the same manner at a given circumstance and deals with grievance issues fairly and reasonably. The Bank has specific guidelines to redress all the grievances and resentment of the employees. The Bank encourages all the employees to be aware of what’s expected from them in terms of standards and the consequences likely to follow in the event of continued failure to establish transparency in the workplace.

14. Law and Legal Affairs

The Law and Legal Affairs Division acted efficiently throughout the year 2019 by extending various services to the Branches as well as different Departments/Divisions of Head Office in relation to legal matters. The businesses of the Bank increased significantly during the year 2019. Similarly, litigation relating to the recovery of bank’s dues and resolving various legal issues pertaining to the Branches

and the Head Office of the Bank had also been increased considerably.

In the context of such situation, the Law and Legal Affairs Division took versatile steps to resolve various legal issues in terms of quick disposal of pending Court Cases. In the process, the Division was able to dispose of as many as 82 Cases including 20 Writ Petitions resulting in recovering an amount of BDT 965.66 million from various accounts under litigation. Besides, the Law and Legal Affairs Division extended numerous legal services to the Branches and the Head Office well in time and consequently, the Branches and the Head Office were able to take effective steps for handling the litigated accounts.

Moreover, the Law and Legal Affairs Division also dealt with various sensitive cases filed by the Anti-Corruption Commission (ACC), the Customs Intelligence and Investigation Directorate (CIID), and the Criminal Investigation Department (CID) of Bangladesh Police against few employees of the Bank. In this connection, the Law and Legal Affairs Division pursued those matters rigorously in line with

the relevant laws of the land.

On the other hand, various steps were taken by the Law and Legal Affairs Division to bring the whole work of the Division under the Soft Management System and as a part of that, a new Case Management Software had been installed in the Division during the month of June 2019. With the effective utilization of the said Software, it is expected that the overall productivity of the Law and Legal Affairs Division will be enhanced significantly in order to facilitate gradual conversion to a **Digitized System** through which the Bank will reap more benefits through disposal of the pending Court Cases and providing various legal services to the Branches and the different Departments/Divisions of Head Office in time and at the same time, the recovery of the classified loans from the litigated accounts will also be increased.

15. Enterprise Transformation

Enterprise transformation concerns a conscious and sustainable transition to a significantly higher level of business performance

driving operational agility to respond to a changing marketplace. It triggers a fundamental shift in underlying capabilities, systems and processes that substantially alter an organization's relationship with one or more key constituency, e.g., people, technology and processes to pursue finding newer ways of accelerating growth and profitability.

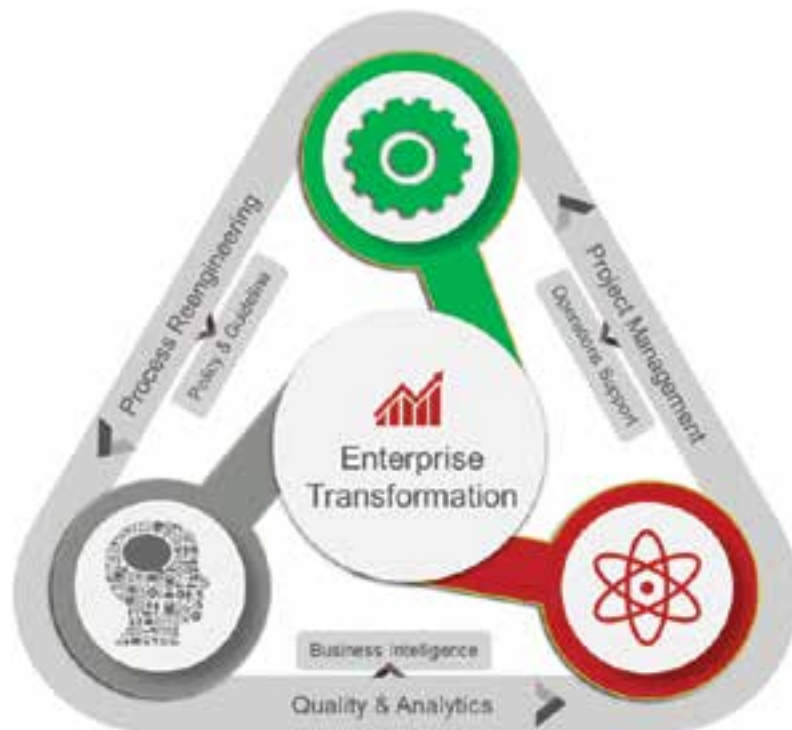
Enterprise Transformation is facilitating the digital platforms and syncing the stakeholders through timely delivery of projects, following industry standards in process, policy & guideline development, implementing quality processes, initiating process training for end-users to ensure compliance at work, unified services & forms, measure operational efficiency & control and conduct sanity checking to establish new business model in IFIC Bank that is closely aligned with the strategy and vision of the management.

Enterprise Transformation is harmonizing the business and the operational processes with the automation technology to shift tasks from being siloed and department-centric to being streamlined and universally accessible. It puts emphasis on the business intelligence through data mining, exploring, analyzing, visualizing and reporting to the management for transparent decision-making.

Enterprise Transformation proactively manages projects deliverable for the Core Banking System (CBS) as well as other banking applications as per business requirement under a project management framework and manages the CBS and other banking applications' credentials and privileges in a controlled & secured environment.

16. Branch Expansion Program

During the year 2019, the Bank opened 1 (One) new rural Branch at Juri, Moulvi Bazar (Dist.) to provide banking services to the customers. Thus, total number of Branches of the Bank stood at 148 including



1(One) new Branch throughout the country. Besides, the Bank opened 35 (Thirty Five) new Uposhakha at different locations of the country.

Furthermore, 2 (Two) Branches and 2 (Two) parts of Head Office were relocated during the year 2019. For smooth business operation 4 (Four) Branches were fully renovated, 8 (Eight) Branches were partially renovated and new furniture were bought for 8 (Eight) Branches during the year of 2019.

For business expansion, 1 (One) new ATM Booth was established at Khilgaon, Dhaka. The Bank is planning to expand its network throughout the country by opening new Branches, Uposhakhas and ATM Booths in the year 2020.

17. Subsidiaries of IFIC

There are two subsidiaries of IFIC Bank Limited which are:

- a) **IFIC Securities Limited (IFICSL); and**
- b) **IFIC Money Transfer (UK) Limited.**

18. Branding and Promotional Activities

To make customers more familiar about our products & services and to create a sustainable brand image, IFIC Bank has undertaken various branding and promotional activities in the year 2019. Some glimpses of those activities are:

- ▶ IFIC Bank has celebrated its 43rd anniversary by undertaking a series of activities engaging its customers and different stakeholders at head office, branches and uposhakhas.
- ▶ To promote our benchmark products namely **IFIC Aamar Account, IFIC Shohoj Account, IFIC Aamr Bari**, numerous campaigns have been conducted across various mainstream medias.
- ▶ A good number of customers have joined in our **Digital Banking Channel – IFIC Aamar Bank** after widespread

promotional activities.

- ▶ IFIC has organized a Pitha Utshab at its Gulshan Branch premise, attended by customers, eminent personalities, Honorable shareholders and higher management personnel of the bank.
- ▶ To increase bank's brand visibility, many popular events and programs of different mainstream Television channels have been sponsored by the bank.
- ▶ Benchmark product's advertisements have been published in different magazines and souvenirs throughout the year.
- ▶ The Bank has also sponsored various social and cultural events organized by different clubs, organizations, associations, theaters, universities nationwide. Some of the sponsored mentionable events are 44th founding anniversary of Bangladesh Police, 15th anniversary of RAB, Awarding to meritorious children of Special Branch of Police, Shotokonthe Agiye Jabar Gaan by Sheikh Mujib Research Center, UK, "Gourabmoy Bijoy-2019" by Dhaka Metropolitan Police etc.

19. Corporate Social Responsibility

Corporate Social Responsibility (CSR) activities for the year 2019, are Mentioned below:

1. The Bank has donated to Anjum Mofidul Islam for completing 18 storeyed Anjuman Jr Tower Office space.
2. The Bank has donated to School of Gifted children at Sylhet as Financial assistance.
3. The Bank has donated Dhamura Degree College, Barisal for Giving Scholarship to poor but talented students & making boundary wall of the college premises.

4. The Bank has donated to law & Order Coordination Committee (CCTV Camera Surveillance Project, Gulshan).
5. The Bank has donated to Child Day care centre.
6. The bank has donated to Bulla Shinhogram Girls High School to establish a trust fund for giving scholarship among poor but talented students.
7. The bank has donated Hazi Alim Uddin school for giving scholarship among poor but talented students.
8. The bank has donated to 25th BCS Police Mr. Imran Mohammad Shadid (police Super) for his Medical Expenses.
9. The bank has donated 1,00,000 blankets to the Honorable Prime Minister's Relief Fund to support the cold affected distressed people of the country.
10. The bank has donated to the Prime Minister's Relief and Welfare Fund as financial assistance for the victims of the tragic fire incident of Churihatta, Chawkbazar.
11. The bank has donated Habigonj Nagorik Committee for Educational Scholarship and Free Medical Health Camp.
12. The bank has donated Social Welfare Alumni Association, University of Dhaka.

20. Business Focus

The principal activities of the Bank are banking and related businesses under the Bank Company Act, 1991 (Amended up-to 2018). The core banking businesses include accepting deposits and granting loans and advances out of those deposits and earning profit through creating value from gap between interest paid on deposits and interest earned on loans and advances. The depositors supply funds for loans and advances. The Bank collects deposits through deposit mobilization strategy comprising various deposit

products. The Bank's central revenue producing activities include all kinds of commercial banking products and services to the customers including project finance, working capital finance and trade finance for corporate customers, SME loans to small traders and businesses, House Building Loan, Car Loan as well as wide range of life-style and need based loans for retail customers. The Bank has been able to develop state-of-the-art IT platform and online banking systems facilitating Any Branch Banking, SMS Banking, Internet Banking, Any Time Banking for 24 hours a day and 7 days a week through ATMs.

2019 has been a year of significant progress for us. Building on our consistent track record of growth, the Bank shall continue to deliver a strong performance, both operationally and financially.

Our aim is to build a business that is durable for the long term, one that creates value for shareholders and also acts responsibly in the interests of the wider communities in which we operate. We believe that those businesses that achieve sustainable growth have an appetite for change and a commitment to constant renewal in all that they do.

21. Shares of IFIC Bank Limited

The Authorized Capital and the Paid-up Capital of the Bank stood at BDT 40,000.00 million and BDT 14,726.13 million respectively as on 31 December 2019. A total number of 1,453,447,888 shares are recorded with the Central Depository of Bangladesh Limited (CDBL), while 19,164,720 shares still remain in scrip form till the Balance Sheet date.

The consolidated Net Asset Value (NAV) per share was BDT 18.02 as on 31 December 2019 which was BDT 16.08 as on 31 December 2018. The consolidated Earnings per Share (EPS) were BDT 1.92 for the year ended on 31 December 2019 as against BDT 1.12 as on 31 December 2018. The Market

Capitalization of IFIC was BDT 14,578.86 million at the end of the year 2019 as against BDT 14,592.25 million at the end of the year 2018.

22. Dividend

The Board of Directors in its 773rd Meeting held on 24 June 2020 has recommended 10% Stock Dividend as Bonus Shares for the Shareholders for the year 2019 subject to approval of the Shareholders in the 43rd Annual General Meeting.

23. Appointment of External Auditors

In the 42nd Annual General Meeting of the Bank, "A" graded Chartered Accountants Firm M/s. Howladar Yunus & Co. was appointed as the External Auditors of the Bank for the year 2019 subject to approval of Bangladesh Bank. Subsequently, Bangladesh Bank approved the appointment of the External Auditors. Since M/s. Howladar Yunus & Co., Chartered Accountants have completed their second year of the audit and as recommended by the Audit Committee of the Board of the Bank, they are eligible for re-appointment in terms of the Bangladesh Bank's Guidelines and the Directives of BSEC.

24. Appointment of Compliance Auditors

In the 42nd Annual General Meeting of the Bank, M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants Firm was appointed as the Compliance Auditors of the Bank for the year 2019. Since M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants have completed their first year of the audit, they are eligible for re-appointment in terms of the Directives of BSEC.

25. Rotation of Directors

In order to comply with the provision mentioned under Section 91(2) of

the Company Act, 1994 and Clause Nos. 109 & 110 of the Articles of Association of the Bank, at least one third of the Directors shall retire from the Office in the 43rd Annual General Meeting.

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

26. Dependability on Internal Control and Financial Reporting

The Board has collective responsibility for the management, direction and performance of the Bank and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. The Board sets the strategic direction, ensuring that the necessary resources are in place for the Company to meet its objectives and deliver sustainable performance.

The Board takes a long term outlook and sees itself as responsible to a wide range of stakeholders, whilst pursuing its objectives in a manner consistent with its statutory duties for the benefit of the Bank's members as a whole.

The Directors of the Board are selected on the basis of the criteria of proven skill and ability in their particular field of endeavor and a diversity of outlook and experience which directly benefits the operation of the Board as the custodian of the business.

The Board of Directors of the Bank is accountable for the Bank's system of internal control. It has set appropriate policies on internal control and seeks regular assurance that the system is functioning effectively. Through the establishment of the Audit Committee, the Board of Directors regularly monitors the adequacy & effectiveness of the internal control system of the Bank.

The SMT and MANCOM also reviews the overall effectiveness of the control system of the Bank

& provides a certificate on a yearly basis to the Board of Directors on the effectiveness of the internal control policies, practices & procedures.

As per the directives of Bangladesh Bank, a special meeting of the Board of Directors is arranged annually for reviewing the compliance/implementation status of the observations/recommendations of Bangladesh Bank's comprehensive inspection report on the Bank.

According to the Company Law, the Directors are responsible for the preparation of the annual financial statements. The annual financial statements conform to International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and fairly present the affairs of the Bank and its subsidiaries as at the end of the financial year, profit & loss and cash-flows statements for that period.

Accounting policies supported by judgments, estimates and assumptions in compliance with IAS and IFRS are applied to create the basis for the Bank to continue as a going concern. Systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

Based on the information and explanations given by the management and the internal auditors, the Directors are of the opinion that the internal financial controls are adequate and that the financial records may be relied upon for preparing the financial

statements in accordance with IAS and IFRS, and to maintain accountability for the Bank's assets and liabilities.

Through regulatory compliance and responsibilities within a Corporate Governance framework, minority Shareholders have been protected from abusive action by, or in the interest of the controlling Shareholders acting either directly or indirectly and have effective means of redress.

The Directors have a reasonable expectation that the Bank and its subsidiaries will have adequate resources to continue in operational existence and as a going concern for the foreseeable future.

27. Acknowledgement

The success of the Bank is mainly attributable to the support and co-operation received from the different group of stakeholders. With the sincere and devoted efforts of all the Executives, Officials and Members of the Staff, IFIC Bank was able to maintain steady growth during the year 2019. The Board of Directors takes this opportunity to thank them all for their efforts to make this happen. The Board expresses its profound gratitude to the Government of the People's Republic of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and Central Depository Bangladesh Limited for their continued support and co-operation for smooth functioning of the Bank. The Board

also thank them for their unwavering support and co-operation, and hope that their support and co-operation will be continued in the days ahead as well. The Board gratefully acknowledges the support provided by the valued customers who have been with the Bank in the course of its journey. The Board also places on record its thanks and gratitude for the valuable contribution made by all the patrons and well-wishers of the Bank in attaining sustainable growth and progress. The Board also expresses its appreciations to M/s. Howladar Yunus & Co., the External Auditors of the Bank, for their efforts for timely completion of the audit of the Financial Statements of the Bank. The Board of Directors further extends its thanks to both the print and electronic media personnel for extending media coverage to the Bank's various activities and events throughout the year.

Last but not the least, the Board expresses its thanks to the respected Shareholders of the Bank and assures them that the Bank will continue to add to the Shareholders' value through the gradual increase of the business and retaining customers' satisfaction for which they have placed trust and confidence.

For and on behalf of the Board of Directors



Salman F Rahman MP
Chairman



Flagship Products

আইএফআইসি

আমার একাউন্ট

সুবিধা যেমনই চাই, হিসাব একটাই

আইএফআইসি

সহজ একাউন্ট

হিসাব খুলি, এগিয়ে চলি



আইএফআইসি

আমার বাড়ি

ভালোবাসায় বসবাস

আইএফআইসি

সংজ্ঞা ঋণ

দিন বদলের
সাথী

Report of the Executive Committee



Report of the Executive Committee

The Executive Committee of the Board of Directors of IFIC Bank Limited was lastly re-constituted by the Board of Directors of the Bank in its 673rd Meeting held on 27 April 2016 with the following 02 (Two) Members:

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

The Company Secretary of the Bank is the Secretary of the Executive Committee of the Board.

The above mentioned Executive Committee of the Board was formed in line with the directives of BRPD Circular No. 11 dated 27 October 2013.

The Terms of Reference of the Executive Committee, in addition to the roles and responsibilities mentioned in the BRPD Circular No. 11 dated 27 October 2013, as approved by the Board is as follows:

1. All business proposals other than Large Loans shall be placed before the Executive Committee for approval.
2. Other than business proposals, the following proposals shall also be placed before the Executive Committee:
 - Hiring of new premises, Renewal of lease agreement with enhancement of the bank premises and Renovation/ refurbishment of branch premises.
 - Purchase of electric/electronic equipment, Computers and its accessories, Air Conditioners, Generator, and Vehicles.

However, the decisions of the Executive Committee as recorded in the Minutes of the Meetings are placed before the Board in the subsequent Meeting for ratification.

During the year of 2019, 08 (Eight) Meetings of the Executive Committee were held where a total of 102 nos. Proposals/ issues were considered/decided by the Committee.

The particulars of attendance of the members of the Executive Committee are given below.

Name of the Director	Position	Total number of meetings held during 2019	Total attendance	Remarks
Mr. A. R. M. Nazmus Sakib	Chairman	08	08	
Ms. Quamrun Naher Ahmed	Member	08	08	

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



A. R. M. Nazmus Sakib
Chairman, Executive Committee

Report on the Activities of the Audit Committee



Report on the Activities of the Audit Committee

The Audit Committee of the Board of Directors of IFIC Bank Limited was lastly re-constituted by the Board of Directors in its 720th Meeting held on 28 January 2018 in accordance with the directives of the BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank and the Notification of Bangladesh Securities and Exchange Commission vide No. SEC/CMRRCD/2006-158/134/admin/44 dated 07 August 2012.

The Audit Committee of the Board is comprised of 03 (Three) members from the Board of Directors including 02 (Two) Independent Directors. The composition of the Audit Committee of the Board is as follows:

Ms. Rabeya Jamali	Independent Director	Chairperson
Mr. Anwaruzzaman Chowdhury	Independent Director	Member
Mr. Jalal Ahmed	Director	Member

The Company Secretary of the Bank is the Secretary of the Audit Committee of the Board.

The Audit Committee is a sub-committee of the Board of Directors and reports on its activities to the Board of Directors on a quarterly basis. The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities which includes, but is not limited to, implementation of the objectives, strategies, risk mitigation, and overall business plans set by the Board for effective functioning of the Bank. The Committee also reviews the financial reporting process, the system of internal control and management of financial & operational risks through the Internal Control process.

The Audit Committee of the Board usually sits once in every month.

A total of 13 (Thirteen) Audit Committee Meetings were held during the year 2019.

The particulars of attendance of the members of the Audit Committee are given below.

Name of the Director	Position	Total number of meetings held during 2019	Total attendance	Remarks
Ms. Rabeya Jamali	Chairperson	13	13	Directors who could not attend any meeting were granted leave of absence.
Mr. Anwaruzzaman Chowdhury	Member	13	01	
Mr. Jalal Ahmed	Member	13	13	

The Audit Committee, in the above mentioned 13 (Thirteen) meetings, discussed many issues some of which were:

- ▶ Summary Report on Comprehensive Inspection on Kawran Bazar, Khatunganj, Benapole & Ambarkhana Branches conducted by the Bangladesh Bank Inspection Team;
- ▶ Summary Report of Compliance on Irregularities/Lapses/Errors & Omissions found in the Risk Based Internal Audit & Inspection Report of 139 (One Hundred and Thirty Nine) Branches for the year ended on 31.12.2018;
- ▶ Informative memo regarding findings of special inspection report related to Jamalpur, Banani, Chandra, Ashulia & Narayanganj Branches;
- ▶ Self-Assessment of Anti-Fraud of Internal Controls as on the Half year ended on 31.12.2018;
- ▶ Highlight on Risk Based Internal Audit & Inspection Reports conducted by ICC Division;
- ▶ Report on the activities of the Audit Committee to the Shareholders;
- ▶ A follow-up report on the loan performance after the position of 31st December, 2018 identifying the classified sector(s) of 05 (Five) Branches namely, Sylhet, Madam Bibir Hat, Banani, Joypurhat and Takerhat Branches;
- ▶ Surprise Inspection Report of Bangladesh Bank on Manikganj Branch;

- ▶ Present Status of Conduction of Audit & Inspection of the Branches as against approved Audit Plan for 2019;
- ▶ Management Report on the Financial Statements for the year ended 31 December 2018;
- ▶ Recommendation for approval of Unqualified Audit Report and Audited Financial Statements as at and for the year ended 31 December 2018;
- ▶ Summary Report on Comprehensive Inspection on Principal, Stock Exchange, Boro Bazar & Takerhat Branches conducted by the Bangladesh Bank Inspection Team;
- ▶ Recommendation for approval of un-audited Condensed Financial Statements as at and for the 1st Quarter ended 31 March 2019;
- ▶ Re-appointment of External Auditors of the Bank;
- ▶ Self-Assessment of Anti-Fraud of Internal Controls as on the Half year ended on 30.06.2019;
- ▶ Annual Health Report for the year 2018;
- ▶ Recommendation for approval of un-audited Condensed Financial Statements as at and for the 2nd Quarter ended 30 June 2019;
- ▶ Undertaking from Borrower for recent period not covered in Non Encumbrance Certificates obtained for mortgaged property against loan limit;
- ▶ Recommendation for approval of un-audited Condensed Financial Statements as at and for the 3rd Quarter ended 30 September 2019;
- ▶ Risk Based Internal Audit (RBIA) Plan for-2020.

From our assessment of the various internal audit reports, it appears that IFIC Bank Limited maintained effective Internal Control on its overall activities during the year 2019.



Rabeya Jamali

Chairperson, Audit Committee

Report of the Risk Management Committee



Report of the Risk Management Committee

As the current Chairman of Risk Management Committee, I, Md. Zafar Iqbal is submitting the report of the Risk Management Committee for the year 2019 on behalf of the former Chairman of the Committee.

The Risk Management Committee of the Board of Directors of IFIC Bank Limited was lastly re-constituted by the Board of Directors of the Bank in its 720th Meeting held on 28 January 2018 with the following 04 (Four) Members:

Mr. Jalal Ahmed	Chairman
Ms. Rabeya Jamali	Member
Mr. A. R. M. Nazmus Sakib	Member
Ms. Quamrun Naher Ahmed	Member

The Company Secretary of the Bank is the Secretary of the Risk Management Committee of the Board.

The above mentioned Risk Management Committee of the Board was formed in line with the directives of BRPD Circular No. 11 dated 27 October 2013.

The Risk Management Committee, as authorized by the Board, performs as per roles and responsibilities mentioned in the BRPD Circular No. 11 dated 27 October 2013.

During the year 2019, 04 (Four) Meetings of the Risk Management Committee were held where a total of 16 nos. proposals/issues were considered/decided by the Committee.

The particulars of attendance of the members of the Risk Management Committee are given below.

Name of the Director	Position	Total number of meetings held during 2019	Total attendance	Remarks
Mr. Jalal Ahmed	Chairman	04	04	
Ms. Rabeya Jamali	Member	04	04	
Mr. A. R. M. Nazmus Sakib	Member	04	04	
Ms. Quamrun Naher Ahmed	Member	04	04	

However, the decisions of the Risk Management Committee as recorded in the Minutes of the Meetings are placed before the Board on a quarterly basis.

The Risk Management Committee expresses its sincere thanks to the Members of the Board and the Management of IFIC Bank Limited for their support and guidance in the course of carrying out the duties and responsibilities of the Committee. The Risk Management Committee also expresses its satisfaction regarding the roles and responsibilities discharged by the Management of the Bank.


Md. Zafar Iqbal, ndc
 Chairman, Risk Management Committee

Corporate Governance Practices

Corporate Governance indicates the policies and procedures applied by us to attain certain sets of our objectives, corporate missions and visions with regard to shareholders, employees, customers, suppliers and different regulatory agencies and the community at large. The role of governance is to maximize shareholders' wealth. Corporate Governance depends on managerial performance as well as a consideration of social responsibility, the socio-cultural-environmental dimension of business procedure, legal and ethical practices with a focus on customers and other stakeholders of our organization.

We are committed to excellence in corporate governance, transparency and accountability. This is essential for the long term performance and sustainability of our Company, and to protect and enhance the interests of our shareholders and other stakeholders.

Our governance framework plays an integral role in supporting our business. It provides the structure through which our strategy and business objectives are set, our performance is monitored, and the risks we face are managed. It includes a clear framework for decision making and accountability across our business and provides guidance on the standards of behavior we expect from our people.

We regularly review our governance arrangements as well as developments in the market practices, expectations and regulation to establish good corporate governance in our Bank. We have modernized our governance system and implemented the rules as several prudential regulations specifying qualification of a Bank Director and a Chief Executive Officer and most importantly 3 (three) Circulars/Circular Letters issued by Bangladesh Bank on 27 October 2013 in connection with formation and responsibilities of Board of

Directors of a Bank Company to comply with the existing rules and regulations in line with the Bank Company Act, 1991 (Amended up to 2018) as well as Corporate Governance Guidelines issued by Bangladesh Securities and Exchange Commission.

We consider good corporate governance to be a pre-requisite for value creation and reliability:

- ▶ Governance principles;
- ▶ Transparency in business transactions;
- ▶ Statutory and legal compliances;
- ▶ Protection of shareholders' interests;
- ▶ Commitment to values and ethical conduct of business;
- ▶ Applying values to create value.

Members' Meetings

The supreme authority in the Bank's affairs, within the limits established by the Articles of Association and statutory law, rests with legitimate meetings of the Members of the Bank. The Bank's Annual General Meeting is held within statutorily allowed time every year and may also hold any other meeting, as and when required. At Members' meeting, each share carries one vote. Decisions at Members' meetings are taken by majority vote unless there are contrary provisions in the Bank's Articles of Association or statutory law.

Although Members acting through the forum of the General Meeting exercise ultimate check over a company, yet they do not interfere with the exercise of powers which are vested in the Board.

The Board of Directors

The Board of Directors, collectively, is the supreme authority in the Bank's affairs between Members' meetings. They owe a duty to the shareholders and exercise care, skill and diligence in discharging their responsibilities and in exercising the powers vested in them.

The key purpose of the Board of Directors of IFIC Bank Limited is to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and other stakeholders. In addition to business and financial issues, the Board deals with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics and ensures that its organization and operation are, at all times, in correct and appropriate order. The Board is, among other things, responsible for setting business objectives, strategies and business plans, formulating risk policies, confirming key aspects of the Bank's internal organization and making decisions on the establishment of branches. As a mechanism of budgetary control, the Board approves budget and reviews the business plan on quarterly basis so as to give directions as per changing economic and market environment. The Board also reviews the policies and guidelines issued by Bangladesh Bank and gives directions for their due compliance. Furthermore, Board of Directors develops and reviews corporate governance framework as well as recommends to the shareholders to appoint an external auditor.

Composition of the Board

The Board of IFIC Bank Limited consists of 8 (eight) Members including the Managing Director as Executive Director and ex-officio member of the Board. As per the guidelines of Bangladesh Bank and as well as in compliance with the Bangladesh Securities and Exchange Commission's Corporate Governance Guidelines, there are 2 (two) Independent Directors in the Board.

Re-election of Directors

In compliance with the Companies Act, BSEC's Notification and Bank's Articles of Association, each

Director, other than the Independent Director and the Managing Director, retires by rotation once in every three years and is required to stand for re-election by the shareholders at the Annual General Meeting.

Independent Director

To comply with the Corporate Governance Code of Bangladesh Securities and Exchange Commission, the Board of Directors appointed 2 (two) Independent Directors to the Board, appointments of both of them have already been approved by the Members. A full compliance report of the said Code is provided hereafter.

Board Meetings

During the year 2019, there were 25 meetings of the Board. The attendance by each Director at the Board Meeting held during the year is provided hereafter.

Executive Committee

As approved by Bangladesh Bank, the Board has its Executive Committee. The committee comprises of 2 (two) Members from the Board. In order to have proper functioning and quick disposal of credit proposals, the Board has delegated authority to Executive Committee of the Board to approve proposal within certain limit and it is observed to be very effective to accelerate the various decisions which otherwise had to wait for disposal by the Board. meeting. The committee met 8 times during the year 2019. The report of the Executive Committee is deployed hereinbefore.

Audit Committee

Audit Committee of the Board of a bank can play an effective role in providing a bridge between the Board and the Management, Shareholders, Depositors and other Stakeholders, and help in ensuring efficient, safe and sound banking practices. Role of the Audit Committee is also important in evolving an effective procedure for financial reporting disclosure, developing a suitable internal control system and maintaining liaison with internal and external auditors to

minimize various business risks.

As guided by Bangladesh Bank, the Audit Committee assists the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board for effective functioning of the Bank. The Committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct. The report is given hereinbefore.

Risk Management Committee

To assist the Board of Directors in fulfilling its oversight responsibilities and to play effective role in minimizing current and future risks arising on the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters, the Risk Management Committee has been constituted. The Risk Management Committee in Management level has also been reorganized. The report of the Risk Management Committee is deployed hereinbefore.

Directors' Remuneration

The non-executive directors (Directors other than the Managing Director) of the Board representing shareholders do not take any remuneration or reimbursement of any expenses for attending Board meeting or for any other purpose. The Board members receive only BDT 8,000.00 for attending the Board/Committee meetings. The fees given to the directors are disclosed in the note to the financial statements.

Management

The Managing Director, as directed by the Board of Directors, is the Chief Executive Officer (CEO) of the Bank. In terms of the financial, business and administrative authorities vested upon him by the

Board, the CEO discharges his own responsibilities. He remains accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management. He also ensures that Bank's accounts and finances conform to applicable laws and accepted standards. Therefore, being empowered by the Board, the Managing Director leads the Management consisting of the executives of the Bank. Management functions through several committees headed by the Managing Director or empowered executives of the Bank. The committees are SMT, MANCOM, ALCO, Risk Management and Basel Committee etc. Management enjoys absolute power in respect of recruitment, posting and promotion of manpower in accordance with Bangladesh Bank's guidelines. In addition, Board has delegated adequate administrative, business and financial power to the Management for quick and efficient discharge of Bank's activities.

Compliance of BRPD Circular Letter No. 03

The Bank complied with the BRPD Circular Letter No. 03 dated 25 March 2018 and appointed Mr. Dilip Kumar Mandal as Chief Financial Officer and Mr. Md. Monirur Rahman as Chief Information Technology Officer.

Financial, Statutory and Regulatory Reporting and Compliance

In the preparation of quarterly, semi-annual and annual financial statements, the Bank has complied with the requirements of the Companies Act, 1994, Bank Company Act, 1991 (Amended up to 2018) and rules & regulations of Bangladesh Bank, BSEC and Stock Exchanges. Status of various compliances is given hereafter.

Internal Control

The Board of Directors acknowledges their overall responsibility for the Bank's system of internal control and for reviewing its effectiveness. Internal control is

an ongoing process for identifying, evaluating and managing the significant risks faced by the Bank. The Bank has taken all-out efforts to mitigate all sorts of risk as per guidelines issued by Bangladesh Bank. Internal Control & Compliance Division, Risk Management and Credit Risk Management Unit are working towards mitigation of operational and compliance risks of the Bank.

External Audit

M/s. Howladar Yunus & Co., Chartered Accountants Firm is the statutory auditors of the Bank. They do not provide any other accounting, taxation or advisory services to the Bank except certification of cash incentives payable to the exporters, if any.

Audit and Inspection by Bangladesh Bank

Bangladesh Bank also undertakes audit & inspection at the Bank at their determined intervals. Compliance with observations and recommendations made by Bangladesh Bank helps the Bank to improve internal control, risk management, corporate governance and regulatory compliance maximizing benefit for

all stakeholders.

Proclamation to Shareholders

The Bank acknowledges and takes necessary steps to provide shareholders with all relevant and reliable information to allow them to make informed judgment and decisions. Regulated path and way are completely obeyed/ followed for appropriate and effective communication. All relevant information is placed/are posted in the website of the Bank for convenience of the shareholders. Moreover, as per BSEC's guidelines, all the price sensitive information having possible impact on share prices of the Bank are communicated to the shareholders by publication in the national dailies, Online news portal and to the DSE, CSE, and BSEC through official letters for appearance in their websites. Quarterly Financial Statements are communicated to all the Members through DSE, CSE and BSEC as well as publication of the same in at least two widely circulated national dailies. Audited yearly financial statements are published through Annual Report and the report is furnished to the shareholders as well as regulators.

Finally, we arrange Annual General Meeting as our statutory duty to give our shareholders parliamentary session to communicate their assertions about the Bank. All the suggestions or recommendations made by the Members in the AGM or any time during the year are taken very seriously for compliance and better corporate governance of the Bank.

Credit Ratings

The Bank is rated by Credit Rating Agency of Bangladesh (CRAB) Limited. They have re-affirmed both the long term rating of the Bank to "AA2" and short term rating at "ST-2" with validity up to 30 June 2020.

Compliance Report on BSEC's Notification

The Bangladesh Securities and Exchange Commission (BSEC) requires all listed companies to report on the compliance of the conditions described in BSEC's Notification dated 03 June 2018 on 'comply' basis. The Board of Directors of IFIC Bank Limited has taken appropriate steps to comply with the conditions.

Compliance Report on BSEC's Notification

The Bangladesh Securities and Exchange Commission (BSEC) requires all listed companies to report on the compliance of the conditions described in BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 on 'comply' basis. The Board of Directors of IFIC Bank Limited has undertaken appropriate steps to comply with the conditions as detailed hereunder:

Annexure-I

Compliance of Condition No. 1 (5) (xxii): Board Meetings held during the year 2019 and attendance by each Director:

SL No.	Name of the Directors	Position	No. of Meetings held	No. of Meetings attended	Remarks
01.	Mr. Salman F Rahman	Chairman	25	22	Directors who could not attend any meeting were granted leave of absence by the Board.
02.	Mr. Ahmed Shayan Fazlur Rahman	Vice Chairman	25	15	
03.	Mr. Anwaruzzaman Chowdhury	Independent Director	25	01	
04.	Ms. Rabeya Jamali	Independent Director	25	23	
05.	Mr. Jalal Ahmed	Govt. Nominated Director	25	23	
06.	Mr. A. R. M. Nazmus Sakib	Govt. Nominated Director	25	22	
07.	Ms. Quamrun Naher Ahmed	Govt. Nominated Director	25	24	
08.	Mr. M Shah Alam Sarwar	Managing Director & CEO	25	25	

Annexure-II

Compliance of Condition No. 1 (5) (xxiii): The pattern of Shareholding as on 31 December 2019

- a) Parent or Subsidiary or Associated Companies and other related parties: **Nil**
- b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:

SL	Name of the Directors	Shares held	Name of the Spouses	Shares held
01.	Mr. Salman F Rahman	29,460,545	Mrs. Syeda Rubaba Rahman	Nil
02.	Mr. Ahmed Shayan Fazlur Rahman*	Nil	Mrs. Shazreh Rahman	Nil
03.	Mr. Anwaruzzaman Chowdhury	Nil	Mrs. Holy Begum Chowdhury	Nil
04.	Ms. Rabeya Jamali	Nil	N/A	Nil
05.	Mr. Jalal Ahmed**	Nil	Mrs. Farah Diba Ahmed	Nil
06.	Mr. A. R. M. Nazmus Sakib**	Nil	Mrs. Fetematuj Jahera	Nil
07.	Ms. Quamrun Naher Ahmed**	Nil	Mr. A. B. M. Siddiqur Rahman	Nil

* Representing M/s. New Dacca Industries Limited against its holding of **35,482,892** nos. shares of the Bank.

** Directors nominated by the Ministry of Finance, Govt. of the People's Republic of Bangladesh against its holding of **482,259,388** nos. shares of the Bank.

Managing Director & CEO and his spouse and minor children	- Mr. M Shah Alam Sarwar	Nil
Company Secretary and his spouse and minor children	- Mr. Md. Mokammel Hoque	Nil
Chief Financial Officer and his spouse and minor children	- Mr. Dilip Kumar Mandal	Nil
Head of Internal Audit and Compliance (ICC) and his spouse and minor children	- Mr. Ashim Chowdhury	Nil

c) Executives [Top 5 (five) salaried employees of the company, other than stated in 1.5 (xxiii)(b)]:

SL	Designation	Name	Shares held
01.	DMD & Chief Risk Officer	Mr. M. M. Haikal Hashmi	Nil
02.	DMD & Head of International Division	Mr. Shah Md. Moinuddin	Nil
03.	DMD & Head of Business	Mr. Md. Nurul Hasnat	Nil
04.	DMD & Chief Credit Officer	Mr. Syed Mansur Mustafa	Nil
05.	DMD & Chief of Operations & IT	Mr. Md. Monitur Rahman	Nil

d) Shareholders holding ten percent (10%) or more voting interest in the Company: Govt. of the People's Republic of Bangladesh holds **482,259,388** nos. shares which is 32.75 percent of the total outstanding shares of the Bank.

Annexure-C

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	Board of Directors			
1 (1)	Size of the Board of Directors: The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
1 (2)	Independent Directors:			
1 (2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		
1 (2) (b)	Independent Director means a Director:			
1 (2) (b) (i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1 (2) (b) (ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		
1 (2) (b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1 (2) (b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1 (2) (b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1 (2) (b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1 (2) (b) (vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1 (2) (b) (viii)	Who is not independent director in more than 5 (five) listed companies;	✓		
1 (2) (b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1 (2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1 (2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1 (2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and			No Vacancy occurred
1 (2) (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	✓		
1 (3)	Qualification of Independent Director:			
1 (3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1 (3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓		
1 (3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	✓		
1 (3) (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or			N/A
1 (3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1 (3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1 (3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
1 (4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		Roles and responsibilities are as per Bangladesh Bank's guidelines and service rules of the Bank
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1 (5)	The Directors' Report to Shareholders shall include the following additional statements or disclosures:			
1 (5) (i)	An industry outlook and possible future developments in the industry;	✓		
1 (5) (ii)	The segment-wise or product-wise performance;	✓		
1 (5) (iii)	Risks and concerns including internal and external risks factors, threat to sustainability and negative impact on environment, if any;	✓		
1 (5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;			N/A
1 (5) (v)	A discussion on continuity of any extra-ordinary activities and their implications (gain or loss);			N/A
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1 (5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any others instruments;			N/A
1 (5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1 (5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A
1 (5) (x)	A statement of remuneration paid to the Directors including Independent Directors;	✓		

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1 (5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1 (5) (xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1 (5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1 (5) (xiv)	A statement that International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1 (5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1 (5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1 (5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	✓		
1 (5) (xviii)	An explanation that significant deviations from the lat year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1 (5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1 (5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1 (5) (xxii)	The total number of Board meetings held during the year and attendance by each Director;	✓		
1 (5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1 (5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1 (5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1 (5) (xxiii) (c)	Executives (top 5 (five) salaried employees of the company, other than stated in 1. (5) (xxiii)(b); and	✓		
1 (5) (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1 (5) (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1 (5) (xxiv) (a)	A brief resume of the director;	✓		
1 (5) (xxiv) (b)	Nature of his or her expertise in specific functional areas; and	✓		
1 (5) (xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1 (5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1 (5) (xxv) (a)	Accounting policies and estimation for preparation of financial statements;	✓		
1 (5) (xxv) (b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1 (5) (xxv) (c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five year's explaining reasons thereof;	✓		
1 (5) (xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;			Financial performance of peer Bank are not available
1 (5) (xxv) (e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1 (5) (xxv) (f)	Risks and concerns issues related to the financial statements explaining such risks and concerns mitigation plan of the company; and	✓		
1 (5) (xxv) (g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1 (5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	✓		
1 (5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	✓		
1 (6)	Meetings of the Board of Directors : The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code;	✓		
1 (7)	Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer:			
1 (7) (a)	The Board shall lay down a Code of Conduct based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No.6, for the Chairperson of the Board, other Board members and Chief Executive Officer of the Company;			Subsequently, on 771 st meeting of the Board of Directors held on 18 March 2020, the Bank has formed
1 (7) (b)	The Code of Conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior, confidentiality, conflict of interest, compliance with laws, rules and regulations, prohibition of insider trading, relationship with environment, employees, customers and suppliers and independency.			Nomination and Remuneration Committee (NRC) and Terms of Reference of the committee shall be the same as mentioned in the Corporate Governance Code

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
2	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3 (1)	Appointment:			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3 (2)	Requirement to attend Board of Directors' Meetings:			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3 (3) (a) (i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3 (3) (a) (ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3 (3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee For ensuring good governance in the company, the Board shall have at least following sub-committees			
4 (i)	Audit Committee; and	✓		
4 (ii)	Nomination and Remuneration Committee.			Subsequently, on 771 st meeting of the Board of Directors held on 18 March 2020, the Bank has formed Nomination and Remuneration Committee (NRC) and Terms of Reference of the committee shall be the same as mentioned in the Corporate Governance Code
5	Audit Committee			
5 (1)	Responsibility to the Board of Directors:			
5 (1) (a)	The company shall have an Audit Committee as a subcommittee of the Board;	✓		
5 (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5 (2)	Constitution of the Audit Committee:			
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		Constituted as per BB's circular
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5 (2) (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			N/A

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5 (2) (e)	The company secretary shall act as the secretary of the Committee;	✓		
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5 (3)	Chairperson of the Audit Committee:			
5 (3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		Shall be invited to remain present
5 (4)	Meeting of the Audit Committee:			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5 (5)	Role of Audit Committee (the Audit Committee shall):			
5 (5) (a)	Oversee the financial reporting process;	✓		
5 (5) (b)	Monitor choice of accounting policies and principles;	✓		
5 (5) (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5 (5) (d)	Oversee hiring and performance of external auditors;	✓		
5 (5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5 (5) (f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5 (5) (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5 (5) (h)	Review the adequacy of internal audit function;	✓		
5 (5) (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5 (5) (j)	Review statement of all related party transactions submitted by the management;	✓		
5 (5) (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5 (5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5 (5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	✓		
5 (6)	Reporting of the Audit Committee:			
5 (6) (a)	Reporting to the Board of Directors-			
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board.	✓		
5 (6) (a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5 (6) (a) (ii) (a)	Report on conflicts of interests;			N/A
5 (6) (a) (ii) (b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5 (6) (a) (ii) (c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5 (6) (a) (ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	Reporting to the Authorities:			
5 (6) (b)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A
	Reporting to the Shareholders and General Investors:			
5 (7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			N/A
6	Nomination and Remuneration Committee (NRC)			
6 (1)	Responsibility to the Board of Directors:			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;			Subsequently, on 771 st meeting of the Board of Directors held on 18 March 2020, the Bank has formed Nomination and Remuneration Committee (NRC) and Terms of Reference of the committee shall be the same as mentioned in the Corporate Governance Code
6 (1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6 (1) (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			
6 (2)	Constitution of the NRC:			
6 (2) (a)	The Committee shall comprise of at least three members including an independent director;			Subsequently, on 771 st meeting of the Board of Directors held on 18 March 2020, the Bank has formed Nomination and Remuneration Committee (NRC) and Terms of Reference of the committee shall be the same as mentioned in the Corporate Governance Code
6 (2) (b)	All members of the Committee shall be non-executive directors;			
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board;			
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee;			
6 (2) (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6 (2) (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6 (2) (g)	The company secretary shall act as the secretary of the Committee;			
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			
6 (2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6 (3)	Chairperson of the NRC:			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			Subsequently, on 771 st meeting of the Board of Directors held on 18 March 2020, the Bank has formed Nomination and Remuneration Committee (NRC) and Terms of Reference of the committee shall be the same as mentioned in the Corporate Governance Code
6 (3) (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			
6 (3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.			
6 (4)	Meeting of the NRC:			
6 (4) (a)	The NRC shall conduct at least one meeting in a financial year;			Subsequently, on 771 st meeting of the Board of Directors held on 18 March 2020, the Bank has formed Nomination and Remuneration Committee (NRC) and Terms of Reference of the committee shall be the same as mentioned in the Corporate Governance Code
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6 (4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6 (4) (d)	(d) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6 (5)	Role of the NRC:			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			Do
6 (5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6 (5) (b) (i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6 (5) (b) (i) (a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			Subsequently, on 771 st meeting of the Board of Directors held on 18 March 2020, the Bank has formed Nomination and Remuneration Committee (NRC) and Terms of Reference of the committee shall be the same as mentioned in the Corporate Governance Code
6 (5) (b) (i) (b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			
6 (5) (b) (i) (c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6 (5) (b) (ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6 (5) (b) (iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6 (5) (b) (iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;			Subsequently, on 771 st meeting of the Board of Directors held on 18 March 2020, the Bank has formed Nomination and Remuneration Committee (NRC) and Terms of Reference of the committee shall be the same as mentioned in the Corporate Governance Code
6 (5) (b) (v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			
6 (5) (b) (vi)	Developing, recommending and reviewing annually the company's human resources and training policies;			
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7	External or Statutory Auditors			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7 (1) (i)	Appraisal or valuation services or fairness opinions;	✓		
7 (1) (ii)	Financial information systems design and implementation;	✓		
7 (1) (iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7 (1) (iv)	Broker-dealer services;	✓		
7 (1) (v)	Actuarial services;	✓		
7 (1) (vi)	Internal audit services or special audit services;	✓		
7 (1) (vii)	Any service that the Audit Committee determines;	✓		
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7 (1) (ix)	Any other service that creates conflict of interest.	✓		
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company:			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8 (2)	The company shall keep the website functional from the date of listing.	✓		
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
9	Reporting and Compliance of Corporate Governance:			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9 (3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		



Date: 24 June 2020

HEAD OFFICE :

IFIC Tower, 61, Purana Paltan, G.P.O Box: 2229
Dhaka-1000, Bangladesh. I-Phone PABX: 09666716250
E-mail: info@ificbankbd.com, Website: www.ificbank.com.bd

The Board of Directors

IFIC Bank Limited
Head Office
Dhaka

Subject: Declaration on Financial Statements for the year ended on 31 December 2019

Dear Sirs

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of IFIC Bank Limited for the year ended on 31 December 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31 December 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.


Dilip Kumar Mandal
Chief Financial Officer


Shah A Sarwar
Managing Director & CEO

Hoda Vasi Chowdhury & Co

Chartered Accountants

Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of IFIC Bank Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by IFIC Bank Limited (the "Bank") for the year ended on 31 December 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Bank. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Bank has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission as explained in Annexure-C;
- (b) The Bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the Bank as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the Bank is satisfactory.

For Hoda Vasi Chowdhury & Co
Chartered Accountants



Shaikh Hasibur Rahman, FCA
Partner
ICAB Enrolment Number 1512

Place: Dhaka
Dated: 08 July 2020



**MANAGEMENT
DISCUSSION
AND ANALYSIS**

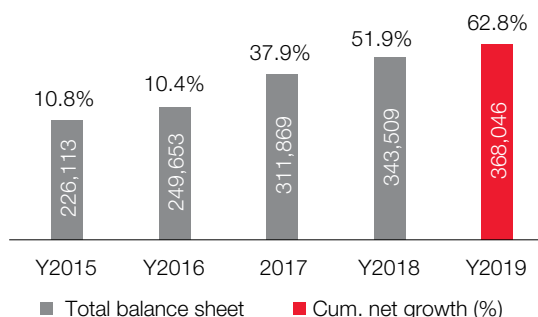
Management Discussion and Analysis

The banking sector of Bangladesh has developed a lot in over 3 (three) decades with the expansion and growth of country's whole GDP which has also gone one step ahead by ensuring financial inclusion for unbanked people. To take part as a parallel co-partner for achieving SDGs of the Government of People's Republic of Bangladesh, IFIC has also played one of the pioneers' role through introducing the concept of low cost banking center across the country called 'Uposhakha' which add another feather of financial inclusion program of Bangladesh Bank. IFIC believes that unbanked people especially in low income poor and the vulnerable communities of the country should have to bring under banking umbrella to achieve the sustainable growth of the country. To keep in mind IFIC launched another new product 'IFIC Shohoj Account' for those communities. Digital financial service is also another avenue of financial inclusion to achieve SDGs, IFIC introduced digital banking channel 'IFIC Amar Bank' mobile app to explore the technological door for financial advancement and all necessary banking service without physical presence at the Bank. However, earnings has universal call to sustain in the economy with value added, seamless, productive tailored services to the customers. By combining the financial excellence using Bank's expertise with compliance of regulatory framework, IFIC posted remarkable growth in profitability and maintained healthy liquidity during the year 2019. In the year 2019, IFIC recorded profitability growth at 55.6% compared to year 2018 and attained cumulative annual growth rate of 175.5% compared to year 2015 including balance sheet growth of 62.8%, loan book 85.4% and deposit growth of 76.0%. IFIC's management continued its focus on retail deposits instead of wholesale deposits and at the end of year 2019 its contribution reached at 54% of total deposits compared to 47% of year 2018. NPL ratio of the bank reduced to 5.37% at the end of year 2019 vis-à-vis 6.16% of year 2018 and capital to risk weighted ratio (CRAR) reached at 12.80% opposed to 12.63% of year 2018. In nutshell the year 2019, IFIC has demonstrated very satisfactory results to its shareholders and other stakeholders.

Comparative analysis and discussion of the important financial ratios of financial position and result of the Bank pointed out below:

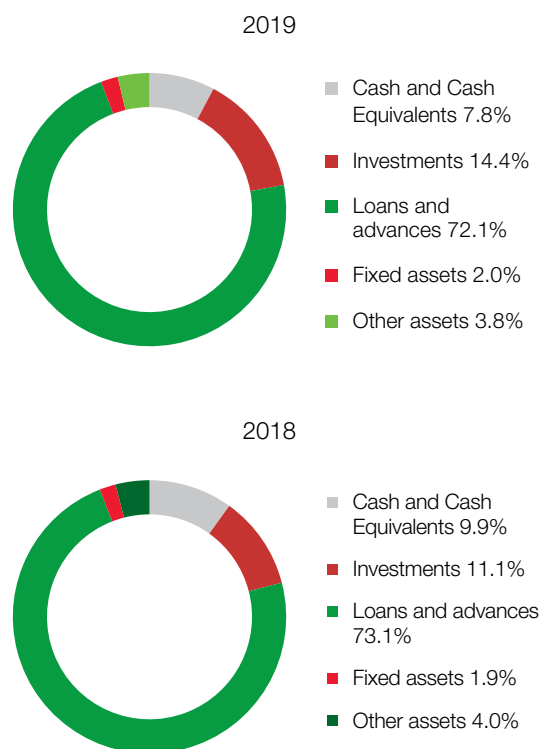
Financial Position of the Bank

With all its strengths and challenges, IFIC has been sailing through the sunshine and clouds and achieved a sustainable financial position over last five years and at the end of year 2019 its balance sheet size including Off-balance sheet exposure reached at BDT 368,046 million with 62.8% cumulative growth from the year 2015 and 7.1% over the year 2018.



Total Assets

Total assets of the Bank comprises Cash and cash equivalent, Loans and advances, Investments, Fixed assets and Other assets. At the end of year 2019 total assets of the Bank has increased by 12.0% vis-à-vis 11.8% of year 2018. Loans and advances contribute major part i.e. 72.1% of total assets. Investments stand the second largest part i.e. 14.4%. Year on Year composition of total assets has been furnished below:



Cash and cash equivalents

IFIC's cash resources held to meet statutory reserves and meet the day to day prudential liquidity which stood at BDT 24,582 million at the end of year 2019, which is also well above the Cash Reserve Ratio

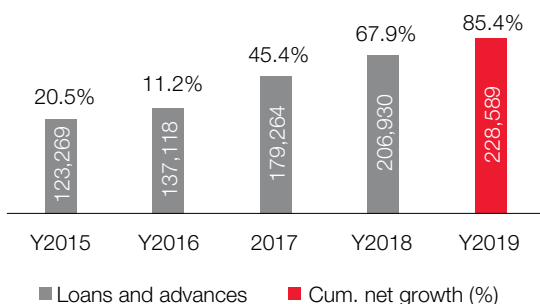
(CRR) prescribed by Bangladesh Bank. IFIC continued to maintain adequate liquidity levels to enable itself to respond effectively to changes in cash flow requirements by an efficient treasury management team.

Investments

91% IFIC's investments comprises Govt. securities including which total investment of the Bank reached at BDT 45,500 million with 45.3% growth compared to last year. The Government securities increased by 51.8% opposed to year 2018 which is in line with the requirement Statutory Liquid Ratio (SLR).

Loans and advances

Loans and advances are the core earning assets of the Bank. The credit portfolio is representing 72.1% of IFIC's assets experienced a growth +10.5% and reached at BDT 228,589 million at end of the year 2019 from BDT 206,930 million of 2018. IFIC always keen to comply its defined process of portfolio diversification and evaluates its total financing in a particular sector for sustainable growth in the balance sheet. A combined and participative monitoring system is in place through which Bank seeks to respond to economic weakness by restricting exposure to weak sectors and increasing exposure to the segments that are growing and sustainable. In line with that the bank focus on increasing the mortgage backed small ticket home loan under retail segment. At the end of year 2019 the Bank recorded total home loan (Aamar Bari) at BDT 32,616 million compared to BDT 29,114 million at the end of year 2018 with posted 12.0% growth over last year. IFIC achieved 85.4% growth on its lending book on cumulative basis during the last five years.

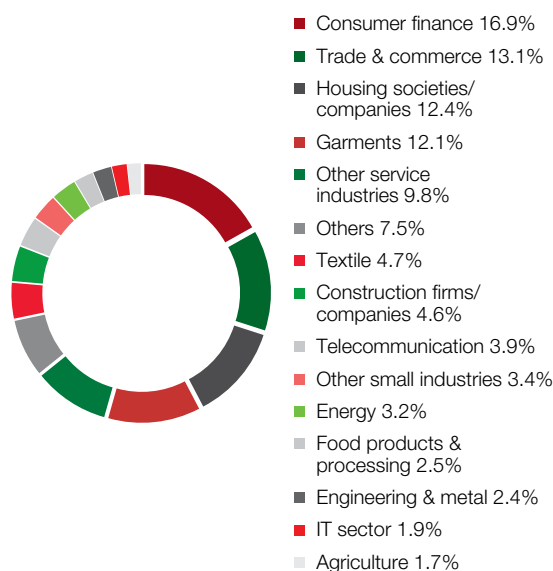


Segment wise composition of the Bank's gross loans and advances at the end of year 2019 is demonstrated below:



Sector-wise loan portfolio

IFIC pays attention to diversified sectors at the time of disbursing loans. During the year 2019, consumer finance made up 16.9% of its total loan portfolio, with the trade & commerce sector making up to 13.1%, housing societies/companies 12.4% and garments sector 12.1% of total loan portfolio.



Quality of portfolio

A comprehensive and prudent process is adopted by the Bank from loan origination, approval through disbursement up to timely recovery, which has helped to maintain the NPL at 5.37% [Y2018: 6.16%] below industry average of 9.32%. Precise diversification of the portfolio and avoidance of over-concentration on any single sector have also helped maintain the quality of the loan portfolio. Bank maintained well coverage against NPL portfolio and at the end of year 2019 Bank made total coverage of BDT 12,667 million against its total loan portfolio in the form of loan loss provision and interest suspense to mitigate future credit risk. It has also been mentioned that total recovery against written-up loan was BDT 602 million in 2019.

Fixed assets

Fixed Assets includes land, building & premises, computer & equipment, furniture and fixtures and right of use of leased assets etc. and it increased by BDT 946 million (+17.4%) in the year 2019 mostly for the inclusion of BDT 990 million as Right of Use Assets due to application of IFRS 16: Lease in the year 2019. Expansion of banking center also played a role to increase the fixed assets like furniture and fixtures.

Other assets

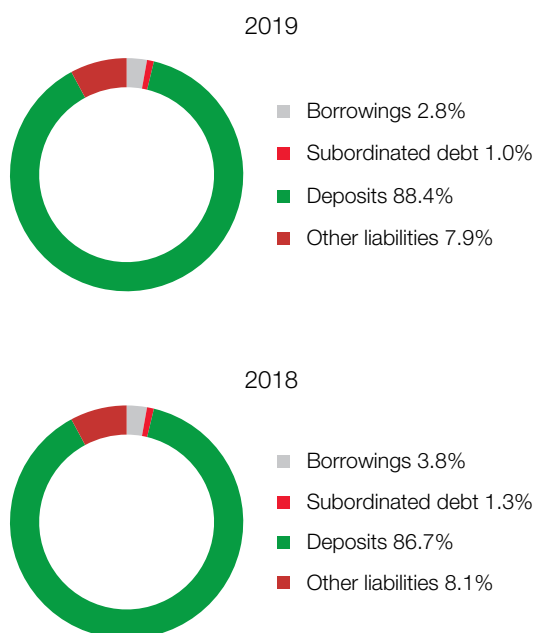
Major part i.e. 53.0% of other assets is advance deposits & prepayment and second most part of other assets is investment in subsidiaries i.e. 19.4%. Other assets also includes deferred tax asset, accrued interest

receivable on investment and loans, advance payment to vendors, legal fees, receivable from Bangladesh Bank for Sanchayapatra & WEDB and non-banking assets. Other assets increased by BDT 571 million in 2019 from the year 2018 mainly for the payment of BDT 1,661 million advance income tax during the year.

Total liabilities

Total liabilities increased by 12.0% year-on-year and reached to BDT 292,353 million in 2019, which is driven by increase of customer deposits of 16.4% to BDT 249,803 million. On the other side non-convertible subordinated bond reduced to BDT 2,800 million due to redemption of 20% from prior year balance.

Comparatives of components of total liabilities are as follows:



Borrowings

Borrowings at the end of year 2019 stood at BDT 8,216 million compared to BDT 9,969 million at 31 December 2018 which is decreased by BDT 1,754 million mainly for repayment of borrowing from Bangladesh Bank under refinancing schemes namely EDF which is decreased by BDT 1,198 million (-16.8%) and borrowings from Nepal Bangladesh Bank Ltd. by BDT 400 million (-19%) which were used for Off-shore Banking unit of the Bank.

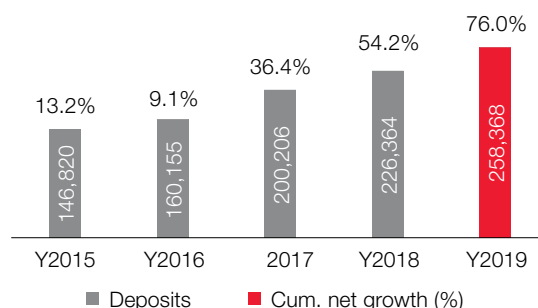
Subordinated Bond

The Bank issued 07 (seven) years Non-Convertible Coupon Bearing Subordinated Bonds amounting to BDT 3,500 million in 2016 based on approval from the regulators which considered as a part of eligible capital as per Basel-III. The issued instrument is un-secured, non-convertible in nature and has been redeemed at 20.0% of its face value each year which was started from May 2019.

Deposits

It is the quantum of deposits placed by the customers in the Bank through Current, Savings, SND, Scheme Deposits, and Term Deposits etc. Deposits growth of the Bank was 14.1% in 2019. Total deposits surged to BDT 258,368 million in the year 2019 from BDT 226,364 million of 2018.

Deposits growth was largely driven by Bank's fixed deposits, amounting to BDT 17,536 million in 2019 and current deposits BDT 16,105 million. The bank offers flexible and customized deposit products with attractive features. IFIC flagship product Amar Account cater the need of customers in all aspect which have helped the bank to maintain optimum deposit growth in 2019. At the end of 2019 total deposit against Amar Account stood at BDT 32,361 million compared to BDT 14,565 million which demonstrated net addition of BDT 17,796 with 122.2% growth over prior year.



Bank achieved 76.0% cumulative deposit growth compared to 2015.

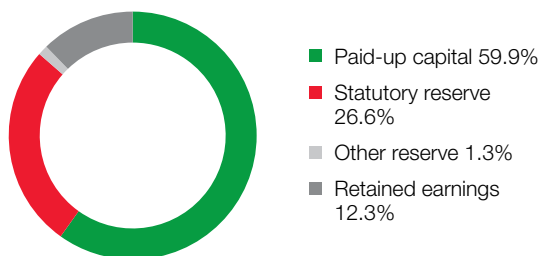
Other liabilities

Other liabilities balance stands at BDT 22,969 million at 31 December 2019 from BDT 21,124 million at 31 December 2018. This comprises provision and interest suspense of BDT 13,746 million (59.8% of other liability) which is created mainly to mitigate the expected credit loss. Other liabilities of the bank increased compared to last year due to increase in provision for unclassified loan (+26.2%) and diminution in value of investments (+24.2%) and provision for taxation (+10.3%).

Shareholders' equity

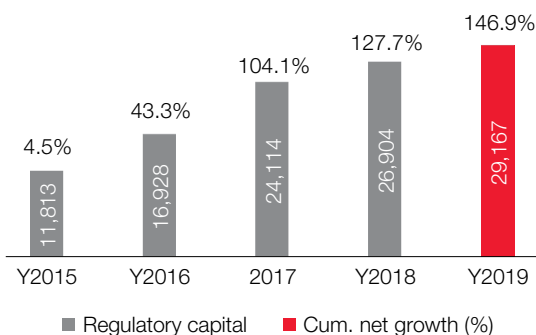
The shareholders equity contain paid up capital, statutory reserve, general reserve and surplus of profit and loss account. Bank is continuing its focus on managing and maintaining its capital at appropriate levels to support the bank's future business strategy and meet regulatory requirements. At the end of year 2019 total shareholders' equity of the Bank reached to BDT 24,597 million compared to BDT 22,116 million of year 2018 representing 11.2% growth over prior year mainly for growth of net profit after tax at 55.6% over prior year of 2018. The aid up capital increased through issuance of stock dividend at 10.0% for the year 2018. On the other side statutory reserve increased by 14.7% due to

transfer 20.0% of profit before tax of the year 2019.



Capital adequacy under Basel-III

IFIC is committed to maintain a strong capital base to support its ongoing business expansion, provide a cushion against unforeseen risks, safeguard shareholder wealth and foster investor confidence. As at 31 December 2019, Bank maintained total regulatory capital of BDT 29,167 million representing 12.80% at the end of year 2019 against the required capital of BDT 28,475 million or 12.50% i.e. total regulatory capital of the Bank is BDT 693 million or 0.30% higher than the required capital. As per Basel III guidelines of Bangladesh Bank, the Bank follows the standardized approach for measurement of market risk and basic indicator approach for measurement of operation risk. The maintained CRAR of the Bank on standalone as well as consolidated basis, is well above the minimum requirement. Details of CRAR are disclosed in note no. 16.7 and 16.7a of audited financial statements. Regulatory capital of last five years is stated below:



Financial Performance of the bank

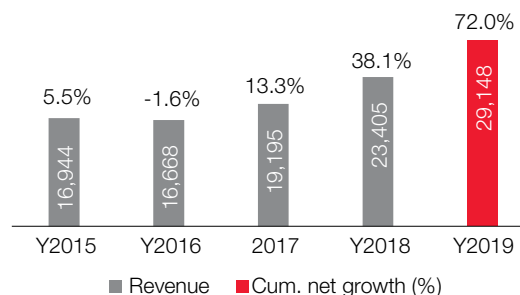
Based on separate financial statements

Despite facing numerous challenges, IFIC has grown sustainably year on year. The financial performance of the bank during the year 2019 and in-depth financial analysis is given below:

Revenue growth

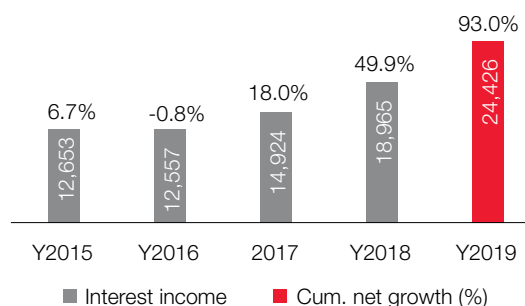
Gross Income comprises interest income and non-interest income of the Bank surged to BDT 29,148 million registering cumulative growth of 72.0% over last five years of its operation. The increase in the income stream was largely attributable to maintain the sound

credit portfolio and fees based income contributed lightly towards positive growth of profit. During the year 2019, IFIC focused on sound portfolio management and recorded optimum level of interest influenced to revenue.



Interest income

Total interest income of the bank has increased to BDT 24,426 million with a cumulative growth of 93.0% in 2019 over the year 2015 and 28.8% vis-à-vis year 2018. Higher level of business volume and return helped the Bank to achieve the growth of interest income in 2019 compared to year 2018. In year 2019, lending book of the Bank increased by 10.5% which led to increase the interest income and this portfolio growth was possible because of excellent customer service, met customer expectations by innovation of different products, customized solutions and the continuous effort of the highly trained workforces in a challenging macro-economic condition.

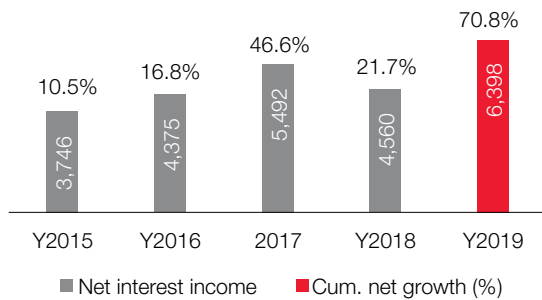


Interest expense

Deposit is the main sources of fund for the bank and during the year 2019 bank incurred total interest expense of BDT 18,028 million representing 25.2% higher of year 2018 due to increase the volume of deposit.

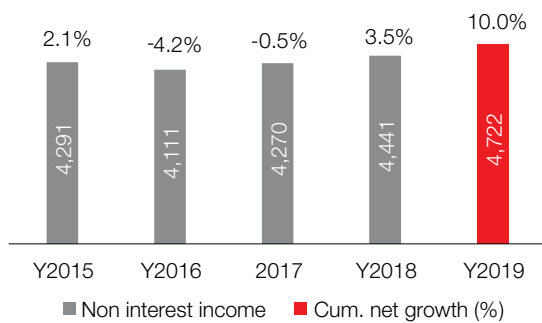
Net interest income – NII

In the year 2019 net interest income of the bank reached at BDT 6,398 million representing increment of 40.3% compared to BDT 4,560 million of year 2018. NII increased compare to the prior year mainly for higher level of interest spread over prior year. Proper product mix and reduction of NPL helped to maintain the healthy spread in the year 2019 vis-à-vis year 2018. NII also grow 70.8% cumulatively from the year 2015.



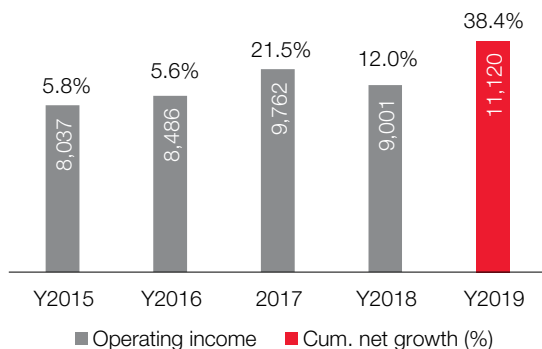
Investment and non-interest income

Non-interest income (i.e. investment income, commission, exchange and other operating income) shows a positive growth of 6.3% compared to year 2018, out of which investment income has increased by 11.4% over last year. The cumulative growth of investment and non-interest income over last 5 years is 10.0% mainly for increment of investment in govt. securities which mostly used for maintaining the SLR. On the other side, the bank also optimization of fees and commission over the years.



Operating income

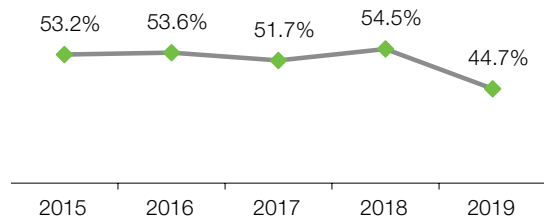
At the end of year 2019 total operational income of the bank reached at BDT 11,120 million (+23.5%) as opposed to BDT 9,001 million than last year. The higher level of Net Interest Income as explained in the preceding paragraphs positively impacted the operating revenue during the year 2019. The cumulative growth of Bank's operating income is 38.4% from the year 2015.



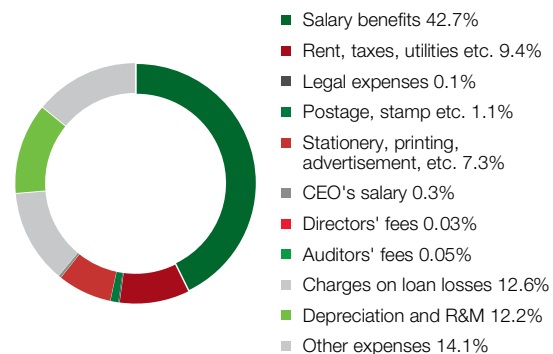
Operating expenses

In the expenses side, during the year 2019, the Bank incurred total operating expenses of BDT 5,999 million as opposed to BDT 5,106 million of year 2018 denoted 17.5% higher than prior year. Operating expenses is increased by BDT 893 million vis-à-vis Y2018 mainly for inclusion of "charges on loan loss" of BDT 758 million against the written off portfolio. Exclusion of BDT 758 million of 'charges on loan loss' from operating expenses, the actual general & administrative expenses of the bank stood at BDT 5,241 million vis-à-vis BDT 4,996 million of year 2018 representing only 4.9% growth compared to year 2018. After exclusion of charges on loan loss from total operating expenses, the cost income ratio of the bank come down to 44.7% at the end of year 2019 from 54.5% of last year.

Cost to Income Ratio (without Charges on loan loss)



As per Bangladesh Bank guideline operating expense of Y2019 comprises as follows:

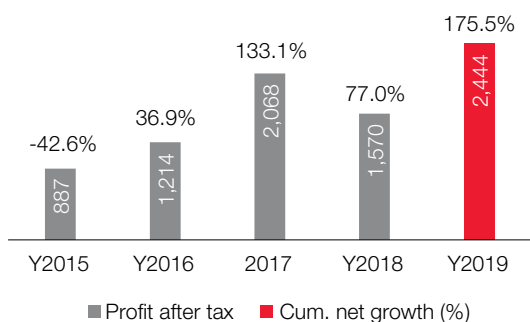


Further to the above indicators, cumulatively IFIC incurred 36.6% progressive expenses over its five years whereas achieved 38.4% growth on its operating income size in the same time horizon.

Profitability

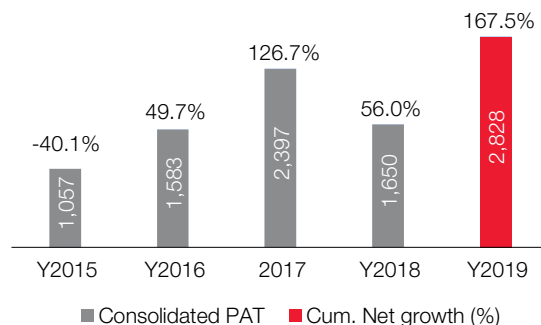
During the year 2019 operating profit of the bank stood to BDT 5,120 million as compared to BDT 3,895 million achieved during the year 2018. In 2019, Bank able to keep the NPL ratio to 5.37% from 6.16% from prior year. To maintain better cushion against its assets, Bank provided BDT 943 million provision in the year 2019 against BDT 1,035 million of 2018. As a result, profit

before tax (PBT) of the Bank reached at BDT 4,177 million (+46.1%) compared to BDT 2,859 million posted in year 2018 and on the other side after charging tax in line with the income tax ordinance 1984 and IAS 12: Deferred taxes, net profit after tax (PAT) of the Bank stood at BDT 2,444 million (+55.6%) vis-à-vis BDT 1,570 of year 2018 denoted 175.5% growth of PAT on cumulative basis over the last five years.



Profitability based on consolidated financial statements

The consolidated profit after tax including the results of operations of the Bank's subsidiaries and associates reached to BDT 2,828 million in the year 2019 from BDT 1,650 million in the year 2018. In 2019 profit after tax of IFIC Securities Ltd decreased to BDT 22.7 million in the year 2019 from BDT 54.7 million in the year 2018 and IFIC Money Transfer (UK) Limited earned net profit of BDT 4.7 million in the year 2019 against the loss of BDT 2.6 million in the year 2018. On the other hand share of profit of associates Nepal Bangladesh Bank Ltd and Oman Exchange LLC under equity method of accounting as per IFRS and instruction of Bangladesh Bank stood at BDT 530 million and BDT 24 million respectively in the year 2019 from BDT 400 million and BDT 0.4 million respectively of year 2018.



EPS, NOCFPS and NAV/share

Higher level of interest spread over prior year, incremental investment income, remarkable recovery income from write-off accounts and finally attributed net profit of year 2019 affect EPS of the bank at BDT 1.66 compared to EPS of BDT 1.07 of the year 2018 and mainly for associates' profit contribution, consolidated EPS mounted to BDT 1.92 compared to BDT 1.12 of year 2018. Similar reasons of profit growth and higher growth of liquidity over prior year increased the Net Operating Cash Flow per Share of the Bank (NOCFPS) and it is BDT 9.42 [2018: BDT 1.54] and consolidated NOCFPS is BDT 9.43 [2018: BDT 1.55]. In the year 2018 the Bank distributed stock dividend of 10% for the year 2018 and transferred 20% of profit before tax to statutory reserve, which contributed the growth of NAV/share of the bank at the end of year 2019 at BDT 16.70 [2018: BDT 15.02] and consolidated NAV/share was BDT 18.02 [2018: 16.08].

Return on Assets (RoA) and Equity (RoE)

Due to higher level of net profit after tax in the year 2019 the Bank's return on assets stood at 0.81% at the end of year 2019 from 0.59% of year 2018 and return on equity of the bank stood at 10.46% which was 7.36% at the end of year 2018. Consolidate basis RoA and RoE are 0.93% and 11.26%; respectively in the year 2019 compared to 0.61% and 7.21% of prior year 2018.

Value Added Statement

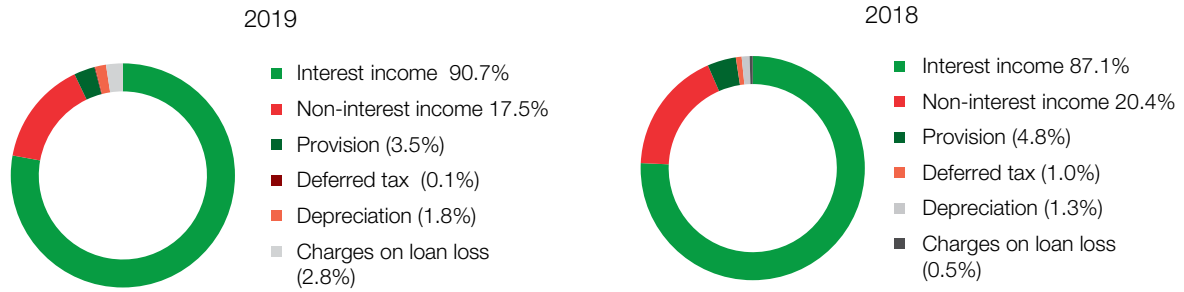
The Value Added Statement is the financial statement that shows the total value created by the Bank and how it was distributed to meet certain obligations and the portion retained for the continued operation and expansion of its business.

The following value added statement shows the total worth created by the Bank for the year ended 31 December 2019 and how it distributed for the socio economic development.

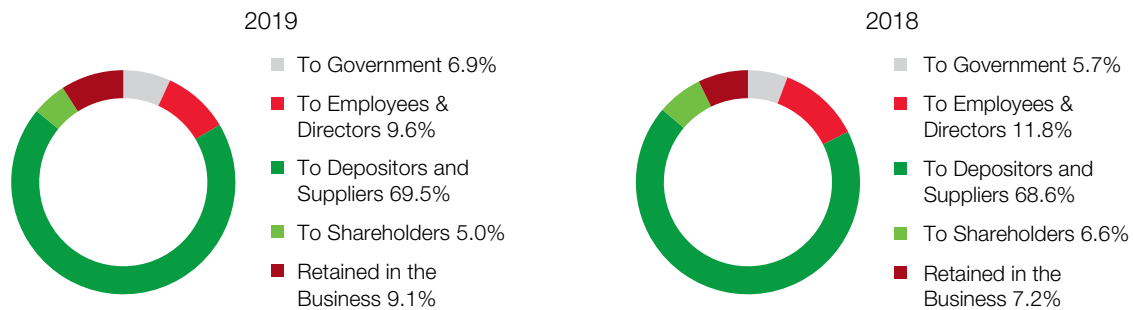
BDT in million

Particulars	2019		2018	
	Amount	%	Amount	%
Interest income	24,426	90.7%	18,965	87.1%
Non-interest income	4,722	17.5%	4,441	20.4%
+/(-) Provision	(943)	-3.5%	(1,035)	-4.8%
+/(-) Def. tax income/(expense)	(34)	-0.1%	(209)	-1.0%
+/(-) Depreciation	(491)	-1.8%	(287)	-1.3%
+/(-) Charges on loan losses	(758)	-2.8%	(110)	-0.5%
Total Value Added by the Bank	26,922	100%	21,764	100%
Distribution of value addition				
Government	1,844	6.9%	1,249	5.7%
Corporate tax	1,661		1,057	
Value Added Tax (VAT) etc.	184		192	
Employees & Directors	2,581	9.6%	2,576	11.8%
Salaries and benefits	2,579		2,574	
Director's remuneration	1.6		1.7	
Depositors and suppliers	18,714	69.5%	14,935	68.6%
Depositors as interest	18,028		14,405	
Supplier and other vendors	686		530	
Providers of capital	1,339	5.0%	1,434	6.6%
Dividend	1,339		1,434	
Expansion and growth	2,444	9.1%	1,570	7.2%
Statutory Reserve	835		572	
Retained earnings	1,608		998	
Total distribution by the Bank	26,922	100%	21,764	100%

Value Added by the Bank



Value distributed by the Bank



Effective Tax Rate Reconciliation

[Paragraph 81C of IAS 12: *Income Taxes*]

The Bank applied effective tax rate 41.5% during the year 2019 compared to 45.1% of the year 2018 upon considering add backs of income, non-deductible expenses

as per tax laws in force, adjustment of tax savings arising due to reduced tax rates on dividend and capital gains and effect of deferred tax; whereas applicable

tax rate for banks is 37.5% as per Income Tax Ordinance 1984. The relationship between tax expense and accounting profit has been stated below:

Particulars	2019		2018	
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		4,177		2,859
Income tax as per applicable tax rate	37.5%	1,567	37.5%	1,072
Factors affecting the tax charge for current year:				
Non-deductible expense/ (Tax Savings)	4.0%	169	5.5%	157
Tax savings from reduced tax rate: Dividend/Capital gains	(0.9%)	(37)	(2.5%)	(71)
Adjustment made in current year	0.0%	1	-2.7%	(78)
Effect of deferred tax	0.8%	34	7.3%	209
Total income tax expenses	41.5%	1,734	45.1%	1,289

Human Capital

IFIC Bank always considers “human resources” as the most important factor that can add distinguishable value for survival in this competitive world. Therefore, the Bank puts high magnitude on development of human resource to add advantageous edge to drive the organization towards its goal. HRM Division takes leadership in fostering a positive work environment that places high value on professional relationships based on fair, competitive and merit based quality. The Bank recognizes individual contributions and does the best to turn them into resources.

IFIC Bank HRM Division is committed to ensure a resource pool by recruiting potential talents, developing and retaining them as high performer. The Bank develops diverse work force by implementing progressive human resource management policies and strategies through organizational and employee development, compensation & benefits, HRIS and regulatory compliance.

With rapid technological changes around the world, automation has been crucial area of development for any organization specially service oriented firms like Banks. Accordingly, IFIC Bank HRM Division has adapted to wide ranging HR software, which operates the central storage of HR data with a number of extensive workflows, notifications, process automation and analytical reports. It establishes a shared environment for HR specialists, managers and employees in order to provide the effective management and compliance.

IFIC Bank continuously works on restructuring its organogram based on volume of business, change of technology, automation of process, business complexity and functionality; and places its employee at the right place through appropriate process. Continuous learning initiatives help the Bank to overcome employee

skill deficiencies. All the effort in combination ultimately assists in maximizing the outcome in the bottom line.

Human Resource Planning

As IFIC Bank believes that employees are the most valuable asset, as their professionalism and proficiency, along with their diverse backgrounds and experience contributes significantly to it's success. The Bank seeks the most competent and cultured candidates and never discriminate with regard to their race, language, religious beliefs, gender or age. Only the relevant skills and competencies of employees' are considered the attributes which create sustainable values.

The primary goal of human resource management is to ensure that the right people will be in the right position at the right time by virtue of the individual quality. IFIC Bank has already fixed the job-wise organogram and HRM Division determined the HR requirements with support of other departments and evaluation of jobs. Round the year, the Banks circulates Internal Job Posting Circular (IJPC) openly to all employees to fill up the vacant functional positions at Branches and Divisions, Head Office which ultimately assist in talent acquisition, talent development and succession planning. Therefore, the best employees are selected for the appropriate functional positions at Branches and Divisions, Head Office through a transparent and merit based placement process.

Internal Job Posting Circular enables the Bank to create more career opportunities for employees and enhances upward mobility in organization. The Bank focuses to recruit dynamic potential people through multistep merit-based recruitment and selection process so that they can be turned into resources in entry level.

IFIC Bank always focuses to uplift its home grown employees and do not recruit from outside

organizations if not critically required. It gives more focus on recruiting the fresher in Management Trainee and Transaction Service Officer.

Training & Development

At IFIC Bank, we believe that our employees must be equipped with all necessary skills to meet the ever-changing demands of this fast-faced, competitive industry. Therefore, we aim to create a culture of continuous development to enable them to grow and succeed throughout their careers. The investment in training gives the employee a greater understanding of their responsibilities within their role and also an opportunity to expand their knowledge base. The training and development plans of IFIC are designed towards an inclusive training plan which ensures skill gap minimization and leadership development.

Besides the in house and customized training programs, employees of our Bbank are sent to the training programs arranged by BBTA, BAB Research & Training Centre, BIM and other reputed local training institutes. Management Trainee Development Program and Induction Program for new joiners are regularly conducted. Both on the job and off the job training programs, Head Office Orientation followed by case presentation and written and practical examinations have been conducted to make the training session more effective.

In 2019, a good number of participants (47) have attended different foreign training and conference on Leadership Development, Strategic Management, Credit, Trade Processing, IT etc. in Singapore, India, Malaysia, Thailand & UAE.

We have more focus on control & compliance issues and ensured training on Money Laundering Prevention Act-2012 & Amendment Act-2015, Anti-Terrorism Act-2009 & Amendment Act-2013, Integrated

Supervision System (ISS), Corresponding Banking Financial Crime Compliance Academy, Land & Loan Documentation etc covering all branches and Head Office. Also program on gender equality, health awareness program has been

arranged in the year 2019.

Besides these, some general programs were also conducted on Soft Skills Development of relevant desk officials of IT, HR and Finance and Accounts.

Also focusing on the need of negotiations in sales and marketing, IFIC Bank has arranged a separate training program on Sales and Negotiation for the employees involved in relationship management.

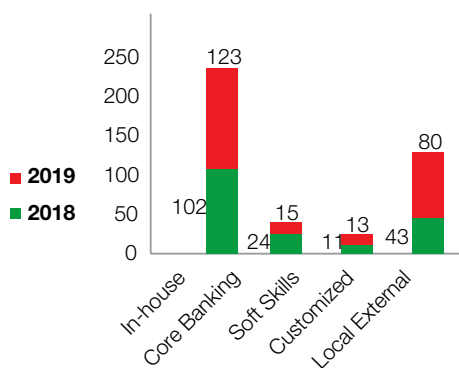


Figure 1: Training

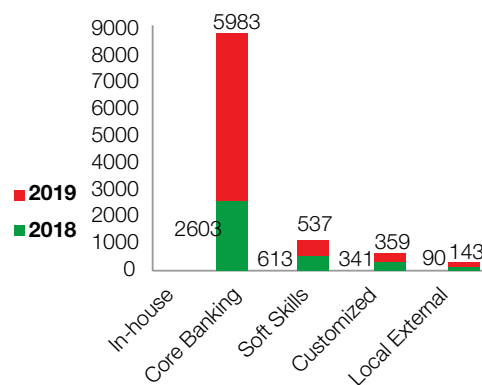


Figure 2 : Participants

To create an organizational culture of employee engagement, HRM Division organizes workshop on 'Leading Teams' in collaboration with Malaysian Institute of Management (MIM).

Also, to enhance the Team Building & Leadership knowledge, skills & abilities necessary to

become a future leader and raise competencies in managing organizational challenges, HRM Division with collaboration with Dream Dare Do organizes training on "Team Building & Leadership"

To acquaint the Officials with the inter-dynamics of relationship based marketing, insights on

how to maximize relationship marketing opportunities and business outcomes & help them to develop their Banking Skills; HRM Division in collaboration with Malaysian Institute of Management (MIM) organizes Training Program "Relationship Based Marketing"



Team Building & Leadership, BRAC CDM



Relationship Based Marketing, MIM

Employee Compensation & Benefits

Formulation of "Compensation & Benefits Strategy" in IFIC Bank is very much challenging ensuring HR Budget under control through

efficient utilization of resources and maintaining the jobs within competitive pay packages. Management of IFIC Bank believes that attractive Salary & Benefits package brings competitive

advantage in the industries both for the organization and the employees. In line with the Management's mission & vision, Human Resource Management Division always conducts both formal & informal

benefits survey in the industry to make the same competitive.

Competitive Pay Package

Pay package is one of the most effective tools that really attract the potential employees keeping into account of the macro economic factors like cost of living expenditures, industry practices, Bank capability etc. The bank's overall competitive strategy ensures the nominal salary adjustment by cost of living adjustment which in fact ensures purchasing capacity of the employee while Pay for Performance strategy highly encourages to boost individual employee performance. Modern and effective performance appraisal system based on the theory of Management by Objectives (MBO) triggers the performance of the employees. Balanced Scorecard model has been followed in designing individual employees Key Performance Indicators (KPI) which reflect the overall business performance of IFIC Bank.

Other Benefits of the Employee

To keep the employee motivation level high, IFIC Bank provides numerous benefits which includes Staff House Building Loan, Car Purchase Finance Scheme, Salary Overdraft & Staff Salary Loan. As a part of long term service benefits, Provident Fund, Gratuity Fund, Earned Leave Encashment are provided as per compensation & benefits policy. These facilities are designed in such a way so that employees will have a handsome amount of benefits while leaving the bank to enjoy a decent life with family.

Process Management for Compensation & Benefits

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

Employee Engagement Programs and Awards

The Bank believes the employee as part of "IFIC Family" who are bind together to grow together to achieve mutual goals. Employee engagement activities are aimed at enhancing the employee commitment and sense of belongingness towards the Bank. IFIC Bank regularly arranges welcoming program for new born children of its employees, awards meritorious children, celebrates Pohela Boishakh, Hemonto Sondhya and Pitha Utshob; arranges Art Festival for the kids that help to build a collaborative environment and promote teamwork and fellowship.

Health and Work-Life Balance

IFIC Bank believes that healthy employees will remain sustainably engaged and productive. To ensure health and well-being of our people, IFIC Bank has equipped its Branches and Head Office with modern safety measures. The Bank

periodically arranges well-being programmes for its employees with the assistance of external experts. It has already started providing emergency medical services in Head Office. It provides medical insurance facilities to the employee as well as their family members. Likewise, the Bank provides Earned Leave, Maternity Leave and Mandatory Annual Leave to the employee to maintain healthy work family life. The employee, specially the female employee are always encouraged to leave office after completing their assigned tasks on time.

Grievance Management

As part of complying Code of Conduct, IFIC Bank is committed to equal opportunity, unbiased treatment favouring all individuals based on job related qualifications rather than any other basis or status. The Bank's policy is to provide a work environment that is free from intimidation or harassment. Such harassment by co-workers, supervisors or outsiders is strictly prohibited.

The Bank treats every individual in the same way in similar circumstances and deals with grievance issues fairly and reasonably. The Bank has specific guidelines to redress of grievance and resentment of employees. The Bank encourages the employee to be aware of what's expected of them in terms of standards and the likely consequences of continued failure to establish transparency in workplace.

Branding and Promotional Activities

To make customers more familiar with the products & services and to create a sustainable brand image, IFIC Bank has undertaken various branding and promotional activities in the year 2019. Some of which activities are as follows :

- ▶ IFIC celebrated its 43rd Anniversary by organizing a series of activities engaging its customers and different stakeholders at Head Office, Branches and Uposhakhas.
- ▶ To promote the benchmark products, namely **IFIC Aamar Account, IFIC Shohoj Account, IFIC Aamar Bari**, numerous campaigns were conducted across various mainstream medias.
- ▶ A good number of customers joined the **Digital Banking Channel – IFIC Aamar Bank** after its widespread promotional activities.
- ▶ IFIC organized Pitha Utshab at its Gulshan Branch premises that was attended by customers, eminent personalities and senior management personnel of the Bank.
- ▶ To increase Bank's brand visibility, many popular events and programs of different mainstream Television channels were sponsored.
- ▶ Advertisements of Bank's flagship products were published in different magazines and souvenirs throughout the year.
- ▶ The Bank also sponsored various social and cultural events organized by different clubs, organizations, associations, theaters, universities, etc. Some of which are 44th Founding Anniversary of Bangladesh Police, 15th Anniversary of RAB, awarding to meritorious children of Special Branch of Police, 'Shotokonthe Agiye Jabar Gaan' by Sheikh Mujib Research Center, UK and 'Gourabmoy Bijoy-2019' by Dhaka Metropolitan Police.

▶
 IFIC sponsored programs on 'Ekushay Boi Mela Sorasori', 'Bijoy Mela', 'Rangtulite Muktijudhdho' in Channel i



◀
 IFIC sponsored programs on 'IFIC Bank Ei Banglaye', 'Projapoti Eid Anando', 'Shadharoner Oshadharon' in ATN News.



IFIC sponsored programs on 'IFIC Bank Ei Banglaye', 'Projapoti Eid Anando', 'Shadharoner Oshadharon' in ATN News.



সাধারণ মানুষের অসাধারণ একাউন্ট

আইএফআইসি **শহজ** একাউন্ট হিসাব খুলি, এগিয়ে চলি

- ✓ মাত্র ১০ টাকায় একাউন্ট খোলা যায়
- ✓ কাগজপত্রের ঝামেলা নেই বললেই চলে
- ✓ আকর্ষণীয় সুদের হার
- ✓ একই হিসাবে টাকা জমানো ও ঋণ সুবিধা

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 IFICBankLimited www.ificbank.com.bd



IFIC Shohoj Account.



আমার হাতেই ব্যাংকিং এখন ২৪ ঘণ্টা যখন-তখন

IFIC আমার ব্যাংক

ডিজিটাল ব্যাংকিং সেবা আছে পৃথিবীর সবখানে মোবাইল অ্যাপ আর ওয়েব ভার্সনে

- কম্পিউটার, ট্যাব, স্মার্ট ফোন, স্মার্ট ওয়াচ-এর মাধ্যমে ব্যবহার করা যায়
- সময় ও অর্থ সাশ্রয়ী ডায়েলিক ব্যাংকিং সেবা • ব্যাংকে না এসেই একাউন্ট পরিচালনা
- কিনা খরচে দেশে নিজের একাউন্ট/কার্ড থেকে যেকোনো ব্যাংকের একাউন্ট/কার্ডে টাকা পাঠানো • হাফে টাকা পাঠাচ্ছেন তার ছবি অ্যাড করা
- বিভিন্ন ধরনের বরত ক্যাটাপরি অনুসারে সাহায্য • মাসওয়ারি ১২ মাসের স্টেটমেন্ট গ্রাফি-সহ বিবিধ সুবিধা পাওয়া যায়।

সরাসরি লগ-ইন
<https://digitalbanking.ificbankbd.com>

IFICBankLimited
 ☎ ১৬২৫৫ ☎ ৯৬৬৬৭ ১৬২৫৫



IFIC Aamar Bank (Digital Banking Channel)



**MEDIA
HIGHLIGHTS**



Vice-Chairman of the Board of Directors of IFIC Bank Limited Ahmed Shayan Fazlur Rahman presiding over the 42nd annual general meeting at the Officers' Club in the city on Thursday. Directors and Managing Director & CEO M Shah A Sarwar were also present

IFIC Bank approves 10pc div

IFIC Bank Limited held its extraordinary general meeting (EGM) and the 42nd annual general meeting (AGM) at the Officers' Club in the city on Thursday. Presided over by Vice-

Chairman of the Board of Directors of the bank Ahmed Shayan Fazlur Rahman, the meeting was attended by directors of the bank Rabeya Jannat, Jalal Ahmed, ARM Nurmesfakh and Quamran Nader Ahmed, Managing Director & CEO M Shah A Sarwar and Company Secretary Md Miskamul Haque, said a statement. In presence of a good number of shareholders of

the bank, the AGM approved the audited financial statements for the year ended on December 31, 2018 and 10 per cent stock dividend while the EGM approved the rights shares at 1R:1. Ahmed Shayan Fazlur Rahman concluded both the meetings by expressing the hope that the organization will continue to grow with sincere efforts of all concerned.



IFIC Bank Chairman Solman F Rahman cuts a cake to celebrate the 43rd founding anniversary of the bank at IFIC Bank Tower at Purana Paltan in the capital on Wednesday.



Union executive Md Hanayun Kabir receives a grant and cheque for Tk 2 lakh from chief guest dignitary Ministry North Bangladesh of the IFIC Bank-Banquet Dinner Award 2018 for State's contribution to the country's economy in terms of fostering large scale manufacturing industry and generating employment at General Hall of Bangladesh Education Trust, Dhaka on Saturday. Photo courtesy: public relations and internet adviser Solman F Rahman, Federation of Bangladesh Chambers of Commerce and Industry president Dhaka Fazlur Rahman, National adviser Md Miskamul Haque, IFIC Bank managing director and chief executive officer Shah A Sarwar and Union deputy executive director Md Fiqir Karim were present, among others, at the inauguration. —New Age photo



Feritossi Begum, head of retail banking of IFIC Bank Ltd, and Mark Nopceority, CEO of iProperty.com Ltd, exchange documents after signing an MoU in the capital yesterday. Under the agreement, the customers of iProperty.com can avail IFIC Aamar Ben-Home loan product at an exclusive interest rate and processing fees along with other attractive features. PHOTO COURTESY



IFIC Bank Limited holds its extra-ordinary general meeting at Officers' Club in Dhaka yesterday. Sayan Fazlur Rajman, vice-chairman of IFIC Bank, presided over the meeting attended by senior officials of the bank

জন্মকণ্ঠ
আইএফআইসির
রাইট শেয়ারে
বিনিয়োগকারীদের
সম্মতি

অর্থনৈতিক রিপোর্টার। শেয়ারবাজারে তালিকাভুক্ত করা হতে আইএফআইসির ব্যাংকের অনুমোদিত মুদ্রণ লক্ষ্যে রাইট শেয়ার ছাড়ার সিদ্ধান্তে সম্মতি দিয়েছেন শেয়ারমোহররা।

বৃহস্পতিবার ঢাকা অফিসার্স ক্লাবে ব্যাংকটির বিশেষ সাধারণ সভায় (ইউজিএম) এই সিদ্ধান্ত অনুমোদিত হয়। ব্যাংকের অনুমোদিত মুদ্রণ ২ হাজার কোটি টাকা থেকে ৪ হাজার কোটি টাকায় উন্নীত করতে লক্ষ্যে ২টি সাধারণ শেয়ারের বিপরীতে ১টি রাইট শেয়ার ছাড়ার প্রস্তাব করেন ব্যাংকের ব্যবস্থাপনা পরিচালক শাহ আলম সারওয়ার। পরে তা শেয়ারমোহরদের সম্মতিতে অনুমোদিত হয়।

শাহ আলম সারওয়ার বলেন, বর্তমানসময় উন্নয়ন এবং প্রস্তুতিপূর্ণ উন্নয়ন এই ২ ধরনের লক্ষ নিয়ে আইএফআইসি ব্যাংকে এখন মূল্যে সাহসে এডবেজ। এগুলো কোম্পানির ঘূর্ণায়মান পাশাপাশি অবশেষে আস্থা নিশ্চিতকরণেও উল্লেখযোগ্য ভূমিকা রাখবে।

আইএফআইসি ব্যাংকের সাইবার সিকিউরিটি প্রোটোকল খুব উন্নত মানিয়ে ব্যাংকের ব্যবস্থাপনা পরিচালক বলেন, আওয়ালের ব্যাংকের কন্ট্রোল সিস্টেম উন্নত করার কারণে এখানে সাইবার হ্যাкиংয়ের সঙ্কল্পনা নেই। সব মিলিয়ে আওয়ালে একটি ব্যাংকে আস্থা প্রতিষ্ঠা করতে সেরেছি এবং আরও উন্নতিকরণের প্রচেষ্টা চলছে।

সভায় ব্যাংকের চেয়ারম্যান মদন আলম এক প্রমুদন উপস্থিত না থাকায় সম্মতিপত্র কয়েক আইসি চেয়ারম্যান আহমেদ শাহীয়েস ফকরুর প্রহসনে। এছাড়া আরও উপস্থিত ছিলেন স্বাক্ষর পরিচালক হাতেমজাহান আলম এবং রাইট শেয়ার আবেদন, পরিচালক আলম আহমেদ ও কমন্সলটার আহমেদ প্রমুদ।

The Financial Express



Vice Chairman of the Board of Directors of IFIC Bank Ahmed Shayaz Fazzur Rahman (centre) presiding over the extraordinary general meeting of the bank at the Officers' Club in the city on Thursday. On his left is Managing Director & CEO of the bank M Shah A Sarwar

স্বাগত



আইএফআইসি ব্যাংক অফিসার্স ক্লাবে অনুষ্ঠিত সাধারণ সভা

আইএফআইসি স্বাক্ষর
আইএফআইসি
আনুষ্ঠানিক উদ্বোধন

আইএফআইসি ব্যাংকের সাইবার সিকিউরিটি প্রোটোকল খুব উন্নত মানিয়ে ব্যাংকের ব্যবস্থাপনা পরিচালক বলেন, আওয়ালের ব্যাংকের কন্ট্রোল সিস্টেম উন্নত করার কারণে এখানে সাইবার হ্যাкиংয়ের সঙ্কল্পনা নেই। সব মিলিয়ে আওয়ালে একটি ব্যাংকে আস্থা প্রতিষ্ঠা করতে সেরেছি এবং আরও উন্নতিকরণের প্রচেষ্টা চলছে।

Dhaka Tribune

Petrobangla pens deal with IFIC Bank for terminal fee

IBSS

Bangladesh Oil, Gas and Mineral Resources Corporation (Petrobangla) on Wednesday signed a Memorandum of Understanding (MoU) with IFIC Bank Ltd for realising terminal fees of Summit LNG Terminal Company (Pvt) Ltd.

Secretary of Petrobangla Syed Ashfaquzzaman and Deputy Managing Director of IFIC Bank Shah Mohammad Moimuddin signed the MoU at Petrobangla's board room on behalf of their respective sides, said a press release.

Chairman of Petrobangla Md Ruhul Amin, Director (administration) Md Mostafa Kamal, Director (Finance) Harun-Ov-Rashid and Managing Director and Chief Executive Officer of IFIC Bank Ltd Shah A Sarwar and officials from both sides were present at the signing ceremony. *

বনিবং বাছা

আইএফআইসি ব্যাংকের মানি
লন্ডনিং-বিবরণ কর্মশালা

আইএফআইসি ব্যাংক লন্ডনে একটি কর্মশালা অনুষ্ঠিত করেছে। এই কর্মশালায় আইএফআইসি ব্যাংকের প্রধান নির্বাহী কর্মকর্তারা এবং লন্ডনের আইএফআইসি ব্যাংকের কর্মকর্তারা অংশগ্রহণ করেছেন।



theindependent



Shah A Sarwar, managing director and CEO of IFIC Bank, receives Straight Through Processing (STP) Award of New York-based JP Morgan Chase Bank, from Christine Tan, managing director for head of Asia Pacific of JP Morgan Chase Bank in the capital recently. The bank received the elite quality recognition award for its outstanding achievement with 99.41 per cent rate in MT 103 STP.

কালের কণ্ঠ



আইএফআইসি ব্যাংক : উদ্বোধনী প্রোগ্রামের প্রসারিত পক্ষে আইএফআইসি ব্যাংক প্রস্তুত পক্ষ প্রকাশিত করা হয়েছে।



Petrobangla Secretary Syed Ashfaquzzaman (L) and Deputy Managing Director of IFIC Bank Shah Md. Moinuddin (R) exchanging documents after signing a memorandum of understanding (MoU) on making payment of bill for LNG terminal fee in foreign currency at Petrobangla's board room in the capital on Wednesday. Petrobangla Chairman Md. Ruhul Amin, IFIC Bank MD and CEO M. Shah A Sarwar and senior executives were present

Petrobangla, IFIC Bank ink MoU to pay LNG terminal fee

FE Report

State-run Petrobangla on Wednesday signed a memorandum of understanding (MoU) with IFIC Bank Ltd. to facilitate payment of terminal fee to Summit LNG Terminal Co Ltd.

Petrobangla will make payment to Summit against the use of latter's LNG (liquefied natural gas) terminal through the

IFIC Bank under this agreement.

Summit's LNG terminal started supplying re-gasified LNG (R-LNG) to the country's national grid since April last.

Currently two LNG terminals, including the first one owned by US based Exxcelerate Energy, are in operation at Maheshkhali island in the Bay of Bengal. The terminals are now supplying around 567 million cubic feet per day (mcfcd) of LNG in total against their capacity to roughly around 1,000 mcfcd, according to Petrobangla data as on Tuesday.

This R-LNG supply is around 15.1 per cent of the country's overall natural gas output of 3,200 mcfcd.

Petrobangla secretary Syed Ashfaquzzaman and IFIC Bank's deputy managing director Shah Moinuddin signed the MoU at a function at petrocentre where petrobangla chairman Md Ruhul Amin and IFIC Bank's managing director and CEO Shah A Sarwar were also present, among other top officials of both the two companies.

Bangladesh is currently importing lean LNG from RasGas of Qatar and Oron Trading International (OTI) of Oman under term deals for re-gasification in both these terminals, which are FSRLs (floating, storage and re-gasification units).

Act/jar@yahoo.com

IFIC Bank approves revised rights shares offer

IFIC Bank Limited held its extra-ordinary general meeting (EGM) at the Officers' Club in the city on Thursday. In presence of a good number of shareholders of the bank, the EGM approved the revised rights shares offer at 1R:4 (one rights share for existing four shares) at Tk 10 per share. Presided over by Vice Chairman of the Board of Directors of the bank Ahmed Shayan Fazlur Rahman, the meeting was attended, among others, by Directors Rabeya Jamali, Jalal Ahmed, ARM Nazmus Sakib and Quamrun Naher Ahmed, and Managing Director & CEO M Shah A Sarwar and Company Secretary Md Mokammel Hoque.

— Statement

daily sun

IFIC Bank signs deal with Western Union Services

Business Desk

IFIC Bank Limited, a leading financial bank of the country has entered into an agreement with the renowned US-based remittance company Western Union for facilitation of remittance service to the beneficiaries in Bangladesh.

Shah A Sarwar, Managing Director and CEO of IFIC Bank Limited and SS Ramasathan, Senior Country Manager, Western Union, signed the agreement on behalf of their respective sides at IFIC Tower in the capital recently, held a press conference.

Deputy managing directors and high officials from the bank and were present at the signing ceremony.



IFIC Bank managing director and CEO Shah A Sarwar is seen with the bank's employees and their children at its New Age celebration event at IFIC Bank's Corporate registered by the bank in Dhaka recently. The event marked the start of the new year of IFIC Bank of the bank. —New Age photo



IFIC Bank employees and their children participated in a cultural play for New Age celebration at IFIC Bank's Corporate registered by the bank in Dhaka recently. The event marked the start of the new year of IFIC Bank of the bank. —New Age photo

The Daily Star

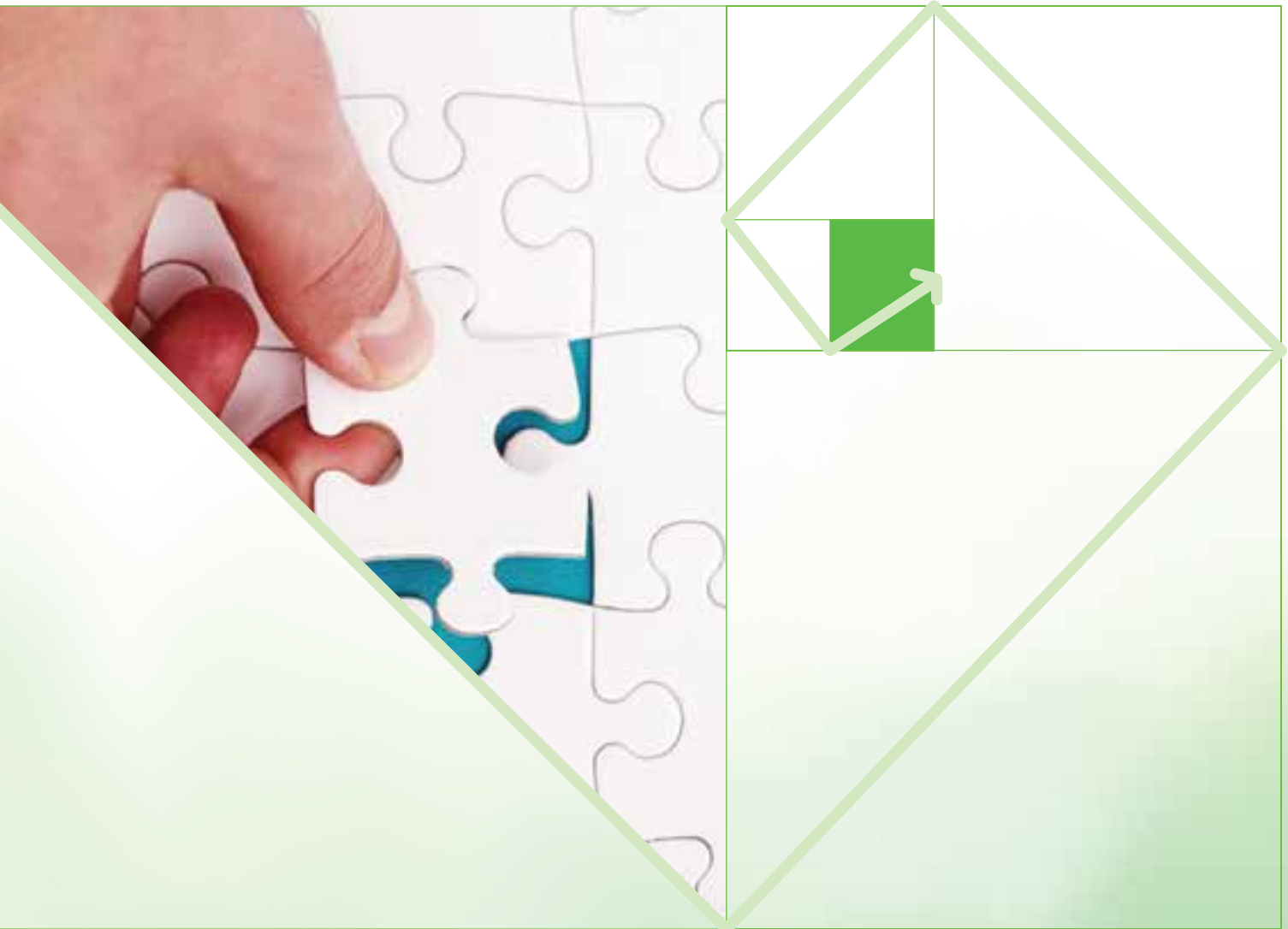


Shah A Sarwar, CEO of IFIC Bank, and SS Ramasathan, senior country manager at Western Union for South Asia, exchange signed documents of an agreement at IFIC Tower in Dhaka recently. Remittance sent through Western Union from over 200 countries can now be collected at the bank's branches.



IFIC Bank Managing Director and CEO Shah A Sarwar and Western Union (South Asia) Senior Country Manager SS Ramasathan exchange documents after signing an agreement on foreign remittance at IFIC Tower in the capital recently.

SHAREHOLDERS' INFORMATION



Directors' Shareholding Status

Shareholding of Directors as at 31 December 2019

Sl.	Name of the Directors	Status	Holding in %	2019	2018
1	Mr. Salman F Rahman	Chairman	2.00	29,460,545	26,782,314
2	Mr. Ahmed Shayan Fazlur Rahman*	Vice Chairman	2.41	35,482,892	32,057,175
3	Mr. Anwaruzzaman Chowdhury	Independent Director	Nil	Nil	Nil
4	Ms. Rabeya Jamali	Independent Director	Nil	Nil	Nil
5	Mr. Jalal Ahmed**	Govt. nominated Director	32.75	482,259,388	438,417,626
6	Mr. A. R. M. Nazmus Sakib**	Govt. nominated Director			
7	Ms. Quamrun Naher Ahmed**	Govt. nominated Director			
8	Mr. M Shah Alam Sarwar	Managing Director & CEO	Nil	Nil	Nil

* Represents M/s. New Dacca Industries Limited against its holding of 2.41% shares in the Bank.

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

Distribution of Shareholding

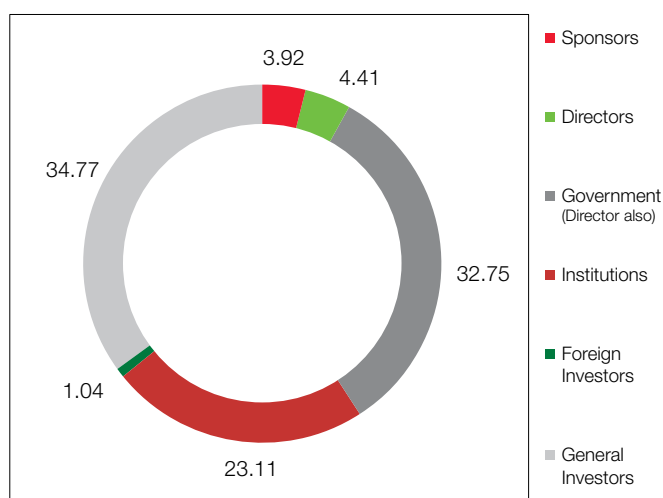
Category	31 December 2019			31 December 2018		
	No. of Share	%	Amount in Taka	No. of Share	%	Amount in Taka
Sponsors	57,795,104	3.92	577,951,040	52,541,011	3.92	525,410,110
Directors	64,943,437	4.41	649,434,370	26,782,314	2.00	267,823,140
Government (Director also)	482,259,388	32.75	4,822,593,880	438,417,626	32.75	4,384,176,260
Sponsors & Directors	604,997,929	41.08	6,049,979,290	517,740,951	38.67	5,177,409,510
Institutions	340,317,105	23.11	3,403,171,050	301,327,505	22.51	3,013,275,050
Foreign Investors	15,276,079	1.04	152,760,790	24,126,033	1.80	241,260,330
General Investors	512,021,495	34.77	5,120,214,950	495,544,246	37.02	4,955,442,460
Total	1,472,612,608	100	14,726,126,080	1,338,738,735	100	13,387,387,350

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

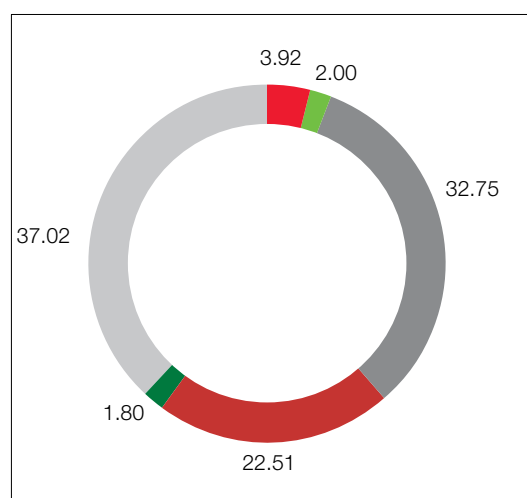
** Position revised from the month of February as per directives of DSE communicated vide its letter dated 22 March 2020.

*** The Government is representing in the Board of the Bank by nominating 03 (Three) Directors and as such, Sponsors & Directors are at present holding 41.08% shares of the Bank.

Shareholding status (%) : 2019



Shareholding status (%) : 2018



Five Years Performance

Key Financial Data and Indicators

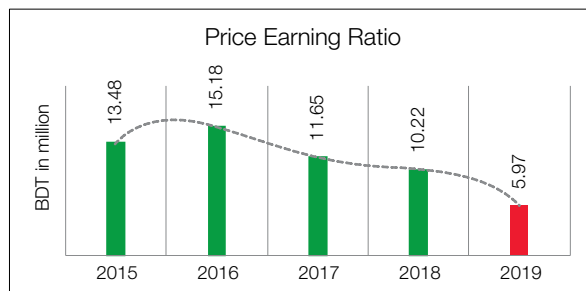
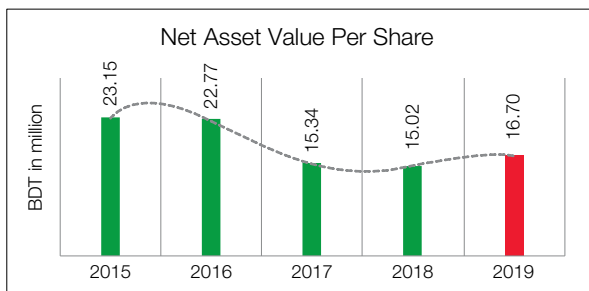
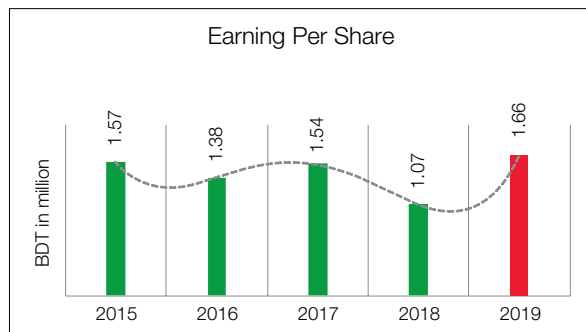
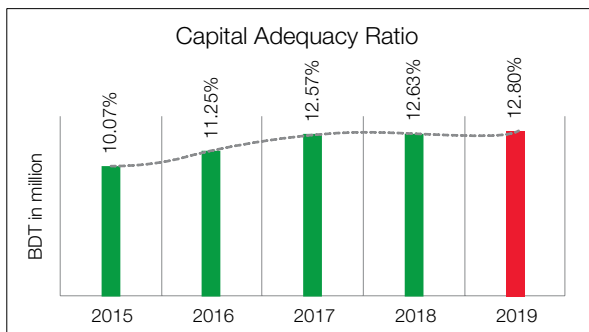
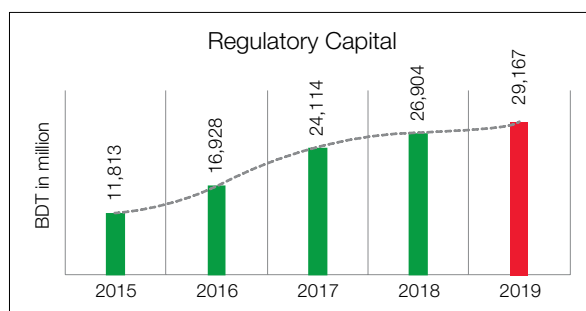
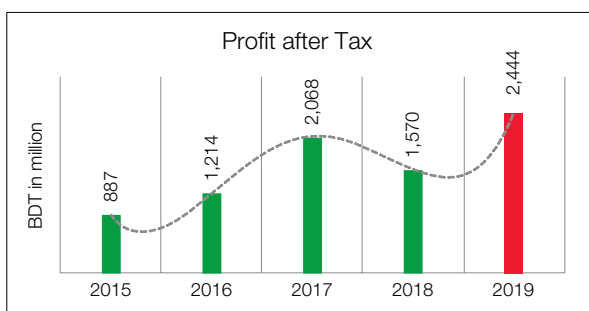
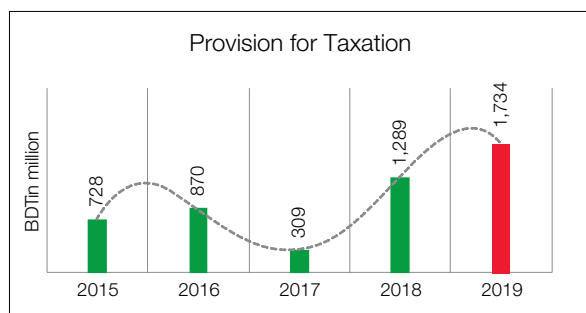
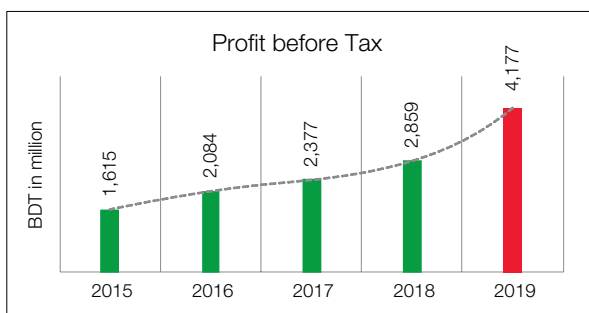
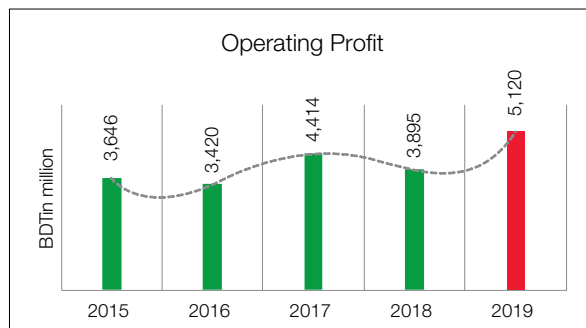
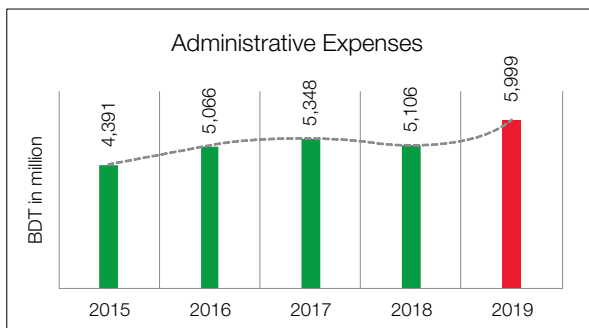
BDT in million

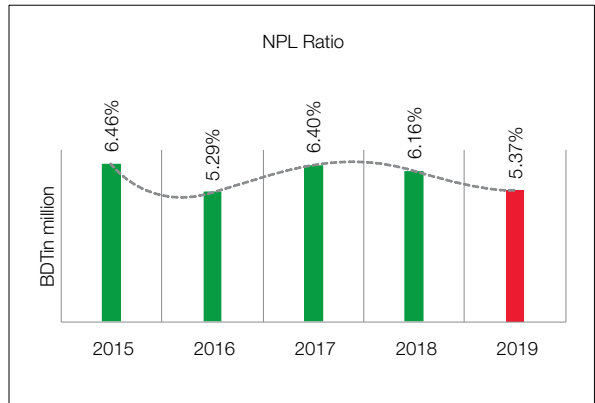
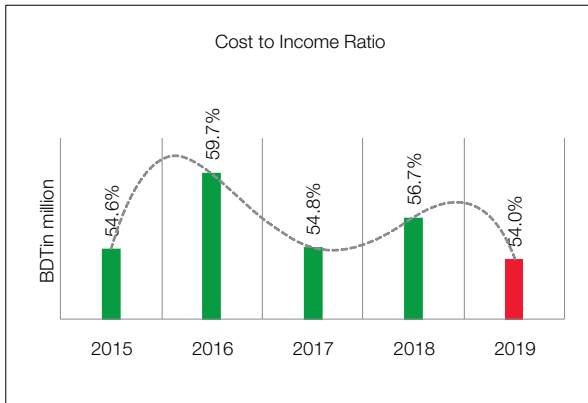
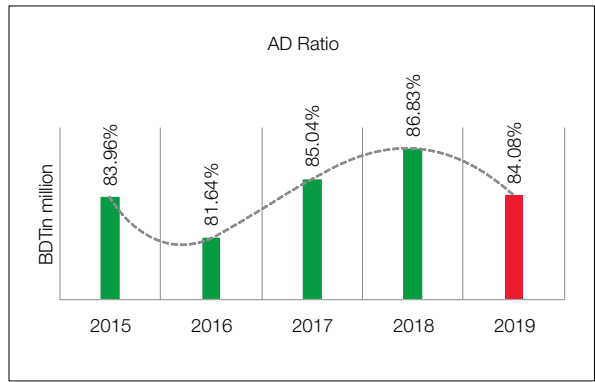
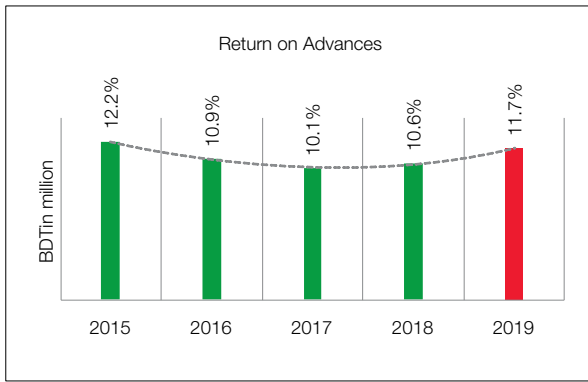
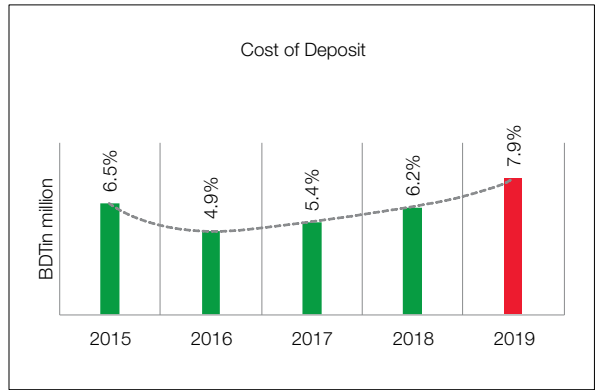
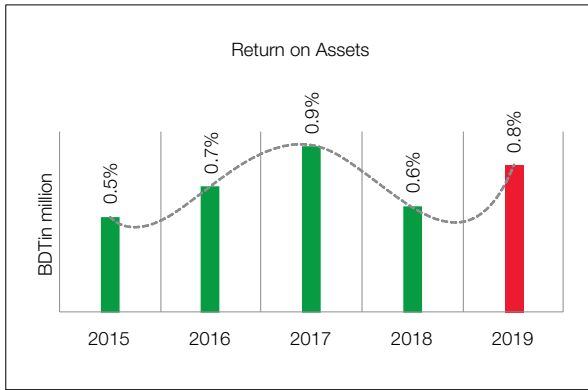
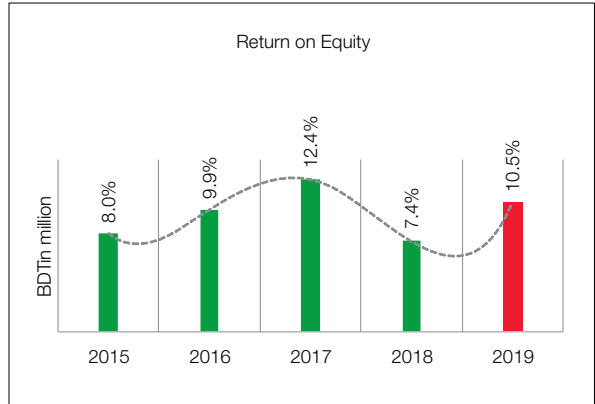
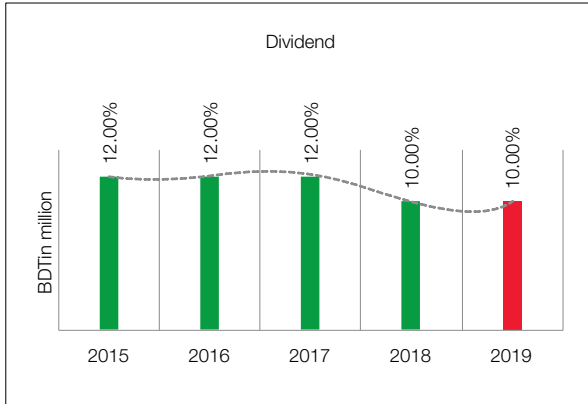
Particulars	2019	2018	2017	2016	2015
Financial Position					
Authorized capital	40,000	20,000	20,000	20,000	20,000
Paid-up capital	14,726	13,387	11,953	5,638	5,034
Reserves and Profit Surplus	9,871	8,729	8,586	7,202	6,620
Shareholders' equity	24,597	22,116	20,539	12,840	11,654
Deposits	258,368	226,364	200,206	160,155	146,820
Borrowings	8,216	9,969	8,474	5,827	7,201
Subordinated debt	2,800	3,500	3,500	3,500	-
Other liabilities	22,969	21,124	20,531	14,728	12,659
Total liabilities	292,353	260,957	232,710	184,210	166,680
Total Liability and Shareholders Equity	316,950	283,073	253,249	197,051	178,334
Cash and cash equivalents	24,582	28,077	29,932	23,076	17,572
Loans and advances	228,589	206,930	179,264	137,118	123,269
Investments	45,500	31,304	27,858	25,205	28,498
Fixed assets	6,384	5,438	3,528	3,488	3,230
Other Assets	11,896	11,325	12,666	8,164	5,765
Total assets	316,950	283,073	253,249	197,051	178,334
AD ratio	84.08%	86.83%	85.04%	81.64%	83.96%
Total off-balance sheet items	51,095	60,436	58,620	52,602	47,779
Interest earning assets	275,640	245,250	216,239	166,860	151,499
Non-interest earning assets	41,311	37,824	37,009	30,190	26,835
Financial Performance					
Interest income	24,426	18,965	14,924	12,557	12,653
Interest expenses	18,028	14,405	9,432	8,182	8,907
Net interest income (NII)	6,398	4,560	5,492	4,375	3,746
Non-interest income	4,722	4,441	4,270	4,111	4,291
Investment income	2,626	2,358	2,071	2,077	2,375
Administrative expenses	5,999	5,106	5,348	5,066	4,391
Operating profit	5,120	3,895	4,414	3,420	3,646
Provision for loans and assets	943	1,035	2,038	1,336	2,031
Profit before tax	4,177	2,859	2,377	2,084	1,615
Current tax	1,700	1,080	750	700	950
Deferred tax expense/(income)	34	209	(441)	170	(222)
Provision for Taxation	1,734	1,289	309	870	728
Profit after tax	2,444	1,570	2,068	1,214	887
Trade Business					
Import	86,203	101,642	97,908	92,927	87,307
Export	94,645	98,257	88,677	94,410	96,080
Remittance	17,450	14,249	19,569	21,335	22,537
Capital Measure					
Risk weighted assets (RWA)	227,798	213,011	191,773	150,523	117,314
Common Equity Tier 1 Capital	23,421	20,877	18,875	11,609	10,508

BDT in million

Particulars	2019	2018	2017	2016	2015
Tier-2 Capital	5,747	6,026	5,239	5,318	1,305
Total Regulatory Capital	29,167	26,904	24,114	16,928	11,813
Common Equity Tier 1 to RWA	10.28%	9.80%	9.84%	7.71%	8.96%
Tier 2 Capital to RWA	2.52%	2.83%	2.73%	3.53%	1.11%
Capital to Risk-weighted Asset Ratio (CRAR)	12.80%	12.63%	12.57%	11.25%	10.07%
Assets Quality					
Non-performing loans (NPLs)	12,265	12,740	11,478	7,251	7,962
Provision for loans and advances	6,034	5,954	5,909	4,677	4,030
NPLs to total loans and advances	5.37%	6.16%	6.40%	5.29%	6.46%
Share Information					
Number of shares outstanding	1,473	1,339	1,195	564	503
Number of shareholders	41,573	41,721	44,421	31,569	35,949
Market price per share	9.9	10.9	18.0	20.9	21.2
Operating profit per share	3.48	2.91	3.69	6.07	7.24
Earnings per share	1.66	1.07	1.54	1.38	1.57
Stock Dividend	10%	10%	12%	12%	12%
Dividend coverage ratio (times)	1.66	1.17	1.44	1.79	1.47
Market capitalization	14,579	14,592	21,515	11,784	10,672
Net asset value (NAV) per share	16.70	15.02	15.34	22.77	23.15
Price earning ratio (times)	5.97	10.22	11.65	15.18	13.48
Profitability Ratio (%)					
Return on average assets (RoA)	0.8%	0.6%	0.9%	0.7%	0.5%
Return on average equity (RoE)	10.5%	7.4%	12.4%	9.9%	8.0%
Net interest margin on average earning assets	2.5%	2.0%	2.9%	2.7%	2.6%
Return on Advances	11.7%	10.6%	10.1%	10.9%	12.2%
Cost of Deposit	7.9%	6.2%	5.4%	4.9%	6.5%
Operating margin	1.7%	1.0%	3.0%	2.0%	2.2%
Cost to income ratio	54.0%	56.7%	54.8%	59.7%	54.6%
Operating profit per employee (million)	2.0	1.5	1.8	1.3	1.5
Liquidity Ratio (%)					
Cash reserve ratio (CRR)	5.8%	5.8%	6.7%	6.6%	6.4%
Statutory liquidity ratio (SLR)	19.1%	15.0%	15.6%	15.0%	18.4%
Other information (Figure in Number)					
Number of employees	2,559	2,556	2,512	2,536	2,489
Number of branches	148	147	141	134	129
Number of uposhakhas	35	0	0	0	0
Number of correspondent banks	422	440	475	500	497
Number of ATMs	93	93	88	72	59
Number of deposit account	845,830	776,867	819,350	760,634	667,785
Number of loan account	39,764	41,301	36,624	27,968	34,414

Five Years Graphical Presentation

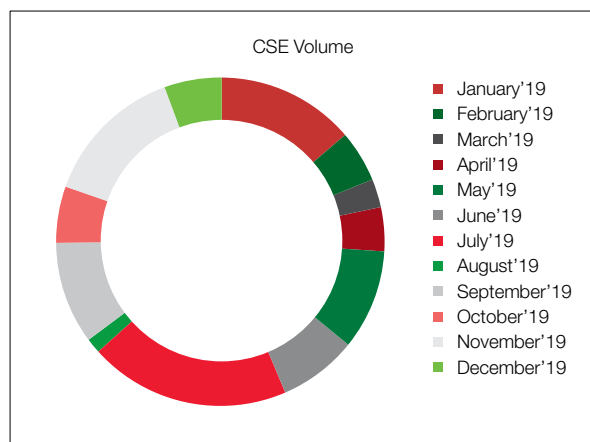
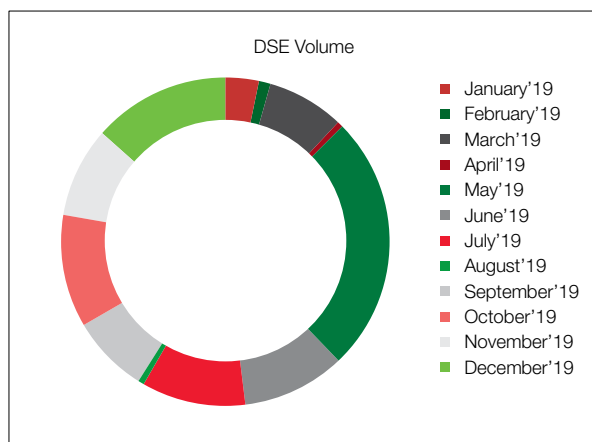
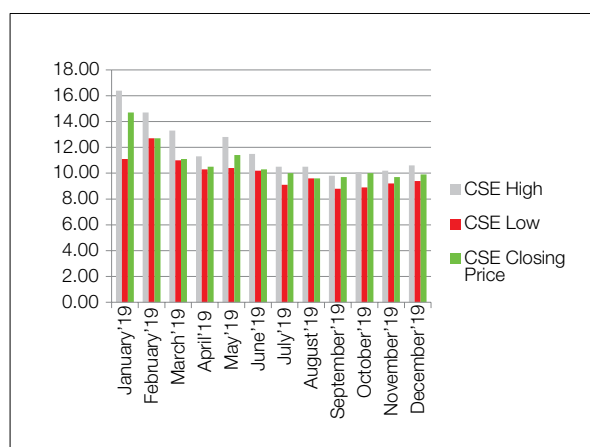
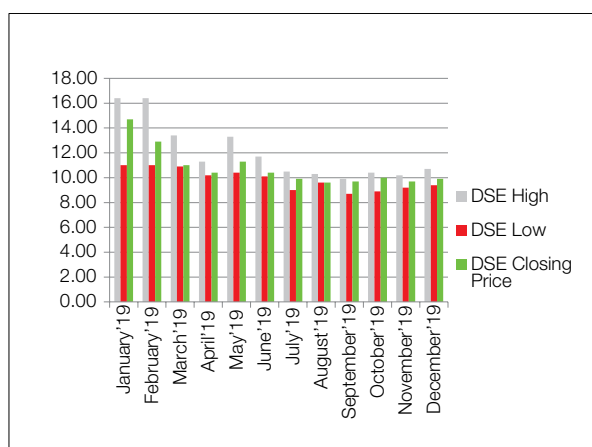




Market Price Information

Monthly High, Low, Closing price and Volume of Company's shares traded on Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) during the year 2019:

Month	DSE				CSE				Total Volume on DSE & CSE
	High	Low	Closing Price	Volume	High	Low	Closing Price	Volume	
January'19	16.40	11.00	14.70	131,020,502	16.40	11.10	14.70	12,660,292	143,680,794
February'19	16.40	11.00	12.90	45,735,287	14.70	12.70	12.70	4,733,132	50,468,419
March'19	13.40	10.90	11.00	301,397,798	13.30	11.00	11.10	2,626,382	304,024,180
April'19	11.30	10.20	10.40	22,926,229	11.30	10.30	10.50	3,999,104	26,925,333
May'19	13.30	10.40	11.30	1,017,517,999	12.80	10.40	11.40	9,041,801	1,026,559,800
June'19	11.70	10.10	10.40	405,733,391	11.50	10.20	10.30	7,160,619	412,894,010
July'19	10.50	9.00	9.90	413,788,861	10.50	9.10	10.00	18,221,045	432,009,906
August'19	10.30	9.60	9.60	22,686,589	10.50	9.60	9.60	1,313,076	23,999,665
September'19	9.90	8.70	9.70	310,623,374	9.80	8.80	9.70	9,412,905	320,036,279
October'19	10.40	8.90	10.00	442,625,422	10.10	8.90	10.00	4,966,093	447,591,515
November'19	10.20	9.20	9.70	353,568,813	10.20	9.20	9.70	12,848,653	366,417,466
December'19	10.70	9.40	9.90	538,395,252	10.60	9.40	9.90	5,226,668	543,621,920



Financial Calendar

Although Bank makes all-out effort to observe the below mentioned dates, all the future dates are provisional and subject to change.

15 June 2020	Compliance under Listing Regulation 19(1)
24 June 2020	Approval of audited Financial Statements for the year ended 31 December 2019
24 June 2020	Disclosure on Price Sensitive Information
19 July 2020	Record Date for 43 rd Annual General Meeting
10 August 2020	Notice for 43 rd Annual General Meeting
27 August 2020	43 rd Annual General Meeting
3 rd week of September 2020	10% Stock Dividend distribution for the year 2019
24 June 2020	Announcement of first quarter (Q1) financial results
Last week of July 2020	Announcement of second quarter (Q2) financial results
Last week of October 2020	Announcement of third quarter (Q3) financial results

Other Information

Stock Details

Particulars	DSE	CSE
Stock Symbol	IFIC	IFIC
Company Code	11103	22010
Listing Year	1986	1997
Market Category	A	A
Electronic Share	Yes	Yes
Face Value (BDT)	10.00	10.00
Market Lot (number)	1	1
Total Number of Securities	1,472,612,608	1,472,612,608

Redressal of Investors' Complaints

The investors are warmly treated at IFIC. Complaints received from the investors are handled promptly with utmost care to mitigate/resolve the issues at the earliest.

Availability of Annual Report 2019 and Information about IFIC

Annual Report 2019 and other information about IFIC Bank may be viewed on the Bank's website at www.ificbank.com.bd. Copies of Annual Report 2019 also submitted to the Bangladesh Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. and the Registrar of Joint Stock Companies & Firms.

Investors' Inquiries

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

The Company Secretary

IFIC Bank Limited

Head Office : IFIC Tower
61 Purana Paltan, Dhaka-1000
IP Phone No. 09666716250, Ext. 122
Fax No. 02-9554102

Glimpses of the 42nd AGM





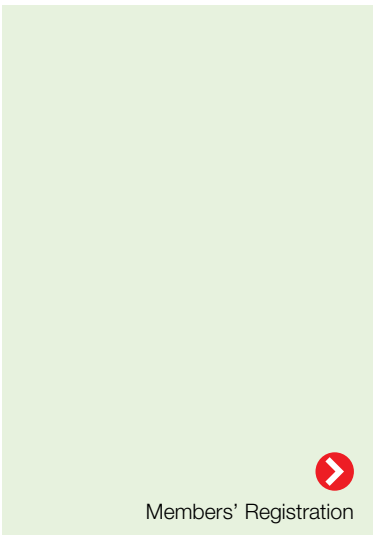
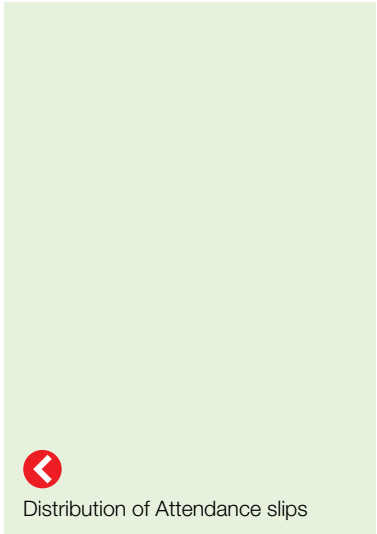
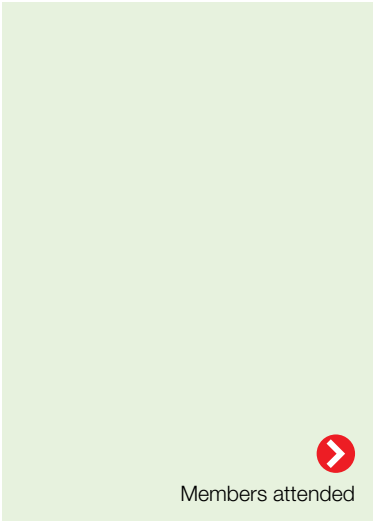
Honourable Vice Chairman addressing the shareholders in the 42nd Annual General Meeting



Honourable Vice Chairman addressing the shareholders in the Extra-Ordinary General Meeting



Members' Registration



Market Discipline - Disclosures on Risk Based Capital

(Under Pillar III of Basel III Framework)

For the year ended 31 December 2019

Consolidated Basis

Background

In order to make the bank's capital adequacy assessment more risk sensitive and to abide by the international norms and practices, Bangladesh Bank took the initiative to implement Basel-III framework. Banks in Bangladesh implemented Basel-III Framework fully since 01 January, 2019. These disclosures under Pillar 3 of Basel III are made following 'Guidelines on Risk Based Capital Adequacy (RBCA) - Revised Regulatory Capital Framework for banks in line with Basel III' for banks. These quantitative and qualitative disclosures are intended to complement the Minimum Capital Requirement (MCR) under Pillar 1 and Supervisory Review Process (SRP) under Pillar 2 of Basel III. The purpose of these disclosures is to present relevant information on the adequacy of capital in relation to overall risk exposures of the Bank so that the market participants can assess the position and direction of the Bank in making economic decisions.

A) Scope of Application

Qualitative Disclosures

- (a) The name of the top corporate entity in the group to which this guidelines applies.

The Risk Based Capital Adequacy and related disclosures are applicable for **"International Finance Investment & Commerce Bank Limited"** (known as **IFIC Bank Limited**) which is the top corporate entity of the group.

- (b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted)

Brief Description of the Subsidiaries:

- 1. IFIC Securities Limited:** IFIC Securities Limited, a fully owned subsidiary company of IFIC Bank Limited was incorporated as a Public limited company in Bangladesh on 2 November 2010 vide certificate of incorporation no. C-87904/10 having registered office at IFIC Tower, 61 Purana Paltan, Dhaka-1000, Bangladesh. It acquired membership of Dhaka Stock Exchange Limited for brokerage transaction vide Security Exchange Commission certificate no. 3.1/DSE-192/2009/316 dated 1 January 2009. The main objective of the company is to carry on the business of stock brokers/ dealers in relation to

shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the company. The operation of the company started on 10 March 2011.

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

Brief Description of the Joint Ventures/ Associates of the Bank:

- 1. Nepal Bangladesh Bank Limited:** Nepal Bangladesh Bank Limited (NBBL) was incorporated in Nepal and registered with Office of Company Registrar (50-050/051, Dated January 14, 1994) as a public company limited by shares. NBBL was established as a joint venture bank with IFIC Bank Ltd., Bangladesh. The Bank started its banking business from 6th June 1994. IFIC's investment in the share capital of NBBL is 40.91%.
- 2. Oman Exchange LLC:** Oman Exchange LLC (OE), an exchange company incorporated under the laws of the Sultanate of Oman having its registered office is Hamriya, PO Box 114, Post code 994, Hey Al Mina, Hamriya, Muscat, Sultanate of Oman. It was established in 1985 as a joint venture between IFIC Bank Limited and Oman Nationals, to facilitate remittance by Bangladeshi wage earners in Oman. IFIC Bank holds 49% shares and the balance 51% is held by the Omani sponsors.

Brief Description of Off-shore Banking Unit: Off-shore Banking Unit (OBU) is a separate business unit of IFIC Bank Limited. Bank obtained permission for OBU operations from Bangladesh Bank vide its letter no. BRPD (P-3) 744 (104)/2009-4233 dated 17 November 2009. The unit commenced its operation from 10 May 2010. Presently the Bank has 01 (one) Off-shore Banking

Unit in Bangladesh. The OBU is governed under the rules and regulations of Bangladesh Bank.

Basis for Consolidation: The quantitative disclosures are made on the basis of consolidated audited financial statements of the bank and its subsidiaries as at and for the year ended December 31, 2019. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standards 27: *Separate Financial Statements* and Bangladesh Financial Reporting Standards 10: *Consolidated Financial Statements*. The consolidated financial statements are prepared to a common financial year ended 31 December 2019. All intra-group transactions, balances and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gain, but only to the extent that there are no evidence of impairment.

(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.

Not Applicable

Quantitative Disclosures

(d) The aggregate amount of surplus capital of issuance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.

Not Applicable

B) CAPITAL STRUCTURE

Qualitative Disclosures

(a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.

Under Basel-III capital adequacy framework, total regulatory capital of a bank are categorized into two tiers: (1) Tier 1 Capital (going-concern capital), and (2) Tier-2 Capital (gone-concern capital). The Tier 1 Capital is further subdivided into (a) Common Equity Tier 1 (CET1) and (b) Additional Tier 1. Total eligible regulatory capital of IFIC Bank Limited consists of partly CET1 Capital and partly Tier-2 Capital. The CET1 Capital of the bank comprises Paid-up Capital, Statutory Reserve, General Reserve and Retained Earnings. Paid-up Capital of the Bank is already above the minimum requirement of BDT 4,000.00 Million as per the directives of Bangladesh Bank. In addition, Tier-II Capital includes General Provision, Sub-ordinated Bond and Revaluation Reserve of Fixed Assets and Securities (up to 50 percent).

Banks are required to maintain a capital conservation buffer of 2.50% during the year 2019, above the regulatory minimum capital requirement of 10%. No distribution of capital (i.e. paying dividends or bonuses in any form) is allowed in case capital level falls within the range between 10.00% to 12.50%. However,

the bank will be able to conduct business as normal. Capital conservation buffer is applicable both at the solo level as well as at the consolidated level. As per the Bangladesh Bank instructions contained in BRPD letter No. BRPD(BFIS)661/14B(P)/2015-18014 dated 24 December 2015, Deferred Tax Assets arising out of Specific Provision on Classified Loans is allowable to a maximum of 5% as Common Equity Tier-1 Capital (CET-1) while calculating CET-1 as per Basel III.

Quantitative Disclosures

(b) The amount of Regulatory capital, with separate disclosure of:

CET1 Capital

Particulars	BDT in million
Fully Paid-up Capital	14,726.13
Statutory Reserve	6,531.90
General Reserve	155.07
Retained Earnings	4,920.57
CET1 Capital Total [A]	26,333.67
Additional Tier 1 Capital [B]	Nil
Total Tier 1 Capital [C]=[A]+[B]	26,333.67
General Provision	2,946.87
Subordinated Debt	2,800.00
Revaluation Reserves as on 31 December 2014	
(50% of Fixed Assets and Securities)	58.45
Tier 2 Capital Total [D]	5,805.31

(c) Regulatory Adjustments/Deductions from capital

Particulars	BDT in million
Deferred tax assets (DTA)[1]	1,010.95
Revaluation Reserves for Fixed Assets, Securities & Equity Securities (Phase-in deductions)	58.45
Regulatory Adjustments/ Deductions from capital [E]	1,069.40
(d) Total eligible capital [F]=[C]+[D]-[E]	31,069.58

C) Capital Adequacy

Qualitative Disclosures

(a) A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.

According to BB Guidelines, IFIC Bank is assessing Risk Based Capital Adequacy under Basel-III from 01 January 2015. Under Basel-III framework the capital requirement is determined for Credit Risk and Market Risk under

Standardized Approach and Operational Risk under Basic Indicator Approach and summed-up to determine total Risk Weighted Assets and thereafter the Minimum Capital Requirement (MCR). The Bank assesses the capital requirement considering the existing size of portfolio, concentration of portfolio to different risk weight groups, asset quality, profit trend etc. on quarterly rest. The Bank also forecasts the adequacy of capital in terms of its capacity of internal capital generation, maintaining the size of the portfolio, asset quality, conducting credit rating of the borrowers, segregation of portfolio to different risk weight groups etc.

According to BB Guidelines, IFIC Bank is assessing Risk Based Capital Adequacy under Basel-III from 01 January 2015. Under Basel-III framework the capital requirement is determined for Credit Risk and Market Risk under Standardized Approach and Operational Risk under Basic Indicator Approach and summed-up to determine total Risk Weighted Assets and thereafter the Minimum Capital Requirement (MCR). The Bank assesses the capital requirement considering the existing size of portfolio, concentration of portfolio to different risk weight groups, asset quality, profit trend etc. on quarterly rest. The Bank also forecasts the adequacy of capital in terms of its capacity of internal capital generation, maintaining the size of the portfolio, asset quality, conducting credit rating of the borrowers, segregation of portfolio to different risk weight groups etc.

IFIC Bank has maintained Capital to Risk-weighted Asset Ratio (CRAR) of 13.42% as on 31 December 2019, whereas Minimum Capital Requirement (MCR) is 12.50% from 01 January 2019 as per BRPD circular No.18 dated 21 December 2014. The Bank has thus maintained excess capital of 0.92% above the minimum requirement of 12.50%. However, the Bank is continuously evaluating its capital position in comparison to its risk weighted asset's position and exploring ways and means to raise capital both internally and externally.

Quantitative Disclosures

Particulars	BDT in million
(b) Capital requirement for Credit Risk	
On-Balance Sheet	24,618.87
Off-Balance Sheet	2,147.46
Total	26,766.33
(c) Capital requirement for Market Risk	
Interest Rate Related Instruments	77.01
Equities	238.16
Foreign Exchange Position	142.88
Commodities	Nil
Total	458.05

Particulars	BDT in million
(d) Capital requirement for Operational Risk	1,719.96

(e) Total capital, CET1 capital, Total Tier 1 capital and Tier 2 capital ratio:

• For the consolidated group	Ratios
Total Capital	13.42%
CET1 Capital	10.94%
Total Tier 1 Capital	10.94%
Total Tier 2 Capital	2.48%
• For stand alone	Ratios
Total Capital	12.80%
CET1 Capital	10.28%
Total Tier 1 Capital	10.28%
Total Tier 2 Capital	2.52%

(f) Capital Conservation Buffer

As per Bangladesh Bank Transitional Arrangements for implementation of Basel III, creation of Capital Conservation Buffer (CCB) has been made effective from 1 January 2016, 2017, 2018 and 2019 at 0.625%, 1.25%, 1.875% and 2.50% respectively above the regulatory minimum capital requirement of 10%. The minimum total capital plus CCB for the year 2019 is 12.50%.

(g) Available Capital under Pillar 2 Requirement

Particulars	BDT in million
Total Eligible Regulatory Capital [A]	31,069.58
Minimum Capital Requirement under Pillar 1[B]	23,155.47
Capital Conservation Buffer[C][1]	5,788.87
Minimum Capital Requirement including CCB[D=B+C]	28,944.34
Available Capital for Pillar 2 [E=A - D]	2,125.25

D) Credit Risk

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to credit risk, including:

Definitions of past due and impaired (for accounting purposes).

As per relevant Bangladesh Bank guidelines, the Bank defines the past due and impaired loans and advances for strengthening the credit discipline and mitigating the credit risk of the Bank. The impaired loans and advances are defined on the basis of (i) Objective/ Quantitative Criteria and (ii) Qualitative judgment. For this purpose, all

loans and advances are grouped into four (4) categories, namely- (a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan and (d) Short-term Agricultural & Micro Credit.

Definition of past due/overdue:

- i. Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date;
- ii. Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date;
- iii. In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/ overdue after six months of the expiry date.
- iv. The Short-term Agricultural and Micro-Credit if not repaid within the fixed expiry date for repayment will be considered past due/overdue after six months of the expiry date.

However, a continuous loan, demand loan or a term loan which will remain overdue for a period of 02 (two) months or more but less than 03 (three) month, will be put into the “Special Mention Account (SMA)”, the prior status of becoming the loan into impaired/ classified/ nonperforming.

Definition of impaired / classified / non-performing loans and advances are as follows:

Continuous loan is classified as follows:

Substandard: If it is past due /overdue for 3 (three) months or beyond but less than 9 (nine) months;

Doubtful - If it is past due / overdue for 9 (nine) months or beyond but less than 12 (twelve) months;

Bad/Loss - If is past due / overdue for 12 (twelve) months or beyond.

Demand loan is classified as follows:

Substandard - If it remains past due / overdue for 3 (three) months or beyond but less than 9 (nine) months from the date of expiry or claim by the Bank or from the date of creation of forced loan;

Doubtful - If it remains past due / overdue for 9 (nine) months or beyond but less than 12 (twelve) months from the date of expiry or claim by the Bank or from the date of creation of forced loan;

Bad/Loss - If it remains past due / overdue for 12 (twelve) months or beyond from the date of expiry or claim by the Bank or from the date of creation of forced loan.

Fixed Term Loans are classified are as follows:

In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the due date, the amount of unpaid installment(s) will be termed as

‘past due or overdue installment’. In case of Fixed Term Loans:-

Substandard - If the amount of past due installment is equal to or more than the amount of installment(s) due within 9 (nine) months or beyond but not over 15 (fifteen) months from the date of expiry or claim by the Bank or from the date of creation of forced loan.

Doubtful - If the amount of past due installment is equal to or more than the amount of installment(s) due within 15 (fifteen) months or beyond but not over 18 (eighteen) months from the date of expiry or claim by the Bank or from the date of creation of forced loan.

Bad/Loss - If the amount of ‘past due installment is equal to or more than the amount of installment(s) due within 18 month and beyond months, the entire loan will be classified as “Bad/Loss”.

Short-term Agricultural and Micro-Credit is classified as follows:

The Short-term Agricultural and Micro-Credit will be considered irregular if not repaid within the due date as stipulated in the loan agreement. If the said irregular status continues, the credit will be classified as ‘Substandard ‘ after a period of 12 months, as ‘Doubtful’ after a period of 36 months and as ‘Bad/Loss’ after a period of 60 months from the stipulated due date as per the loan agreement.

Description of approaches followed for specific and general allowances and statistical methods

The Bank is following the general and specific provision for loans and advances/investments on the basis of Bangladesh Bank guidelines issued from time to time (please refer to Annexure - I).

Discussion of the bank’s credit risk management policy

The Board approves the credit policy, credit exposure limits and credit risk management policy keeping in view relevant Bangladesh Bank guidelines to ensure best practice in credit risk management and maintain quality of assets. Authorities are properly delegated ensuring checks and balance in credit operation at every stage, i.e. screening, assessing risk, identification, management and mitigation of credit risk as well as monitoring, supervision and recovery of loans with provision of early warning system. There is a separate credit risk management division for dedicated credit risk management, separate credit administration division for ensuring perfection of securities and credit monitoring and recovery division for monitoring and recovery of irregular loans. Internal control & compliance division independently assess the quality of loans and compliance status of loans at least once in a year.

Quantitative Disclosures

(b)	Total gross credit risk exposures broken down by major types of credit exposure.	Please refer to Annexure – II.
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(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	Please refer to Annexure – III.
(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Please refer to Annexure – IV.
(e)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Please refer to Annexure – V.
(f)	By major industry or counterparty type: ▶ Amount of impaired loans and if available, past due loans, provided separately	Please refer to Annexure – VI.

Particulars	BDT in million
• Specific and general provisions	
Specific provision	3,086.70
General provision	2,485.97
• Charges for specific allowances and charge-offs during the period	
Specific provision	(352.63)
General provision	515.91

(g) Non-Performing Assets (NPAs):	BDT in Million
Gross non-performing assets (NPAs)	12,265.47
Non-Performing Assets (NPAs) to Outstanding Loans & advances	5.37%
Movement of Non-Performing Assets (NPAs)	
Opening balance	12,740.13
Additions	7,960.37
Reductions	(8,435.03)
Closing balance	12,265.47
Movement of specific provisions for NPAs	
Opening balance	3,439.34
Provisions made during the period	341.76
Recoveries of amounts previously written off	601.78
Write-off	(1,296.18)
Write-back of excess provisions	Nil
Provision transferred to general reserve	Nil

(g) Non-Performing Assets (NPAs):	BDT in Million
Closing balance	3,086.70

E) Equities: Disclosures for Banking Book Positions

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to equity risk, including:

Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and

Differentiation between holdings of equities for capital gain and those taken under other objectives is being clearly identified. Investment in equity securities is broadly categorized into two parts:

- Quoted Securities** (Common or Preference Shares & Mutual Fund) that are traded in the secondary market (Trading Book Assets) through the organization itself or other Portfolio Manager. Investment in quoted shares/securities are revalued at the end of the reporting period.
- Unquoted securities** are categorized as banking book equity exposures which are further subdivided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future, i.e. held to maturity (HTM), and securities those are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Unquoted securities are valued at cost.

The equity positions are reviewed periodically by the senior management.

Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.

Important policies covering equities valuation and accounting of equity holdings in the Banking Book are based on the use of the cost price method for valuation of equities. The primary aim is to invest in these equity securities for the purpose of capital gain by selling them in the future or held for dividend income. Dividends are recognized in Profit and Loss Account only when the Bank's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Bank and the amount of the dividend can be measured reliably. Both Quoted and Un-Quoted equity securities are initially recognized at cost and necessary provisions are maintained if the prices fall below the cost price after comparing with their fair value. As per to Bangladesh Bank guidelines, the HFT equity securities are revalued

once in each week using marking to market concept. However equity investment in associates/joint ventures are initially recognized at cost and provision is maintained if cost is higher than lower of market value and net assets value of that investee as per instruction of Bangladesh Bank. Preference is given to purchase of shares of strong companies at face value through placement/ IPO.

Quantitative Disclosures

(b) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values including mutual funds where the share price is materially different from fair value

Particulars	BDT in million
Cost price of quoted shares	1,190.28
Fair value of quoted shares	952.64
Decrease in value	237.64
(c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	6.92
(d)	
• Total unrealized gains (losses)	423.27
• Total latent revaluation gains (losses)	Nil
• Any amounts of the above included in Tier 2 capital.	Nil

(e) Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

Capital Charge on Equities	BDT in million
Specific Risk	119.08
General Market Risk	119.08
Total	238.16

F) Interest Rate Risk in the Banking Book (IRRBB)

Qualitative Disclosures

(a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.

Interest Rate Risk is managed through the use of Gap analysis of rate sensitive assets and liabilities and monitored through prudential limits and stress testing. The IRRBB is monitored in movements/changes on a monthly basis and the impact on Net Interest Income is assessed. Interest rate risk is the risk where changes

in market interest rates might adversely affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). Re-pricing risk is often the most apparent source of interest rate risk for a bank and is often gauged by comparing the volume of a bank's asset that mature or re-price within a given time period with the volume of liabilities that do so. The short term impact of changes in interest rates is on the bank's Net Interest Income (NII). In a longer term, changes in interest rates impact the cash flows of the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the bank arising out of all re-pricing mismatches and other interest rate sensitive position. The ALCO formulates the policy and strategy depending on the market conditions to maximize Net Interest Income.

Quantitative Disclosures

(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).

Please refer to Annexure – VII.

G) Market Risk

Qualitative Disclosures

(a) Views of BOD on trading/investment activities

The trading/investment activities in the IFIC Bank Limited are managed cautiously so that maximum returns are obtained without taking undue risks. The Board approves all policies related to market risk, set limits and review compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transactions. Market risk is the possibility of losses of assets in the balance sheet and off-balance sheet positions arising out of volatility in market variables i.e., interest rate, exchange rate and price. Allocation of capital is required in respect of the exposure to risks deriving from changes in interest rates and equity prices in the bank's trading book, in respect of exposure to risks deriving from changes in foreign exchange rates and commodity price in the overall banking activity.

The market risk covers the followings risks of the Bank's balance sheet:

- i. Interest rate risk
- ii. Equity price risk
- iii. Foreign exchange risk; and
- iv. Commodity price risk

Methods used to measure Market risk

The Bank uses the Standardized (rule based) Approach to calculate the Market Risk for Trading Book Exposures. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each

of the risky sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk'.

Maturity Method has been prescribed by Bangladesh Bank in determining capital against market risk. In the maturity method, long or short positions in debt securities and other sources of interest rate exposures, including derivative instruments, are slotted into a maturity ladder comprising 13 times-bands (or 15 times-bands in the case of low coupon instruments). Fixed-rate instruments are allocated according to the residual term to maturity and floating-rate instruments according to the residual term to the next re-pricing date. In Standardized (rule based) Approach the capital requirement for various market risks (interest rate risk, price, and foreign exchange risk) are determined separately.

The total capital requirement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub-categories. e.g.

- i. Capital Charge for Interest Rate Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk;
- ii. Capital Charge for Equity Position Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk;
- iii. Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk;
- iv. Capital Charge for Commodity Position Risk = Capital charge for General Market Risk.

Market Risk Management System

The Asset Liability Management Policy of the Bank as approved by the Board ensures effective management of the Market Risk through a well-structured Treasury function which includes a Front Office, Mid Office and Back Office and an ALCO body. The aim of the Market Risk Management System is to minimize the impact of losses on earnings due to market fluctuations.

Policies and processes for mitigating market risk

The policy contains sound Portfolio management procedures and best practices such as minimizing risks through diversification of portfolio. Policy for managing Market Risk has been set out by the Board of Directors of the Bank where clear instructions have been given to Loan Deposit Ratio, Whole Sale Borrowing Guidelines, Medium Term Funding, Maximum Cumulative Outflow, Liquidity Contingency Plan, Local Regulatory Compliance, Recommendation/ Action Plan etc. Furthermore, special emphasis has been put on the following issues for mitigating market risk:

- ▶ **Interest Rate Risk Management:** Treasury Division reviews the risks of changes in income of the Bank as a result of movements in market interest rates. In the normal course of business, the Bank tries to minimize the mismatches between

the duration of interest rate sensitive assets and liabilities. Effective Interest Rate Risk Management is done as under: been put on the following issues for mitigating market risk:

- i. **Market Analysis:** Market analysis over interest rate movements are reviewed by the Treasury Division of the Bank. The type and level of mismatch interest rate risk of the Bank are managed and monitored from two perspectives, being an economic value perspective and an earnings perspective.
- ii. **Gap Analysis:** ALCO has established guidelines in line with the central Bank's policy for the management of assets and liabilities, monitoring and minimizing interest rate risks at an acceptable level. ALCO in its regular monthly meeting analyzes Interest Rate Sensitivity by computing GAP i.e. the difference between Rate Sensitive Assets and Rate Sensitive Liability and take the decision of enhancing or reducing the GAP according to the prevailing market situation aiming to mitigate interest rate risk.
- ▶ **Foreign Exchange Risk Management:** Risk arising from potential change in earnings resulted from exchange rate fluctuations, adverse exchange positioning or change in the market prices are considered as Foreign Exchange Risk. Treasury and International Division manage this risk in the following fashion:
 - i. **Continuous Supervision:** The Bank's Treasury Division manages and controls day-to-day trading activities under the supervision of ALCO that ensures continuous monitoring of the level of assumed risks. Treasury Division monitors the foreign exchange price changes and Back Office of the Treasury Division verifies the deals and passes the entries in the books of account.
 - ii. **Treasury Back Office separated from the Treasury Front Office:** Treasury Back Office is conducting its operation in separate locations apart from the Treasury Front Office. Treasury Back Office is responsible for currency transactions, deal verification, limit monitoring and settlement of transactions independently. Treasury Back Office gathers the market rates from an independent source other than dealers of the same organization, which helps to avoid any conflict of interest.
 - iii. **Mark-to-Market Method for Approved Securities and Foreign Exchange Revaluation:** All foreign exchange reserves and balances along with approved securities are revalued at Mark-to-Market method according to Bangladesh Bank's guidelines. Such valuations are made after a specific time interval as prescribed by Bangladesh bank.
 - iv. **Nostro Accounts:** Nostro accounts are maintained by the Bank with various currencies and countries. These Accounts are operated by the International Division of the Bank. All Nostro accounts are reconciled on a monthly basis. The management

reviews outstanding entry beyond 30 days for settlement purpose.

- ▶ **Equity Risk Management:** Equity Risk is the risk of loss due to adverse changes in the market price of equities held by the Bank. Equity Risk is managed by the following fashion:
 - i. **Investment Portfolio Valuation:** Mark-to-Market valuations of the share investment portfolio are followed in measuring and identifying risk. Mark-to-Market valuation is done against a predetermined cut loss limit.
 - ii. **Diversified Investment to minimize Equity Risk:** IFIC minimizes the Equity Risks by Portfolio diversification as per investment policy of the Bank.

Margin Accounts are monitored very closely: Where Margin loan is allowed, security of investment, liquidity of securities, reliability of earnings and risk factors are considered and handled professionally.

Quantitative Disclosures

(b) The capital requirements for	In million BDT
Interest rate risk	77.01
Equity position risk	238.16
Foreign exchange risk	142.88
Commodity risk	Nil

H) Operational risk

Qualitative Disclosures

(a) Views of BOD on system to reduce Operational Risk

IFIC Bank manages its operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events and implementing any additional procedures required for compliance with regulatory requirements. Operational risk management responsibilities are assigned to the senior management. Internal auditors are assigned for recording, identification and assessment of operational risks and to prepare reports for the Audit Committee.

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputation risk. It is inherent in every business organization and covers a wide spectrum of issues. The Board of Director (BOD) of the Bank and its Management firmly believe that this risk through a control based environment in which processes see documented, authorization as independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the group stays in line which industry best practice and takes account or lessons learned from publicized operational failures within the financial services industry.

The BOD has also modified its operational risk management process by issuing high level standards, supplemented by more detailed formal guidance. This explains how the bank manages operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with local regulatory requirements. The Bank maintains and tests contingency facilities to support operations in the event of disasters. Additional reviews and tests are conducted in the event that any branch of the bank is affected by a business disruption event, to incorporate lessons learned in the operational recovery from those circumstances. Plans have been prepared for the continued operation of the bank's business, with reduced staffing levels.

Operational risk loss data are collected and reported to the senior management. Identifying, monitoring and recording of fraud, irregularities, unauthorized works, system breakdown, etc. are done by the Management and details of the untoward incidents are reported to the Bank's Audit Committee.

Performance gap of executives and staffs

Human Resources Development is focused on recruitment and in-house training for both on the job and off the job. IFIC Bank Training Academy, the oldest institution in the private sector, was conceived of as an in-house training center to take care of the training needs of the Bank internally. The academy is fully equipped with a professional library, modern training aids and professional faculty. The library has a huge number of books on banking, economics, accounting, management, marketing and other related subjects. Main training activities consist of in-depth foundation programs for entry level Management Trainees. Specialized training programs in the areas like general banking, advance, foreign exchange, marketing and accounts etc. are also organized by the Academy depending on need. Frequently outreach programs are organized to meet demand for new and specialized skills.

During its many years of existence, the Academy not only conducted courses, workshops and seminars as required by the Bank, but it also organized training programs for the Bank of Maldives, Nepal Bangladesh Bank Limited (NBBL) and Oman International Exchange LLC. In addition, the Academy has also the credit of organizing system of Bank of Maldives. In addition to conducting courses internally, The Academy also selects candidates for nomination to various courses conducted by distinguished training organizations in the country, including Bangladesh Bank Training Academy and Bangladesh Institute of Bank Management. The Academy also re-designs its courses, programs, etc., regularly to meet the requirement of new skills arising out of various directives, guidelines of the Central Bank and significant changes in the banking sector from time to time.

Performance goals are most often attained by executives

and staffs with a few exceptions. Every organization needs to effectively manage its human resources to get the maximum contribution from its employees.

Potential external events

Losses from external events, such as a natural disaster that damages a firm's physical asset or electrical or telecommunications failures that disrupt business, are relatively easier to define than losses from internal problems, such as employee fraud and product flaws. It is needless to say that there are certain risk factors which are external in nature and can affect the business of the Bank. The factors discussed below can significantly affect the business:

- ▶ **External rules and regulations:** Potential for actual or opportunity loss due to failure to comply with laws or regulations, or as a result of changes in laws or regulations or in their interpretation or application.
- ▶ **Damage to assets:** Potential for loss or damage to physical assets and other property from natural disaster and other events.
- ▶ **Safety and security:** Potential for loss or damage to health or safety of staff, customers or third parties arising from the effects of external events.
- ▶ **External financial crime:** Potential for loss due to criminal acts by external parties such as fraud, theft and other criminal activity.
- ▶ **Political condition and general business:** IFIC's performance greatly depends on the general economic conditions of the country. The effect of recession is still unfolding which may result to slow down in business environment. Political stability is must for growth in business activities.
- ▶ **Credit quality of borrowers:** Risk of deterioration of credit quality of borrowers is inherent in banking business. This could result due to the global economic crisis and supply side distortion. The changes in the import prices affected the commodity sectors and ship breaking industry. A deterioration in credit quality requires provisioning.
- ▶ **Basel-III implementation:** Basel-III is fully effective from 2015 and IFIC needs to be complied with respect to credit risk management, its supervision and establishment of effective internal control. The grading of the borrowers and its link with the capital required may slow down the credit expansion. The establishment of effective control requires more investment in technology and operating expenses are likely to increase.
- ▶ **Equity markets Volatility:** The Bangladesh Securities and Exchange Commission and the stock exchanges improved their supervisory role, but the equity market is still volatile. If volatility continues it is likely to affect the performance of the bank.
- ▶ **Changes in market conditions:** Changes in market conditions, particularly interest rates on deposits and

volatility in the foreign exchange market are likely to affect the performance of the bank. Depositors are becoming increasingly price sensitive and any unilateral upward change by a bank will exert pressure on the interest rate structure of the banking sector. It is feared that wage earners remittances may decline due to fall in job opportunity in international market. Unless offset by export performances, there may be pressure in the foreign exchange market.

- ▶ **The litigation risk:** In the ordinary course of business, legal actions, claims by and against the bank may arise. The outcome of such litigation may affect the financial performance of the bank.

Policies and processes for mitigating operational risk

The Operational Risk Management Policy adopted by the Bank outlines organizational structure and detailed processes for management of operational risk. The basic objective of the policy is to closely integrate operational risk management system into day-to-day risk management process of the bank by clearly assigning roles in effectively identifying, assessing, monitoring and controlling and mitigating operational risk. Operational risks in the Bank are managed through a comprehensive and well-articulated internal control frameworks.

Approach for calculating capital charge for operational risk

The Bank follows the Basic Indicator Approach (BIA). The BIA stipulates the capital charge for operational risk is a fixed percentage, denoted by α (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula:

$$K = [(GI_1 + GI_2 + GI_3) \times \alpha] / n$$

Where:

K = the capital charge under the Basic Indicator Approach

GI = only positive annual gross income over the previous three years (i.e., negative or zero gross income if any shall be excluded)

α = 15 percent

n = number of the previous three years for which gross income is positive.

Besides, Gross Income (GI) is calculated as "Net Interest Income" plus "Net non-Interest Income". The GI is also the net result of:

- i. Gross of any provisions;
- ii. Gross of operating expenses, including fees paid to outsourcing service providers;
- iii. Excluding realized profits/losses from the sale of securities held to maturity in the banking book;

- iv. Excluding extraordinary or irregular items;
- v. Excluding the income derived from insurance.

Quantitative Disclosures

(b) *The capital requirements for operational risk:*
BDT 1,719.96 Million

I) Liquidity Ratio

Qualitative Disclosures

(a) *Views of BOD on system to reduce liquidity Risk*

In line with the provisions of liquidity risk management under Basel III, Bangladesh Bank has identified the (i) Liquidity Coverage Ratio (LCR); (ii) Net Stable Funding Ratio (NSFR); and (iii) Leverage under the purview of 'Liquidity' ratio vide BRPD Circular No. 18 dated 21 December 2014 and DOS Circular No. 1 dated 1 January 2015. The Board of Directors (BOD) reviews the liquidity risk of the Bank on quarterly rest while reviewing the Quarterly Financial Statements, Stress Testing Report etc. ALM Policy Guideline approved and revised time to time by the Board of Directors.

An overview on liquidity position and liquidity ratios are submitted annually to the BOD and the BOD approve the strategic plan for managing optimum liquidity. The Board always strives to maintain adequate liquidity to meet up Bank's overall funding need for the depositors, borrowers' requirements as well as maintain regulatory requirements comfortably.

Methods used to measure Liquidity risk

The maintenance of Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) are considered as the fundamental methods/tools to measure the liquidity position/risk of IFIC Bank. However, under Basel III, the following methods and tools are mandated for measuring the liquidity risk.

- ▶ **Liquidity Coverage Ratio (LCR):** Liquidity Coverage Ratio ensures to maintain an adequate level of stock of high quality liquid assets that can be converted into cash to meet its liquidity needs (i.e. total net cash outflows) over the next 30 calendar days.
- ▶ **Net Stable Funding Ratio (NSFR):** Net Stable Funding Ratio aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on- and off-balance sheet items. The minimum acceptable value of this ratio is 100 percent, indicating that, available stable funding (ASF) should be at least equal to required stable funding (RSF). ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability. RSF consists of assets and off-balance sheet items, also with percentage weights attached given the degree to which they are illiquid or "long-term" and therefore requires stable funding.

In addition to the above, following measures have been put in place to monitor the liquidity risk management position of the Bank on a continued manner: i) Asset-Liability Maturity Analysis (Liquidity profile); ii) Whole sale borrowing capacity; and iii) Maximum Cumulative Outflow (MCO). Besides, following tools are also used for measuring liquidity risk: i) Stress Testing (Liquidity Stress); and ii) Net open position (NOP) limit - to monitor the FX funding liquidity risk.

Liquidity risk management system

At the management level of IFIC Bank Limited, the liquidity risk is primarily managed by the Treasury Division (Front Office) under oversight of Asset Liability Committee (ALCO) which is headed by the Managing Director along with other senior management. Treasury Division (Front Office) upon reviewing the overall funding requirements on daily basis sets their strategy to maintain a comfortable/adequate liquidity position taking into consideration of Bank's approved credit deposit ratio, liquid assets to total assets ratio, asset-liability maturity profile, Bank's earning/profitability as well as overall market behavior and sentiment etc. Apart from the above, Basel Unit also monitors & measures the liquidity risk in line with the Basel III liquidity measurement tools, namely, LCR, NSFR, Leverage Ratio. The unit addresses the key issues and strategies to maintain the Basel III liquidity ratios to the respective division(s) on regular interval.

Policies and processes for mitigating liquidity risk

The Asset-Liability (ALCO) policy leads the process & procedures for mitigation of liquidity risk of IFIC Bank. ALCO works under specific Terms of References approved by the Board. Treasury Division (Front Office) and ALM desk under regular supervision of Top Management reviews the overall liquidity position of IFIC Bank and takes appropriate strategy, process in line with the industry position for managing liquidity risk of the Bank. The general liquidity risk management policies of the bank are as follows:

- ▶ **To maintain CRR**
 - i. Under the surplus liquidity condition, Treasury will handle the excess liquidity by providing more loans, investing the excess liquid fund in highly marketable fixed income securities, and lending to other Banks, Financial Institutions and Reverse Repo to Central Bank.
 - ii. The treasury will handle the liquidity shortfall if happened with increasing the core deposit of the Bank from the depositors for supporting the loans and advances portfolio of the Bank, and borrowing from other Banks, Financial Institutions and Central Bank.
 - iii. The treasury will assess the level of interbank borrowing capacity and raise funds to meet liquidity from the most reliable sources.
- ▶ **To maintain SLR:** Statutory Liquidity Requirement (SLR) is maintained as per directives of Bangladesh

Bank from time to time by way of investment in approved securities.

- ▶ **To maintain NOP:** The treasury manages the necessary foreign currency required by the Bank by using its own intelligence and skill and they do the following trade- Spot, Forward, Swap, Other Foreign Exchange Deals by using different hedging techniques.
- ▶ **To maintain Advance-to-Deposit Ratio (ADR):** The business of the Bank is forecasted based on the current loan, investment and funding strategies, and anticipated funding need.
- ▶ **To maintain LCR:** Liquidity coverage is maintained by-
 - i. Increasing investment in T-bills, BGTB, BB Bill, Reverse Repo
 - ii. Additional investment in Govt. Security shall be made in short/mid/long combination to meet liquidity as well as optimize the return
 - iii. Balance in FC Accounts with BB to be increased
 - iv. Deposit from FIs and Borrowing are to be reduced and replaced by increasing Customer Deposit, and
 - v. Lending/Placement with FI should be more preferable than lending to others.
- ▶ **To maintain NSFR:** Stable Funding is maintained by increasing Capital, increasing stable customer Deposits, increasing Mortgage Loan and Lending having 50% risk weight, decreasing Investment in Capital Market, and controlling growth of Fixed Assets.

Quantitative Disclosures

(b) Liquidity Ratio	In million BDT
Liquidity Coverage Ratio	185.35%
Net Stable Funding Ratio (NSFR)	114.98%
Stock of High quality liquid assets	58,228.00
Total net cash outflows over the next 30 calendar days	41,008.00
Available amount of stable funding	254,560.00
Required amount of stable funding	221,393.00

J) Leverage Ratio

Qualitative Disclosures

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

An underlying cause of the global financial crisis was the build-up of excessive on- and off-balance sheet leverage in the banking system. In many cases, banks built up excessive leverage while apparently maintaining strong risk-based capital ratios. The BOD of IFIC Bank manages leverage risk and are conscious to address the risk of

excessive leverage in a precautionary manner by taking due account of potential increases in the risk of excessive leverage caused by reductions of the bank's own funds through expected or realized losses, depending on the applicable accounting rules. The BOD primarily views on the growth of On and Off balance sheet exposures commensurate with its expected capital growth so that the excessive leverage is reduced. Within the On-balance components, again, the Board emphasizes on the growth of the prime component i.e. the loans and advances and maintaining good asset quality so as to maximize the revenue as well as the capacity to generate capital internally (in the form of retained earnings) to trade-off the excessive leverage supposed to be caused by asset growth.

Policies and processes for managing excessive on and off-balance sheet leverage

In order to avoid building-up excessive on- and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced by the Basel Committee. A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives- (a) constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy, and (b) reinforce the risk based requirements with an easy to understand and a non-risk based measure. Predominantly, Bank's policy is to maintain the Leverage Ratio well above the regulatory requirement. To this end, the striking components of balance sheet, namely, the deposits & borrowing, loans & advances, other liquid assets (treasury bills, bonds, fund placements) are analyzed. Measures are taken to contain the growth of overall size of balance sheet considering short term outlook of the industry indicators as well as possible growth of equity (Tier 1 capital) of the Bank on quarterly rest. With regard to managing the excessive leverage, the regulatory stance through the monetary policy initiatives i.e. the scope of expected business potential (growth), estimated money supply, inflation, resulting the estimated overall liquidity of the industry as well as the Bank in particular is also considered.

Approach for calculating exposure

The Bank follows the accounting measure of exposure for the leverage ratio. In order to measure the exposure consistent with financial accounts, the Bank applies following:

- i. On balance sheet, non-derivative exposures will be net of specific provisions and valuation adjustments.
- ii. Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure.

iii. Netting of loans and deposits is not allowed.

The formula for Leverage Ratio is as follows:

Leverage Ratio =

Tier-1 Capital (considering all regulatory adjustments)

Total Exposure

Where, Total Exposure = On-Balance Sheet Exposure + Off-Balance Sheet Exposure - Total Deduction from On and Off-Balance Sheet Exposure/Regulatory adjustments made to Tier 1 capital

- ▶ **On-Balance Sheet Items:** The Bank includes items using its accounting balance sheet for the purposes of the leverage ratio. Total On balance sheet exposure can be derived by deducting 'Total Specific Provision' from 'Total On-Balance Sheet Assets'.
- ▶ **Off-Balance Sheet Items:** The Bank calculates the off-balance sheet (OBS) items specified in Credit Risk chapter (Table 12) of 'Guidelines on Risk Based Capital Adequacy (RBCA) - Revised Regulatory Capital Framework for banks in line with Basel III' under the section of "Risk Weights Off-Balance Sheet Exposure" by applying a uniform 100% credit conversion factor (CCF). For any commitments that are unconditionally cancellable at any time by the bank without prior notice, a CCF of 10% is being applied.

Quantitative Disclosures

(b) Leverage Ratio	BDT in million
Leverage Ratio	7.38%
On balance sheet exposure	317,667.49
Off B/S exposure	26,278.89
Total exposure	342,935.43

K) Remuneration

Qualitative Disclosures

(a) Information relating to the bodies that oversee remuneration.

Name, composition and mandate of the main body overseeing remuneration.

The Board of Directors sets the remuneration structure. Based on approval of pay package from the Board, Human Resource Management Division disburses remuneration centrally which is supervised by the Management.

External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.

No external body/consultants are involved to seek advice. For market research, external data are collected informally while setting remuneration structure.

A description of the scope of the bank's remuneration

policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.

Bank's remuneration policy governs the IFIC Bank Ltd, IFIC Securities Ltd. for employees regardless of cost centers/business lines. Separate remuneration package is practiced in case of foreign subsidiaries.

A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.

Generally MANCOM members and Senior Management Team (SMT) members are considered as material risk takers.

(b) Information relating to the design and structure of remuneration processes.

An overview of the key features and objectives of remuneration policy.

The remuneration structure of the Bank is primarily designation wise range based which is designed to be market competitive to attract and retain talents. It is directly linked to the annual performance of an employee. Based on annual performance rating of the employees, yearly increment (Inflationary adjustment & Performance Pay) is given to the employee from the range of 6 percent to 16 percent which is calculated on initial basic salary of each job grade.

Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.

There is no specific remuneration committee to review the policy. Since the remuneration structure is linked to performance, Management of the Bank decides every year to adjust the pay structure with national inflation and individual performance to make it more market competitive with the approval of the Board of Directors.

A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.

Employees' remuneration is fully co-related with individual performance. At the beginning of the year, mutually agreed business targets/objectives are set for each employee irrespective of place of posting or cost center and end of the year employee performance is evaluated by immediate supervisor. The evaluation process is overviewed by "Performance Evaluation Review Committee". Hence, a fair performance evaluation is ensured that risk and compliance employees are remunerated independently of the businesses they oversee.

(c) Description of the ways in which current and future risks are taken into account in the remuneration processes.

An overview of the key risks that the bank takes into account when implementing remuneration measures.

The business risk including credit/default risk,

compliance & reputational risk are mostly considered when implementing the remuneration measures for each employee/group of employee. Financial and liquidity risks are also considered.

An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed).

Performance based remuneration is a justified way to ensure equity in remuneration. The motto of “Performance Based Remuneration” is to attract talented & skilled workforce, increase employee motivation, productivity and reduce employee turnover.

A discussion of the ways in which these measures affect remuneration.

While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly the result of the performance varies from one to another and thus affect the remuneration as well.

A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration

The performance based pay package is offered to the suitable employees based on individual performance. This system has been introduced to motivate the talented staff and to attract the suitable resources.

(d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.

An overview of main performance metrics for bank, top-level business lines and individuals.

Based on Key Performance Indicators (KPI) for the Bank, Management segregates the target to the individual branches and division which ultimately helps in setting individual KPI at branch and head office level. The most common KPIs are the achievement of loan, deposit and profit target with the threshold of NPL ratio, cost-income ratio, cost of fund, yield on loans, provision coverage ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.

A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.

As part of yearly increment, performance pay (Individual performance & bank’s performance) is adjusted through giving certain percentage load on basic salary to the eligible employees in addition to inflationary adjustment.

A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.

In case of weak performance, the amount of yearly increment will not insignificant. For instance, inflationary adjustment is given for ‘average’ and ‘above average’ rating but nothing is adjusted for ‘below average’ rating.

(e) Description of the ways in which the bank seek to adjust

remuneration to take account of longer-term performance.

A discussion of the bank’s policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.

In case of deferred benefits, gratuity amount is relatively increased with longer period based on service tenure. Additionally, provident fund amount is also affected positively with the cumulative interest applied on the fund balance.

A discussion of the bank’s policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements.

Not applicable

(f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.

An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms.

Variable remuneration is offered in case of yearly increment application. Moreover, bonus may be variable based on approval from the Board.

A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees, a description the factors that determine the mix and their relative importance

No other variable remuneration except yearly increment which is done based on performance.

Qualitative Disclosures

The quantitative disclosures detailed below covers only senior management and other material risk takers.

(g) Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	N/A*
(h) Number of employees having received a variable remuneration award during the financial year.	16
Number and total amount of guaranteed bonuses awarded during the financial year.	02 Festival Bonus & Pohela Boisakh Bonus for employee (Total amount BDT : 10.61 Mill)
Number and total amount of sign-on awards made during the financial year.	Nil

Number and total amount of severance payments made during the financial year.	Nil
(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	BDT in million
Cash	Nil
Shares	Nil
Share-linked instruments	Nil
Other forms	Nil
Total amount of deferred remuneration paid out in the financial year.	Nil
(j) Breakdown of amount of remuneration awards for the financial year to show:	BDT in million
fixed and variable.	23.06
deferred and non-deferred.	Nil
different forms used (cash, shares and share linked instruments, other forms).	Nil

(k) Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:

Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	Not applicable
Total amount of reductions during the financial year due to ex post explicit adjustments.	Not applicable
Total amount of reductions during the financial year due to ex post implicit adjustments.	Not applicable

- ▶ Management generally oversees remuneration on monthly basis.

Annexure – I: Rate of general and specific provision for loans and advances as per Bangladesh Bank Guideline

Category of Loans & Advances	Rate (%) of provision
General Provision-for Unclassified	
Loans and advances (excluding SMA)	
Small and medium enterprise	0.25%
Consumer finance (house building)	1.00%
Loans to BHs/MBs/SDs share etc.	2.00%
Consumer Finance	5.00%
Consumer Finance (card)	2.00%
Short Term Agri. Credit and Microcredit	1.00%
All other unclassified loans	1.00%

Special Mention Account (SMA)	
Small and medium enterprise	0.25%
Consumer finance (house building)	1.00%
Loans to BHs/MBs/SDs share etc.	2.00%
Consumer Finance	5.00%
Consumer finance (card)	2.00%
Short Term Agri. Credit and Microcredit	0.00%
All other unclassified loans	1.00%
Off-shore banking unit	
Unclassified loans	1.00%

Specific provision-for Classified	
Sub-standard	20.00%
Sub-standard- Short term Agri. Credit	5.00%
Doubtful	50.00%
Doubtful- Short term Agri. Credit	5.00%
Bad/loss	100.00%

Particulars of required provision on Off-balance Sheet Exposure

Acceptances and endorsements	1.00%
Letters of guarantee	1.00%
Irrevocable letters of credit	1.00%
Bills for collection	1.00%

Annexure – II: Total gross credit risk exposures broken down by major types of credit exposure

Particulars	BDT in million
Term loan industrial	16,679.24
Term loan consumer finance	217.49
Agricultural loan	3,230.15
Term loan women entrepreneur	30.38
Term loan-others	64,320.14
House building loans	35,878.06
Staff loan	1,445.24
Transport loan	35.25
Loan general	3,273.90
Demand loan	9,479.24
Overdrafts	51,569.60
Cash credit	23,146.11
Credit card finance	162.58
Loan against trust receipt (LTR)	5,529.99
Lease Finance	294.52
Margin Loan	3,934.94
Bills purchased and discounted	10,653.69
Off-shore banking unit	2,642.92
Total	232,523.44

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

Particulars	BDT in million
Dhaka Division	196,013.89
Chottogram Division	19,170.90
Sylhet Division	1,476.57
Rajshahi Division	6,443.78
Khulna Division	3,885.12
Barisal Division	1,015.64
Rangpur Division	2,928.20
Mymensingh division	1,589.34
Total	232,523.44

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

Particulars	BDT in million
Agriculture Industries	3,996.32
Jute Industries	4,287.70
Textile Industries	11,055.68

Particulars	BDT in million
Garments Industries	27,632.63
Chemical and Chemical Products	105.41
Cement Industries	2,273.33
Bricks & Ceramic	1,211.72
Food Products & Processing	5,649.73
Engineering & Metal	5,508.80
Drugs & Pharmaceuticals	854.30
Hospital & Clinics	98.83
Paper & Paper Products Industries	2,966.52
Other Small Industries	7,247.41
IT Sector	4,408.91
Other Service Industries	22,480.31
Trade & Commerce	29,967.51
IFIC Securities Ltd.	3,934.94
Transport	1,276.54
Construction Firms/Companies	10,438.19
Housing Societies/Companies	28,235.17
Cold Storage	102.86
Consumer Finance	38,556.25
Energy	7,427.98
Telecommunication	8,840.10
Others	3,966.30
Total	232,523.44

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

Particulars	BDT in million
On demand	36,167.62
Up to 1 month	9,130.08
Over 1 month but not more than 3 months	19,854.70
Over 3 months but not more than 1 years	46,956.24
Over 1 year but not more than 5 years	40,171.91
Over 5 years	69,589.20
	221,869.75
Bill purchased and discounted	10,653.69
Total	232,523.44

Annexure-VI: Impaired and Past Due Loans

BDT in million

Major Type	Status-wise amount of impaired/ classified loans				Total
	SMA	SS	DF	BL	
Continuous Loan	877.92	280.68	187.20	3,774.26	5,120.06
Demand Loan	2,459.49	1,405.99	75.86	531.33	4,472.67
Term Loan	5,364.48	1,482.32	120.64	4,322.83	11,290.27
Other Loan	0.00	29.91	18.75	35.70	84.36
Total	8,701.89	3,198.90	402.45	8,664.12	20,967.36

Annexure-VII: Interest Rate Risk in the Banking Book

(In Million BDT)

CRAR before-shock (%) - 12.80

Interest rate stress	Minor	Moderate	Major
Assumed change in interest rate	1.0%	2.0%	3.0%
Net interest income impact			
<12 months	18.40	36.90	55.30
Capital after-shock	29,185.90	29,204.40	29,222.80
CRAR after-shock (%)	12.81	12.82	12.83
Change in CRAR after-shock (%)	0.01	0.02	0.02
Repricing impact			
Change in the value of the bond portfolio	-843.90	-1,687.90	-2,531.80
Capital after-shock	28,342.00	27,516.50	26,691.00
CRAR after-shock (percent)	12.44	12.08	11.72
Change in CRAR after-shock (%)	-0.37	-0.74	-1.11
Overall change in CRAR (NII and repricing impact, %)	-0.36	-0.72	-1.09

**REPORT ON
SUSTAINABLE
FINANCE**

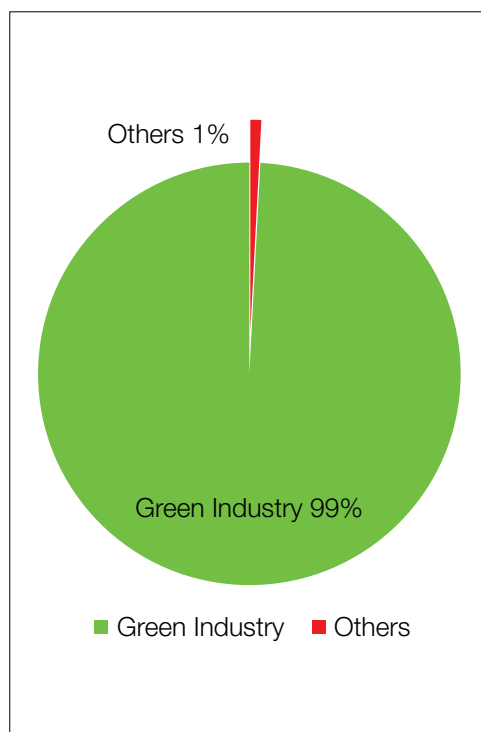


Report on Sustainable Finance

Green Products

IFIC Bank has following Green Products with the aim of providing financial supports for Eco-friendly business activities. An amount of BDT 7,047.54 million was disbursed as Green Finance in 2019. Bank has been participated in different green events to showcase its Green Products.

Product	Purpose
Domestic Bio-gas plant	For integrated cow rearing & setting up of bio-gas plant.
	For setting up bio-gas plant in existing cattle/poultry farm.
Commercial bio-gas plant	For setting up of bio-gas plant in existing cattle/poultry farm & produce electricity through gas generator.
Vermin compost	To meet the financial need for purchasing of 2 cows, construction of shade and for other expenses to produce vermin compost fertilizer for own use/business purpose.
Finance for Brick Kiln Efficiency Improvement Projects	To set-up HHK or equivalent technology plant.
	Conversion of traditional FCK into Improved Zig Zag Brick Kiln
Finance at Fire Fighting & Safety Equipment	i. To purchase/reinstall of Fire fighting/Fire safety equipment.
	ii. To Construct/Repair/Reconstruction of overhead and underground water reservoir/tanks. To purchase/reinstall of Fire fighting/Fire safety equipment.
	iii. To Construct/Repair/Reconstruction of overhead and underground water reservoir/tanks.
	iv. To purchase/install water pumps, Sprinkler etc. to protect fire incidents.



International Women's Day on March 8, 2019



IFIC Bank took part in the 'Bankers-SME Women Entrepreneurs Meeting and Product Display Fair 2019' organized by Bangladesh Bank in occasion of International Women's Day on March 8, 2019. Ms. Afroza Ahmed, proprietor of "Touch Fashion" Manikgonj is receiving a cheque of BDT 30.00 lac from Honourable Education Minister Dr Dipu Moni MP while Governor of Bangladesh Bank Mr. Fazle Kabir, among others, were present in the open loan disbursement program.

Loan Product: Women Entrepreneurs

Name of Product	Purpose
IFIC-Protyasha	Loan for Women Entrepreneurs.
IFIC-Prantonari	Loan for Grassroots Women Entrepreneurs.

Existing Key Loan Products under SME, Agri & Sustainable Finance

Name of Product	Purpose
IFIC-Krishi Shilpo	Loan for Agro-based Industry
IFIC-Shilpo Sohay	Loan for Cottage & Micro Industry.
IFIC-Shilpo Shongjog	Loan for Manufacturing & Service Industry
IFIC-Protyasha	Loan for Women Entrepreneurs.
IFIC-Prantonari	Loan for Grassroots Women Entrepreneurs.
Easy Commercial Loan	Loan against financial instruments.
CHBL	Loan for commercial house building.
IFIC-Suborno Gram	Loan for crops, fisheries & livestock.
Sech Soronjam	Loan for irrigation instruments.
Krishi Soronjam	Loan for cultivation instrument.
Domestic Bio-gas plant	For setting-up Bio-gas plant
Commercial bio-gas plant	For setting-up Bio-gas plant to produce electricity through gas generator for business purpose.
Vermin compost	To produce vermin compost
Finance for Brick Kiln Efficiency Improvement Projects	To set-up HHK or equivalent technology plant.
	Conversion of trad Conversion of traditional FCK into Improved Zig Zag Brick Kiln.
Finance at Fire Fighting & Safety Equipment	Finance for Fire fighting equipment & safety measurement.



**REPORT ON
RISK MANAGEMENT**

Report on Risk Management

Introduction

Banking is the management of risk. Banks accept risk in order to earn profits. They must balance alternative strategies in terms their risk/return characteristics with the goal of maximizing shareholder wealth. In doing so, banks recognize that there are different types of risk and that the impact of a particular investment strategy on shareholders depends on the impact on the total risk of the organization.

Risk and risk management is an inescapable part of economic activity. Risk, broadly defining, is exposure to uncertainty. Risk is also the concept used to describe all of the uncertain environmental variables that lead to variation in and unpredictability of outcomes. More colloquially, risk is about the chance of a loss or adverse outcome as a result of an action, inaction, or external event. This last view may make it sound as if risk is something to be avoided. But that is not at all the case. Risk is a key ingredient in the recipe for business success, and return without risk is generally a false hope and usually a prescription for falling short of one's goals. Risks taken must be carefully chosen, understood and well-managed to have a chance at adding value through decisions. Risk exposure results from the decisions of an organization to take on risk-sensitive assets and liabilities.

Risk cannot be totally mitigated but its worse effect can be minimized to certain stage. IFIC Bank has a comprehensive risk management process to identify, evaluate, monitor, control and mitigate risks and assess the overall capital adequacy in relation to its risk profile.

Risk Management Structure

1. Risk Management Division

Over the past few decades, risk management division in banking

has been passed through different stages. Most specifically, this change took place in response to regulators both global and local due to the global financial crisis. This same is true for IFIC Risk Management Division also. But as the nature of banking changes over the next decade, so too will risk management need to evolve. Banks have to conduct their business and merely just because there is some uncertainty they cannot just sit back. Risk management Division of IFIC is in the process of knowing what type of uncertainties are out there so that IFIC can find out what are the steps are there to take against these and be fully prepared for eventualities. Decisions have to be taken; business needs to be conducted as well. Thus IFIC RMD helps to identify uncertainties to make informed decisions by the management.

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

The RMD needs to manage and measure risks on the basis of the bank's approved risk parameters independently in line with regulatory requirements. The role of RMD includes, but not limited to, the following:

- ▶ Developing risk management policies, methodologies, guidelines, and procedures for risk identification, risk measurement, risk monitoring, determining acceptance level of risk, risk controlling in line with the guidelines provided by Bangladesh Bank;
- ▶ Review and update of all risks in a systematic manner as necessary at least annually,

ensuring that adequate control exists and that the related returns reflect these risks and the capital allocated to support them;

- ▶ Conducting, developing and overseeing Stress Testing activity. Utilizing the Stress Test result and scenario analysis to better understand potential risk exposures under a variety of adverse circumstances;
- ▶ Supporting the Board, BRMC and ERMC in formulation, review and approval of the enterprise-wide risk governance framework which includes the bank's risk culture, risk appetite, risk limits, and MAT;
- ▶ Monitoring on ongoing basis the risk-taking activities and risk exposures in line with the board approved risk appetite, risk limit and corresponding capital or liquidity needs (i.e. capital planning);
- ▶ Reviewing of the assessment of Risk Based Capital Adequacy and oversee the capital management functions of the Bank as per Basel III Accord;
- ▶ Analyzing of the bank's own resilience capacity towards facing financial difficulties of the Bank;
- ▶ Communicate views of the board and senior management throughout the bank;
- ▶ Monitoring compliance of irregularities found in core risk inspection reports of BB;
- ▶ Taking appropriate steps to control or mitigate risk exposures and ensure reporting the same to senior management and BRMC.

2. Objectives of RMD

The objective of risk management in IFIC is not to prohibit or prevent risk taking activity, but to ensure that the risks are consciously taken with full knowledge, clear purpose

and understanding so that it can be measured and managed properly. IFIC believes in not ignoring the risks or believing they can be passed off also. So the objectives have been set accordingly.

The objective of the Bank is to maximize shareholders wealth by increasing bank business activities

within board determined risk appetite. Bank is careful of achieving this objective in line with the interests of all stakeholders while achieving risk management objectives. The prime objective of risk management is trade-off between risk and reward in our business portfolio. The purpose of risk management

is to identify potential problematic areas before they occur so that risk handling strategies may be planned and invoked in advance across the life of the product or project to mitigate adverse impacts on achieving objectives.

The Objectives of IFIC is mentioned in the following figure:



Figure 1: IFIC Risk Management Objectives

RMD follows the detail risk management process to achieve the objectives.

3. Scope of RMD

Sound risk management is the broader scope of RMD. There are many circulars, policies, guidelines have been issued by regulators and internal source from time to time with a view to ensuring proper application of sound risk management in Bank. All these ensure building the necessary infrastructure and taking various steps for identification, measurement, monitoring, and control or mitigation of various existing and potential risks. For stronger and updated risk management activities, the following tasks are under the purview of IFIC RMD:

- ▶ The RMD reports high-risk related issues identified by the management-level risk committee, directly to the BRMC, and shall provide a copy to the Managing Director & CEO for acknowledgement.
- ▶ RMD requests to ICC division to conduct audit on any specific issue if deemed necessary.

- ▶ IFIC entrusts in the RMD the responsibility of monitoring implementation of required corrective action, related to objections revealed in the inspections conducted on the basis of the core risk management guidelines.
- ▶ The RMD determines the risk appetites on yearly basis for all possible measurable risk areas. These areas include, but are not limited to, sector, industry and area-wise loan targets, credit concentration among top-20 borrowers, off-balance sheet exposure as a percentage of total assets, the annual growth rate for loans and advances, limitations on the percentage of financial liabilities sourced from the top-10 suppliers, the gaps between total assets and liabilities in different time buckets of the liquidity profile, the gap between rate-sensitive assets and rate-sensitive liabilities in different time buckets, various ratios, expected loss from operational risk, etc. These risk appetites are approved by the Board and sent to Department

- of Off-Site Supervision (DOS), Bangladesh Bank within first two months of every year.
- ▶ RMD conducts the stress testing and share with Bangladesh Bank at given frequency.
- ▶ Basel refers to the capital and liquidity standards prescribed by the Bank for International Settlements (BIS) to promote stability of international banking system. Bangladesh Bank (BB) circulated 'Guidelines on Risk Based Capital Adequacy' vide BRPD circular no. 18 dated 21 December 2014 for gradual implementation of Basel III which started from 01 January 2015 in Bangladesh. These new global regulatory and supervisory standards mainly addressed the following areas:
 - raise the quality and level of capital to ensure banks are better able to absorb losses on both a going concern and a gone concern basis;
 - increase the risk coverage of the capital framework;

- introduce leverage ratio to serve as a backstop to the risk-based capital measure;
- raise the standards for the supervisory review process (Pillar 2); and
- Public disclosures (Pillar 3) etc.
- All Basel related activities are under the purview of RMD.

4. Risk Management Process

Risk management is the process by which an organization defines the level of risk to be taken, measures the level of risk being taken, and adjusts the latter toward the former, with the goal of maximizing the organization's value. Risk Management Process helps management to arrive at desired indicators of profitability and to avert illogical resource deployment. IFIC Bank's risk management process is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures for risk management are approved by Board of Directors and the Board of Directors has oversight on all the risks assumed by the bank.

Risk Management Division is to identify and quantify the overall risk inherent with the banking business. After identifying and measuring risks we take initiative to minimize the risks and keep it within the risk appetite. Risk management is a discipline at the core of every financial institution and encompasses all activities that affect its risk profile. It involves identification, measurement, monitoring, controlling and reporting risks to ensure that:

- ▶ The individuals who take or manage risks clearly understand it.
- ▶ The organization's risk exposure is within the limits established by the highest authority of the institution;
- ▶ Risk taking decisions are explicit and clear;

- ▶ Risk taking decisions are in line with the business strategy and objectives set by the highest authority of the institution;
- ▶ The expected payoffs compensate for the risks taken; and
- ▶ Sufficient capital is available as a buffer to take risks.

IFIC Bank is tailoring its Risk Management Process to its need and circumstances as per Bangladesh Bank guideline. Hence, managing of risks consists of the following steps:

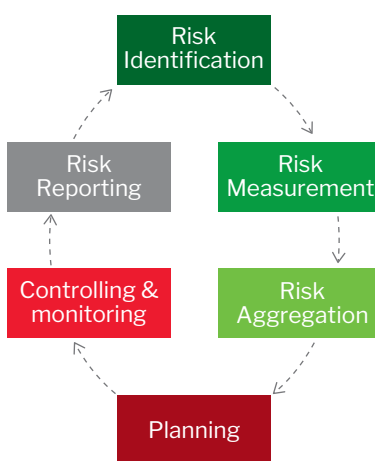


Figure 2: Risk Management Process

i) Risk Identification

The process of managing risk of the bank starts with the identification of potential risks. Hence, risk identification can start with the root cause of a problem. Risk sources may be internal or external to the system that is the target of risk management. IFIC RMD team uncover, recognize and describe risks relating to bank's six core risks and few other categories risks (explained later part) by using different processes and it is a continuous process.

ii) Risk Measurement

Once risks have been identified, they are measured in order to determine their impact on the bank's profitability and capital. The above-mentioned types of risks are to be consistently assessed and that is an essential prerequisite for successful risk management.

iii) Risk Aggregation

When aggregating risks, it is important to take into account correlation effects which cause a bank's overall risk differing from the sum of the individual risks. This applies to risks both within a risk category as well as across different risk categories.

Further, approach to manage risks at transaction level– i.e. at branch level where business transactions are undertaken – and at aggregate level – i.e. sum total of all transactions undertaken at all branches – differs.

iv) Planning

Overall risk exposure of IFIC Bank is planned in a well-organized manner. Risks are actively managed and controlled according to plan.

v) Controlling & Monitoring

The risks involved in the banking business are properly controlled and monitored to make sure whether the risks actually incurred, lie within the stipulated limits, thus ensuring the capacity of bank to bear those risks.

vi) Risk Reporting

Reporting is the last and most essential part of the risk management process. Depending on the risk categories, they are reported in different internal and regulatory reports. These are also placed in different committees to take preventive actions as applicable.

Recently Bangladesh Bank has given a guideline to establish the risk management process with seven steps and RMD is in the process to implement it.

Risk Governance Structure

Governance is the top level system of structures, rights, and obligations by which organizations are directed and controlled. Normally performed at the board level, governance is how goals are defined, authority is granted, and top level decisions are made. The foundation for risk management in the organization is set at the board level as well.

1. Board

IFIC Board is in focus to enhance corporate governance and make valuable contributions to the prudent management of the institution. Board is providing optimal risk oversight at IFIC by ensuring the following functions:

- ▶ Establish the risk appetite, risk tolerance risk limit, and set risk strategies.
- ▶ Approve bank's risk management policies
- ▶ Determine the strategic direction
- ▶ Create an environment for effective risk management establishment
- ▶ Oversee governance of risk-taking in the organization
- ▶ Ensure appropriate inclusion of risk in compensation policy
- ▶ Oversee and sign-off risk related disclosure.

2. Senior Management

Senior management is responsible for the implementation of risk policies. They ensure execution of Board's strategic direction in all levels of the bank. They are to transform the strategic directions set by the Board into operational policies, procedures, and processes for effective risk management.

The senior management of IFIC is fully aware of the activities undertaken by the bank that could expose it to various risks. They have the necessary knowledge and skills to be able to align the risk levels with the board's strategies through risk assessment and treatment. They ensure that the policies are embedded in the culture of the bank. They are also responsible for implementing risk management strategies and policies and ensuring that procedures are put in place to manage and control the risks in accordance with those policies keeping in view the strategic direction and risk appetite specified by board.

3. Committees of Risk Management

IFIC has the Chief Risk Officer

(CRO) at DMD level and not in-charge of the Internal Control and Compliance department. The bank has constituted an Executive Risk Management Committee (ERMC) with the CRO as the head. Bank has appointed FVP as the head of the RMD who is a member of all important committees related to risk.

All the committees, where RMD is involved, are mentioned below:

i) BRMC

As per Bangladesh Bank guideline, IFIC has a strong Board Risk Management Committee (BRMC). All the members have the risk oversight of the bank with a clear understanding of all types of risks inherent in business lines. They regularly take appropriate steps to ensure continued awareness of any changes in the level of risks. IFIC has 4 members in BRMC. All the directives given by Bangladesh Bank are meticulously followed by the committee. BRMC regularly reviews the strategies and significant risk management policies which are developed by senior executives. The committee is very much aware of the nature of risks, significant to the bank and for ensuring that the management is taking necessary steps to implement those strategies and manage accompanying risks.

BRMC ensures to take place minimum once in a quarter. But also they sit, as and when required. In 2019, there took six (4) BRMC meeting against the Bangladesh Bank meeting requirement of at least four (4).

ii) ERMC

IFIC has its Executive Risk Management Committee (ERMC) with 14 senior officials of the bank. IFIC Top management is aware of bank's risk profile on an ongoing basis and updated with regularly report it to ERMC for review. For effective oversight of risk management by ERMC, the members of ERMC are provided with sufficient information and they get enabled to understand the

bank's risk profile, how risks are assessed and as well.

To serve this purpose of ERMC, members oversee the development, implementation and maintenance of an appropriate Management Information System (MIS) that identify, measure, monitor and control bank's various risks. And finally through effective communications among the members of the committee provide necessary guidance which are mentioned in respective minutes and ensured necessary action taken by the concerned parties. This committee sat every month during 2019 and ensured to follow all the guidelines of Bangladesh Bank for the committee.

iii) Basel Unit

Basel Unit has supervisory committee consist of seven (7) members' team headed by CRO. They have also a working team of 3 members.

iv) Supervisory Review Process (SRP)

SRP has following three layers

- **Strategic Layer:** Board Risk Management Committee (04 Members) bears the responsibility.
- **Managerial Layer:** Nine (09) Members headed by CEO.
- **Operational Layer:** Risk Management Division is responsible.

Risks Handled by IFIC

1. Risk Categories:

IFIC handles its risk management activities through managing core risks identified by the central bank of Bangladesh. The bank is also focused on other material risks that have significant impact on its business activities to achieve the goal. Thus we divide all risks in two broad categories, which are core risks and other risks.

All the risks addressed by IFIC Risk Management Division are mentioned in the below diagram:



Figure 3: Risk Categories

Bangladesh Bank has issued policy guidelines for prudent management of the core risks. Accordingly, IFIC has formulated these guidelines and also set own policies for the same in line with BB guideline. A snapshot of all these risks is given below.

A. Core Risks

i) Credit Risk

IFIC bank formulates its own credit

risk management policy in line with the policy guidelines of Bangladesh Bank, implementation of Basel-III as well as in order to keep pace with the changed environment of money market, credit cultures, risks diversity & dimension. The bank optimizes risk-adjusted return from the loan and advance portfolio. So, to control this credit risk, the bank takes into cognizance the credit risk

inherent in the bank's entire portfolio as well as the risks associated with individual credit proposal. The bank carefully appraises the relationship between credit risk and other risks while supporting its transactions. To manage credit risk in a prudent manner, the bank forms two committees mentioned below:



Figure 4: Credit risk governance committee

IFIC bank has a Credit Risk Management division headed by an experienced DMD & CCO. The division includes Corporate, SME and Retail departments at head office level and marketing & sales department at branch level entrusted with the responsibilities of maintaining effective relations with customers, marketing credit products, exploring new business opportunities. For ensuring proper risk management, the bank has following teams:

- ▶ Credit approval
- ▶ Credit administration; and
- ▶ Remedial asset management.

All these teams also ensure sound credit risk management practices by

- ▶ Establishing an appropriate credit risk environment;

- ▶ Operating under a sound credit granting process;
- ▶ Maintaining an appropriate credit administration and monitoring process;
- ▶ Ensuring adequate controls over credit risk.
- ▶ Monitoring non performing loans and recovery against NPL & written off loans.

For effective credit risk management, the bank follows the below principles additionally:

▶ Portfolio Composition

IFIC bank is focused on Aamar Bari financing. However, the bank is also concurrently exploring opportunities to grow its corporate and retail loan segments. The bank's portfolio comprises a variety of products

based on the risk-return trade-off. The different types of loans (sectoral loans, industrial loans, aamar bari loans, auto loans, loans for trade & commerce, construction loan, etc.) have uneven risk-return factors and hence opportunities are pursued accordingly, also depending upon the prevailing market conditions and industry prospects.

▶ Credit Concentration

Bank's management always pays attention to the following credit concentration risk areas:

- ▶ Sector wise exposure
- ▶ Division wise exposure (Geographic Concentration)
- ▶ Group wise exposure
- ▶ Single borrower wise exposure
- ▶ Top borrower wise exposure

The Board of Director of the bank sets risk appetite, risk tolerance and risk limits for sectors, divisions/ areas, top borrowers etc. to achieve the goal of the bank.

▶ **Credit Quality**

The bank has established credit approval system, disbursement process, maintaining a robust administration & monitoring process and ensuring simultaneous control. Marketing and sales team at branch level, credit team and business team at head office level identify these risks by engaging in physical visits across different disbursement phases. These checks also enforce corporate borrowers to improve their environmental and social performance while improving their credit record. Stressed loans are monitored by risk management division, credit administration and remedial asset management division. Furthermore, RAM division is continuously monitoring the classified & written off loans and recovery against those. Bank's robust capabilities enable to identify, measure, monitor and control credit risks, thereby enabling a rigorous control on NPLs as well as ensuring that adequate capital against these risks is maintained with satisfactory compensation against potential losses.

ii) **Asset-Liability Risk**

The assets and liabilities of IFIC Bank Ltd. are managed in order to maximize stake holder's value, to enhance profitability and increase capital, to serve customers and community needs, and to protect the bank from any disastrous financial consequences arising from changes in interest rate/liquidity. The Board of Directors believes that accepting some level of interest rate risk is necessary in order to achieve realistic profit goals.

IFIC bank has the asset liability management policy to monitor, measure and manage the risks associated with the balance sheet and protects the bank against any unforeseen losses/threats to survival. The policy is revised to accommodate regulatory and

organizational changes over time. The bank sets the following liquidity risk indicators that are used to monitor the status of its liquidity position and to achieve the goal:

- ▶ Loan – Deposit Ratio
- ▶ Wholesale Borrowing Guidelines (WBG)
- ▶ Commitments
- ▶ Maximum Cumulative Outflow (MCO)
- ▶ Liquidity coverage ratio (LCR)
- ▶ Net stable funding ratio (NSFR)
- ▶ Structural liquidity gap analysis
- ▶ Liquid asset to short-term deposit
- ▶ Liquid asset to short-term liability
- ▶ Cash Reserve Requirement (CRR)
- ▶ Statutory Liquidity Requirement (SLR) etc.

The responsibility of managing the assets and liabilities is entrusted to the Asset-Liability Management Committee (ALCO). ALCO meeting is held once or more in every month to analyze, review and formulate strategies in order to manage the assets and liabilities of the bank.

iii) **Foreign Exchange Risk Management**

Treasury Division of the bank measures and monitors the Foreign exchange risks. The bank has formulated a foreign exchange guideline which has been implemented for managing foreign exchange risks as per directives of Bangladesh Bank. The functions of treasury front office, mid office and back office have been segregated. The operational guidelines have also been formulated specifying the roles and responsibilities of front, mid and back office so that various foreign exchange transactions can be conducted according to the policy guidelines of the Bangladesh Bank and the risks can be measured, monitored and managed.

Treasury Front Office: IFIC's treasury front office acts as the bank's interface to international

and domestic financial market. The front office is the unit that interacts with the market within the generally approved framework and the authority given to dealers by the Board of Directors of the bank.

Treasury Front office ensures the following activities to achieve the goal:

- ▶ Statutory management
- ▶ Optimization of risk return through specialization and management
- ▶ Funding of the balance sheet at optimum prices
- ▶ Proposing interest rate matrix to the ALCO
- ▶ Analyze various economic trends and propose
- ▶ Balance sheet strategy to the ALCO
- ▶ Quotation of various foreign exchange and interest rates to customers
- ▶ Dealing in foreign exchange for position covering as well as for own account trading
- ▶ Provide structured treasury solutions to customer
- ▶ Marketing activities for future business growth
- ▶ Record/maintain all foreign exchange and money

Treasury Back Office: The market risk exposure and particularly front office activities are monitored by the back office of the bank. The back office is responsible for monitoring of deal confirmation, deal settlement, funding to Nostro account, maintenance of Nostro account etc.

Treasury back office performs the following functions for smooth operation of foreign exchange and to achieve the organizational goal:

- ▶ Input, verification and settlement of deals
- ▶ Receiving and sending of deal confirmation Certificates
- ▶ Preparation of currency positions (of previous day-end)

and report to traders prior to commencement of day's dealings

- ▶ Rate appropriateness function for all deals done
- ▶ Revaluation of all foreign exchange positions at a pre-determined frequency
- ▶ Managing discrepancies and disputes
- ▶ Daily calculation for adherence to statutory maintenance

The bank has established a reconciliation department and it performs all foreign currency reconciliation in the Nostro and Vostro account.

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

Treasury mid office ensures the following functions to manage foreign exchange risk in prudent manner and to achieve the organizational goal:

- ▶ Limits monitoring and managing limit
- ▶ Adherence to various internal as well as regulatory policies
- ▶ Monitoring & management of various foreign exchange and money market positions
- ▶ Monitoring & management of various cash flows and cash positions
- ▶ Proposals/ renewals for various internal limits
- ▶ Monitor for trader's adherence to various internal and regulatory limits
- ▶ Monitor for trader's adherence

to various counterparty limits

- ▶ Prepare, monitor and manage all balance sheet gaps

iv) Money Laundering Risk

IFIC's Board views money laundering prevention as part of its risk management strategy and not simply as a standalone requirement imposed by legislation. The bank is fully committed to condemn money laundering and terror financing.

The bank has formulated comprehensive policy on money laundering prevention and combating terrorist financing policies and all these policies are approved by the Board.

The management of the bank always strives to enhance bank's policies, procedures, systems and technological resources on the guidance of the Board.

The management also issues multiple circulars and instructions in compliance with the updated regulations. As part of bank's anti-money laundering policy, every year, IFIC Bank communicates a statement to all employees through the Managing Director & CEO that clearly sets forth the way forward for the year and shares the initiatives taken over the last year pertaining to combating money laundering and terrorist financing.

IFIC bank has a Chief Anti-Money Laundering Compliance Officer (CAMLCO) and Deputy CAMLCO. Both of them together ensure that the bank is compliant with all AML guidelines. The Branch Anti Money Laundering Compliance Officer (BAMLCO) is accountable for AML compliance at the respective branch. During the year 2019, the bank arranged several training courses on prevention of money laundering and combating financing of terrorism where executives/officers of the Bank attended.

v) Information and Communication Technology (ICT) Risk

In line with the key trends shaping technology today, the bank has rolled-out various initiatives leveraging mobility, digitalization and innovation in payments technology.

IFIC strictly adheres to the latest guidelines provided by Bangladesh Bank regarding ICT Security. The bank develops its ICT policies to handle the ICT risk properly. ICT policy provides a framework for best practices that are followed by all employees while also ensuring overall data and information assurance for the organization. It outlines the responsibilities and requirements of the bank and its employees with regards to its IT resources. The bank's information security team works prudently and manages ICT risks.

To strengthen ICT risk management activities, the bank formed an ICT security committee headed by DMD & CRO.

The role and responsibility of this ICT security committee are as follows:

- ▶ Ensure development and implementation of ICT security objectives, ICT security related policies and procedures.
- ▶ Providing ongoing management support to the Information security processes.
- ▶ Ensure continued compliance with the business objectives, regulatory and legal requirements related to ICT security.
- ▶ Support to formulate ICT risk management framework/process and to establish acceptable ICT risk thresholds/ ICT risk appetite and assurance requirements.
- ▶ Periodic review and provide approval for modification in ICT security process.

The Bank has scaled its technology infrastructure to create a contemporary, secure and robust infrastructure and taken several initiatives to protect its information assets from cyber threats. IFIC has established its Data Center (DC) and Disaster Recovery Site (DRS) keeping in mind future expandability to meet emerging needs and for high availability. During setup of Data Center, environmental security has been provided highest priority. The Core Banking Software (CBS)

has been upgraded to its latest release to enhance existing features and functionalities and ensure transaction security.

The Bank has reviewed its ICT infrastructure and taken pragmatic steps to procure state of the art IT Security solutions (Hardware and Software) for implementation of multi-layer security with multiple security solutions for Network, Mailing System, Web/ Internet and the end users devices. The Business Continuity Plan (BCP) and Disaster Recovery Plan have also been revised. The SWIFT payment channel has been reviewed and restructured through separating its network connectivity from Office LAN. Internet access of SWIFT user PCs and file sharing with other PCs have also been blocked. Several training on ICT Security and risk management has been arranged throughout the year at the training institute of the bank and abroad as part of awareness buildup among the employees of the bank and to ensure proper ICT risk management. As the business processes and initiatives are now driven by IT, therefore, the bank continues IT up gradation to ensure sound and secure IT operation.

vi) Internal Control and Compliance (ICC)

IFIC bank has an internal control policy approved by board. The bank's sound internal control function plays an important role in contributing to the effectiveness of the internal control system.

The primary objective of internal control system of the bank is to perform in a sound and prudent manner. Through an effective internal control system, the bank identifies its operational weakness and takes appropriate measures to overcome the same. The main objectives of the internal controls are categorized as follows:

- ▶ **Operational Objectives:** It relates to the effectiveness and efficiency of the bank by using its assets and others resources for achievement of the bank's basic mission and vision.

- ▶ **Reporting objectives:** It addresses the preparation of timely, accurately and comprehensive reporting in both internal and external.

- ▶ **Compliance Objective:** It demonstrates that all banking activities are performed in compliance with applicable rules and regulations of regulatory bodies, own policy, plan and procedures.

The Internal Control & Compliance (ICC) Division is working independently to evaluate the Internal Control System of the bank so as to ensure good governance, transparency & accountability. The ICC division is conducting comprehensive internal audit of the branches as well as different divisions/departments of head office in ongoing basis. The division reviews the activities of branch's Internal Control Unit (ICU) continuously through different control processes to minimize irregularities & lapses, to prevent fraud & forgery and to control existing & emerging risks. The significant deficiencies identified by the audit team are placed before the senior management as well as the Audit Committee of the Board. Audit Committee of the Board regularly monitors the functions of ICC division with their necessary suggestions/recommendations and also reports to the Board of Directors from time to time.

Risk Based Internal Audit (RBIA) is being carried out annually for risk profiling/risk categorization of the branches based on the level of its various risks. Strong monitoring & close supervision ensure functional efficiency of the branches & different divisions/departments of Head Office by maintaining control environment at operational level. Compliance culture is developed by strict adherence to statutory & regulatory requirement and also bank's own policy & procedures. By enforcing effective and sound internal control system, ICC is performing its activity for further improvement of its activities towards achieving the bank's goal.

B. Other Risks

i) Liquidity Risk

Bank Deposits generally have a much shorter contractual maturity than loans and liquidity management needs to provide a cushion to cover anticipated deposit withdrawals. Liquidity is the ability to efficiently accommodate deposit as also reduction in liabilities and to fund the loan growth and possible funding of the off-balance sheet claims. The cash flows are placed in different time buckets based on future likely behavior of assets, liabilities and off-balance sheet items. The bank has ALM policy approved by board. The treasury, ALCO team and dedicated money market team of the bank manages liquidity of the bank properly to optimize return of the bank.

ii) Interest Rate Risk

IFIC manages its rate sensitive assets and rate sensitive liabilities in proper way and always try to minimize gap of the rate sensitive assets and liabilities to manage interest rate risk. The bank's ALCO team continuously monitor market interest rate and manages interest rate risk by setting interest rate of both asset and liability products.

IFIC bank is following the below indicators of interest rate risk analysis & these are calculated on regular basis:

- ▶ Net Interest Income
- ▶ Net Interest Margin
- ▶ Interest Earning Asset to Total Assets
- ▶ Average Interest Rates of Loan
- ▶ Average Interest Rates of Deposit
- ▶ Value at Risk (VaR)
- ▶ Sensitivity Analysis
- ▶ Maturity profile Analysis

iii) Equity Price Risk

Equity risk is termed as losses incurring from changes in the market price of equity held by a bank. To measure and identify the risk, mark-to-market valuations of the share investment portfolios are done. IFIC bank has equity

exposures and the bank is proactively managing the equity exposures by analyzing of both quoted and unquoted shares. The bank always maintains the standard ratio of equity investment set by BB.

iv) Environmental and Social Risk

Environmental and climate change risk refers to the uncertainty of losses that may originate from any adverse environmental/ climate change events and/or non-compliance with prevailing environmental regulations. IFIC bank is always concentrated on environmental and social changes. Natural calamities tend to have a negative impact on the bank's business. IFIC bank deals with such challenges proactively. Moreover, additional capital is allocated as per the bank's ICCAP by considering the environmental and social risks.

v) Reputational Risk

Reputational risk is the possible loss of the organization's reputational capital resulting in decline of the organization's overall value and/or increased regulatory or other costs. It includes adverse events related to ethics, safety, security, sustainability, quality, and innovation. IFIC is focused here as well.

vi) Compliance Risk

The Bank is exposed to compliance risk given that it is governed by local regulations as well as creditor covenants. All the divisions/ departments of IFIC are having significant awareness on this.

Disclosure of Risk Reporting

1. Reporting Categories:

Risk reporting is a core element. The reports fully reflect the identified problem areas. Reports are analyzed with a view to improve existing risk management performance as well as developing new risk management policies, procedures and practices.

RMD of IFIC prepares different regulatory and internal reports. Some of them are mentioned below:

Regulatory Reporting
▶ Monthly Risk Management Report (MRMR)
▶ Comprehensive Risk Management Report (CRMR)
▶ Basel reporting under Pillar I, II, III
▶ Stress Testing
▶ Risk Appetite Statement

Internal Reporting
▶ Self assessment Questionnaire on quarterly and yearly
▶ BRMC's directions to various divisions/departments
▶ Board's directions to various divisions/departments
▶ BB's directions to various divisions/departments

Figure 5: RMD's reporting

Monthly Risk Management Report (MRMR):

The format of the report is given by Bangladesh Bank which summarizes the regular information relevant to RMD.

Comprehensive Risk Management Report (CRMR):

This format is also given by Bangladesh Bank. It contains much detail data and its frequency is half-yearly.

Basel reporting under Pillar I, II, III

Pillar- 1: Minimum Capital Requirement (MCR)

The MCR is a Basel prescribed minimum capital assessment process against credit, market and operational risk of the bank. The underlying assessment is a mandatory requirement of the Central Bank and assessment are carried out on quarterly basis. Regarding MCR calculation, Risk Management Division of the bank performs necessary analysis to understand the trend of MCR of the bank, develop necessary model to predict the overall MCR of the bank, place necessary recommendation for improvement.

The snapshot of on Basel report for the year 2019 is presented below:

Particulars	BDT in Million			
	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Credit Risk	201,188	201,193	205,123	210,965
Market Risk	2,666	4,300	3,418	3,664
Operational Risk	11,911	11,911	11,911	13,168
Total RWA	215,765	217,404	220,452	227,797
Fully Paid-up Capital	13,387	13,387	14,726	14,726
Other Capital	7,902	8,505	7,522	8,695
Total Common Equity Tier (CET) -1 Capital	21,289	21,892	22,248	23,421
Total Tier-2 Capital	6,018	5,382	5,543	5,747

Particulars	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Total Capital Maintained	27,307	27,274	27,791	29,168
CRAR	12.66%	12.55%	12.61%	12.80%
Required Capital in %	12.50%	12.50%	12.50%	12.50%
Surplus/(Shortage) in %	0.16%	0.05%	0.11%	0.30%
Required Capital in Amount	26,971	27,176	27,557	28,475
Surplus/(Shortage) in Amount	336	99	235	693

Table 1: Data on Basel Reporting

Pillar – 2: Supervisory Review Process (SRP)

The Supervisory Review Process of the risk-based capital adequacy framework is intended to ensure that banks have adequate capital (in addition to capital requirement under Pillar- 1) to support all the risks in the business and, concurrently to encourage banks to develop and utilize superior risk management techniques in monitoring and managing risk. Importantly the Supervisory Review Evaluation Process (SREP) of Bangladesh Bank ensures a constant dialogue between itself and the bank's SRP team followed by the disclosure of findings/ evaluation of the bank's ICAAP. IFIC Bank has an own ICAAP Policy which was approved by the Board of Directors of the Bank in the 2015.

Pillar – 3: Market Discipline

The purpose of Market discipline in the Revised Capital adequacy Framework is to complement the minimum capital requirements and the supervisory review process. The aim of introducing Market discipline in the revised framework is to establish more transparent and more disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets. For the said purpose, IFIC Bank developed a set of disclosure containing the key pieces of information on the assets, risk exposures, risk assessment processes, and hence the capital adequacy to meet the risks.

Stress Testing

Bangladesh Bank provides the specific templates for sensitivity analysis and duration gap analysis under stress testing. IFIC conducts stress testing that presents the effects of several assumptions applied to measure the capital base level in stressed scenarios.

IFIC bank conducts stress testing on quarterly basis as per prescribed format of BB with a view to determine sensitivity and stability of its capital base. This technique is designed to ensure that the bank has enough capital to meet unforeseen scenarios. The following situations are considered to assess the sensitivity of the bank's capital base with respect to each situation:

- ▶ Performing loan directly downgraded to BL: top sectoral concentration 1
- ▶ Performing loan directly downgraded to BL: top sectoral concentration 2
- ▶ Increase in NPLs due to default of top ten large borrowers
- ▶ Negative shift in NPL categories
- ▶ Decrease in Forced Sale Value of mortgaged collateral
- ▶ Increase in NPLs
- ▶ Interest rate shocks
- ▶ FEX shocks; and
- ▶ Equity shocks

Stress testing is done assuming three different hypothetical scenarios comprising:

i) Minor level shocks: The shock parameters are specific for each factor and those are set by the central bank.

ii) Moderate level shocks: These visualize medium level shocks and the level is defined in each risk factor separately.

iii) Major level shocks: These involve big shocks to all the risk factors and are also defined separately for each risk factor.

Risk Appetite Statement

This is Bangladesh Bank's format report. It defines the risk appetite, risk tolerance and risk limit that helps to set ultimately the risk strategies.

Internal Core Risk Questionnaire:

This is an internal reporting for managing the core risk of the bank and up gradation of the same.

Concluding Remarks

Risk management in banking has been transformed and shaped over the past decade. The main factor behind the change is in response to regulations that emerged from the global financial crisis. But as the nature of the banking changes over the next decade, so the risk management need will be evolved accordingly. The boundary of Risk Management Division is increasing and in line with that IFIC RMD is broadening its role as well. They are getting armed with the right tools and human resources to accelerate the risk discovery as well as risk management process to support the Board members to set the most appropriate risk appetite. This risk appetite will be in line with the bank's strategy. Thus the ultimate goal, maximizing shareholders wealth will be rightly achieved by IFIC Bank Limited.



**CORPORATE
SOCIAL
RESPONSIBILITY**

Corporate Social Responsibility



IFIC donated 1,00,000 blankets to the Honourable Prime Minister's Relief Fund to support the cold affected distressed people of the country. Honourable Member of the Parliament and Prime Minister's Private Industry & Investment Advisor and also the Chairman of the Bank among others were present during the handing over ceremony held at Ganabhaban.



Handing over research grant and scholarships ceremony under the Bank's Trust Fund Program held at Dhaka University Senate Bhaban.



Donation given to Bulla Shinhogram Girls' High School of Habiganj to establish a Trust Fund for giving scholarship among poor but talented students. Among others, Mr. Jalal Ahmed, Honourable Director of the Bank was present at the handing over ceremony.

Activities performed under CSR

1. Donation made to Anjum Mofidul Islam for completing 18 storied Anjuman JR Tower.
2. Donation made to School of Gifted Children at Sylhet.
3. Donation made to Dhamura Degree College, Barisal for awarding Scholarships.
4. Donation made to Law & Order Coordination Committee for its CCTV Camera Surveillance Project.
5. Donation made to Child Day Care Centers.
6. Donation made to Bulla Shinhogram Girls' High School to establish a Trust Fund for awarding Scholarships.
7. Donation made to Hazi Alim Uddin School for awarding Scholarships.
8. Donation made to a Superintendent of Police from BCS 25th Batch for his Medical Expenses.
9. Donation of 1,00,000 blankets to the Honourable Prime Minister's Relief and Welfare Fund to support the cold affected distressed people of the country.
10. Donation made to the Prime Minister's Relief and Welfare Fund to support the victims affected by the tragic fire incident of Churihatta, Chawkbazar.
11. Donation made to Habigonj Nagorik Committee for Educational Scholarships and Free Medical Health Camp.
12. Donation made to Social Welfare Alumni Association, University of Dhaka.



Honourable Prime Minister Sheikh Hasina receiving a cheque of BDT 10 million from the Chairman of the Bank, Mr. Salman F Rahman as donation to the Prime minister's Relief and Welfare fund in a program at Ganabhaban as assistance for the people who were affected by the fire in Churihatta in Old Dhaka's Chawkbazar.

Eminent educationalist and Emeritus Professor Dr. Anisuzzaman receiving 'IFIC Sahitya Ratna Sommanona-2017' for his utmost contribution in the Bengali literature.



Professor Emeritus Serajul Islam Choudhury and Travel Writer Bulbul Sarwar were awarded 'IFIC Bank Sahitya Puroshkar 2017' (IFIC Bank Literary Award 2017).

Bishwo Shahitto Kendro awarded thousands of students under its Year-long book reading program at Abdul Karim Sahitya Bisharad Auditorium of Bangla Academy premises that was sponsored by the Bank.



Products and Services



Deposit Products

- Current Account
- Savings Account
- IFIC Amar Account
- School Savings Plan
- Sanchita -Female Savings Account
- Millionaire Dream Plan (MDP)
- Special Notice Deposit-SND
- Fixed Deposit Receipt-(FDR)
- Pension Savings Scheme-PSS
- Monthly Income Scheme
- Double Return Deposit Scheme
- Freedom Flexi DPS
- IFIC Aagami
- IFIC Corporate plus
- IFIC Shohoj Account
- Duronta-Student SB
- 10 Taka SB Account

Loan Products

- Term Loan (Industrial)
- Term Loan (Others)
- Loan General
- OD-Working Capital Loan
- Amar Account OD
- Easy Loan
- Consumer Durable Loan
- Parua (Educational Loan)
- IFIC Amar Bari
- IFIC Shohoj Rin
- IFIC Peshajeebi Loan
- Auto Loan
- Any purpose loan
- Marriage Loan
- CNG Conversion Loan
- Premium Overdraft
- Salary Loan
- Credit Card
- IFIC Krishi Shilpo
- IFIC Shilpo Sohay
- IFIC Shilpo Shongjog
- IFIC-Prantonari
- WEC Loan Protyasha
- WEC Loan Joyeeta
- Transport Loan
- Commercial House Building Loan
- Bidders Loan
- Contractors Loan
- Easy Commercial Loan
- Lease Finance
- IFIC-Subornogram
- Krishi Soronjam Rin
- Sech Soronjam Rin
- IFIC-Green Earth
- IFIC-Joibo Shakti
- Fire Fighting & Safety Equipment



FINANCIAL STATEMENTS

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

Opinion

We have audited the consolidated financial statements of IFIC Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of IFIC Bank Limited (the "Bank") which comprise the consolidated and separate Balance Sheet as at 31 December 2019, consolidated and separate Profit and Loss Accounts, consolidated and separate Cash Flow Statement, consolidated and separate statement of Changes in Equity for the year then ended, and notes to consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

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 Balance Sheet of the Group and the separate Balance Sheet of the Bank as at 31 December 2019, and its consolidated and separate Profit and Loss Accounts and its consolidated and separate Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 02.

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.

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 informing 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>At the year end, the Bank reported total loans and advances of BDT 228,588 million (2018: BDT 206,930 million) and provision for loans and advances of BDT 6,034 million (2018: BDT 5,954 million).</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 quarterly Classification of Loans (CL). <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> ▶ Reviewed the adequacy of the companies general and specific provisions; ▶ Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and ▶ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

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 total BDT 870 million (2018: BDT 904 million) as at 31 December 2019.</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
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.	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. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.

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 2019, the carrying value of these investments is BDT 2,233 million (2018: BDT 2,232 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 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 2.1.1, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991, and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control, and risk management functions of the 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 Company Act, 1991, 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 informing 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. 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.
 - (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 4,350 person hours; and
 - (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Muhammad Farooq

Muhammad Farooq FCA
 Managing Partner
Howladar Yunus & Co.
 Chartered Accountants

Dated: Dhaka
 24 June 2020

International Finance Investment and Commerce Bank Limited

Consolidated Balance Sheet

as at 31 December 2019

Amount in BDT

Particulars	Note	31 December 2019	31 December 2018
PROPERTY AND ASSETS			
Cash		18,056,029,773	16,020,741,583
Cash in hand (including foreign currency)	3.a	2,872,338,679	2,899,030,289
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.b	15,183,691,094	13,121,711,294
Balance with other banks and financial institutions	4.a	5,637,834,204	8,118,980,917
In Bangladesh	4.a(i)	4,014,719,294	6,823,590,588
Outside Bangladesh	4.a(ii)	1,623,114,910	1,295,390,329
Money at call and on short notice	5	910,000,000	3,970,000,000
Investments		47,216,443,756	32,664,400,101
Government securities	6.a	41,369,255,890	27,258,506,647
Other investments	6.b	5,847,187,866	5,405,893,454
Loans and advances		232,523,441,067	210,932,291,735
Loans, cash credit, overdrafts etc.	7.a	221,562,693,268	198,670,768,028
Bills purchased and discounted	8.a	10,960,747,799	12,261,523,707
Fixed assets including premises, furniture and fixtures	9.a	6,430,431,620	5,445,835,394
Other assets	10.a	9,606,537,605	9,003,060,522
Non-banking assets	11	373,474,800	373,474,800
Total assets		320,754,192,825	286,528,785,052
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	12.a	8,215,860,335	9,969,432,278
Subordinated debt	13	2,800,000,000	3,500,000,000
Deposits and other accounts	14.a	258,180,418,372	226,259,493,148
Current deposit and other accounts		56,902,055,915	40,880,141,888
Bills payable		1,840,433,536	2,066,079,056
Savings bank deposits		23,299,407,700	24,711,065,947
Fixed deposits		176,138,521,221	158,602,206,257
Other liabilities	15.a	25,014,936,765	23,122,200,254
Total liabilities		294,211,215,472	262,851,125,680
Capital/Shareholders' equity			
Paid up capital	16.2	14,726,126,080	13,387,387,350
Statutory reserve	17	6,531,903,475	5,696,418,313
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19.a	50,121,137	13,108,847
Revaluation reserve against fixed assets	20	115,314,704	115,314,704
Foreign currency translation reserve	20.a	43,867,936	43,292,875
Surplus in profit and loss account	22	4,920,565,744	4,267,059,068
Attributable to equity holders		26,542,970,473	23,677,652,554
Non-controlling interest	23	6,880	6,818
Total shareholders' equity		26,542,977,353	23,677,659,372
Total liabilities and shareholders' equity		320,754,192,825	286,528,785,052

International Finance Investment and Commerce Bank Limited

Consolidated Balance Sheet

as at 31 December 2019

Amount in BDT

Particulars	Note	31 December 2019	31 December 2018
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24	51,095,166,712	60,435,601,239
Acceptances and endorsements	24.1	17,978,428,515	23,224,423,401
Letters of guarantee	24.2	9,274,250,539	10,228,543,056
Irrevocable letters of credit	24.3	14,673,137,826	15,475,413,131
Bills for collection	24.4	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		51,095,166,712	60,435,601,239

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

24 June 2020
Dhaka


Howladar Yunus & Co.
 Chartered Accountants


International Finance Investment And Commerce Bank Limited

Consolidated Profit and Loss Account

for the year ended 31 December 2019

Particulars	Note	Amount in BDT	
		2019	2018
Interest income	26.a	24,478,436,655	19,011,904,653
Interest paid on deposits, borrowings etc.	27.a	18,029,060,333	14,404,699,530
Net interest income		6,449,376,322	4,607,205,123
Investment income	28.a	2,458,206,971	2,044,196,628
Commission, exchange and brokerage	29.a	1,685,517,458	1,616,290,324
Other operating income	30.a	447,054,559	491,185,391
		4,590,778,988	4,151,672,343
Total operating income		11,040,155,310	8,758,877,466
Salary and allowances	31.a	2,587,806,203	2,580,872,443
Rent, taxes, insurance, electricity etc.	32.a	579,414,593	780,871,636
Legal expenses	33.a	10,070,710	12,493,496
Postage, stamp, telecommunication etc.	34.a	63,669,117	63,263,272
Stationery, printing, advertisement etc.	35.a	440,222,770	377,063,537
Managing Director's salary	36	15,720,000	15,120,000
Directors' fees	37.a	1,854,500	1,911,000
Auditors' fees	38.a	3,509,093	1,990,133
Charges on loan losses		758,054,030	109,642,716
Depreciation and repair of bank's assets	39.a	739,709,049	484,602,840
Other expenses	40.a	862,957,110	736,982,153
Total operating expenses		6,062,987,175	5,164,813,226
Operating profit		4,977,168,135	3,594,064,240
Share of profit of joint ventures/associates	40.b.(iii)	553,833,085	400,125,308
Profit before provision		5,531,001,220	3,994,189,548
Provision for loans, investments & other assets	41.a		
Provision for loans and advance		774,041,752	820,009,910
Provision for diminution in value of investments		130,186,221	178,461,306
Provision for other assets		42,052,379	36,959,400
Total provision		946,280,352	1,035,430,616
Profit/(Loss) before taxes		4,584,720,868	2,958,758,932
Provision for taxation			
Current tax	42.a	1,721,922,569	1,100,427,296
Deferred tax expense/(income)	42.b	35,067,669	208,827,364
		1,756,990,238	1,309,254,660
Net profit after taxation		2,827,730,630	1,649,504,272
Net profit after tax attributable to:			
Equity holders of the Bank		2,827,730,568	1,649,504,123
Non-controlling interest	23.1	62	149
Retained earnings brought forward from previous year		4,267,059,068	4,623,795,459
Add: Net profit after tax (attributable to equity holders of the Bank)		2,827,730,568	1,649,504,123
Profit available for appropriation		7,094,789,635	6,273,299,582
Appropriations:			
Statutory reserve		835,485,162	571,877,584
General reserve		-	-
Dividend		1,338,738,730	1,434,362,930
		2,174,223,892	2,006,240,514
Retained surplus		4,920,565,744	4,267,059,068
Earnings Per Share (EPS)	51.a	1.92	1.12

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



Howladar Yunus & Co.
 Chartered Accountants

24 June 2020
 Dhaka

International Finance Investment and Commerce Bank Limited

Consolidated Cash Flow Statement

for the year ended 31 December 2019

Particulars	Note	2019	2018
Amount in BDT			
A. Cash flows from operating activities			
Interest received		26,971,611,707	20,836,219,004
Interest payments		(16,740,005,553)	(12,955,875,376)
Dividend received		211,291,220	48,101,207
Fees and commission received		1,685,517,458	1,668,289,873
Recoveries of loans and advances previously written-off		601,783,125	165,713,392
Cash payments to employees		(2,594,026,203)	(2,606,492,443)
Cash payments to suppliers		(486,915,656)	(460,646,290)
Income taxes paid		(1,702,545,421)	(1,119,101,633)
Receipts from other operating activities	43.a	451,283,993	495,324,043
Payments for other operating activities	44.a	(1,637,168,532)	(1,716,485,152)
Operating cash flows before changing in operating assets and liabilities		6,760,826,137	4,355,046,625
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		(23,122,311,754)	(27,338,068,246)
Other assets	46.a	(198,632,806)	204,015,482
Deposits from other banks		(3,167,323,151)	(8,875,257,126)
Deposits from customers		33,804,194,781	33,534,508,943
Other liabilities	47.a	(183,655,715)	402,549,407
		7,132,271,356	(2,072,251,540)
Net cash flows from/(used in) operating activities		13,893,097,493	2,282,795,086
B. Cash flows from investing activities			
Net proceeds/(payments) from sale/(purchase) of Government securities		(14,072,890,953)	(3,309,748,707)
Net proceeds/(payments) from sale/(purchase) of securities		(82,932,707)	(81,973,557)
Purchase of property, plant & equipment		(632,524,390)	(2,195,800,256)
Proceeds from sale of property, plant & equipment		2,609,682	2,474,163
Net cash flows from/(used in) investing activities		(14,785,738,368)	(5,585,048,358)
C. Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		(2,453,571,943)	1,495,851,530
Payment against lease obligation		(137,348,282)	(2,839,044)
Net cash flows from/(used in) financing activities		(2,590,920,225)	1,493,012,486
D. Net increase/(decrease) in cash (A+B+C)		(3,483,561,100)	(1,809,240,786)
E. Effects of exchange rate changes on cash and cash equivalents		(21,451,422)	(23,814,371)
F. Opening balance of cash and cash equivalents		28,111,991,100	29,945,046,257
G. Closing balance of cash and cash equivalents (D+E+F)		24,606,978,577	28,111,991,100
Closing cash and cash equivalents	45.a		
Cash in hand		2,872,338,679	2,899,030,289
Balance with Bangladesh Bank and its agents bank		15,183,691,094	13,121,711,294
Balance with other banks and financial institutions		5,637,834,204	8,118,980,917
Money at call and on short notice		910,000,000	3,970,000,000
Prize bonds		3,114,600	2,268,600
		24,606,978,577	28,111,991,100

International Finance Investment and Commerce Bank Limited

Consolidated Statement of Changes in Equity

for the year ended 31 December 2019

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 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
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
Balance as at 1 January 2018	11,953,024,420	5,124,540,729	155,071,397	6,229,549	115,314,704	126,200,022	4,623,795,459	6,669	22,104,182,949
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2018	11,953,024,420	5,124,540,729	155,071,397	6,229,549	115,314,704	126,200,022	4,623,795,459	6,669	22,104,182,949
Surplus/(deficit) on account of revaluation of investments	-	-	-	6,879,298	-	-	-	-	6,879,298
Effect of foreign currency translation	-	-	-	-	-	(82,907,147)	-	-	(82,907,147)
Transfer from provision to general reserve	-	-	-	-	-	-	-	-	-
Net gain and losses not recognized in the profit and loss account	11,953,024,420	5,124,540,729	155,071,397	13,108,847	115,314,704	43,292,875	4,623,795,459	6,669	22,028,155,100
Net profit for the year	-	-	-	-	-	-	1,649,504,123	149	1,649,504,272
Bonus share issued for the year 2017	1,434,362,930	-	-	-	-	-	(1,434,362,930)	-	-
Transfer to statutory reserve	-	571,877,584	-	-	-	-	(571,877,584)	-	-
Balance as at 31 December 2018	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

International Finance Investment and Commerce Bank Limited

Balance Sheet

as at 31 December 2019

Amount in BDT

Particulars	Note	31 December 2019	31 December 2018
PROPERTY AND ASSETS			
Cash	3	18,054,911,164	16,007,300,116
Cash in hand (including foreign currency)	3.1	2,871,220,070	2,885,588,822
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	15,183,691,094	13,121,711,294
Balance with other banks and financial institutions	4	5,617,034,218	8,099,478,106
In Bangladesh	4.1	4,014,719,294	6,823,590,588
Outside Bangladesh	4	1,602,314,924	1,275,887,518
Money at call and on short notice	5	910,000,000	3,970,000,000
Investments	6	45,500,148,033	31,304,385,918
Government securities	6.1	41,369,255,890	27,258,506,647
Other investments	6.2	4,130,892,143	4,045,879,271
Loans and advances	7	228,588,500,237	206,929,635,707
Loans, cash credit, overdrafts etc.	7.1	217,627,752,438	194,668,112,000
Bills purchased and discounted	8	10,960,747,799	12,261,523,707
Fixed assets including premises, furniture and fixtures	9	6,384,198,894	5,437,949,308
Other assets	10	11,522,075,844	10,951,058,432
Non-banking assets	11	373,474,800	373,474,800
Total assets		316,950,343,190	283,073,282,387
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial Institutions and agents	12	8,215,860,335	9,969,432,278
Subordinated debt	13	2,800,000,000	3,500,000,000
Deposits and other accounts	14	258,368,141,236	226,363,971,908
Current deposit and other accounts	14.1	57,089,778,779	40,984,620,648
Bills payable	14.2	1,840,433,536	2,066,079,056
Savings bank deposits	14.3	23,299,407,700	24,711,065,947
Fixed deposits	14.4	176,138,521,221	158,602,206,257
Other liabilities	15	22,969,362,164	21,123,643,983
Total liabilities		292,353,363,735	260,957,048,169
Capital/Shareholders' equity			
Paid up capital	16.2	14,726,126,080	13,387,387,350
Statutory reserve	17	6,531,903,475	5,696,418,313
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19	50,121,137	13,108,847
Revaluation reserve against fixed assets	20	115,314,704	115,314,704
Surplus in profit and loss account	21	3,018,442,662	2,748,933,607
Total shareholders' equity		24,596,979,455	22,116,234,218
Total liabilities and shareholders' equity		316,950,343,190	283,073,282,387


International Finance Investment and Commerce Bank Limited

Balance Sheet

as at 31 December 2019

Particulars	Note	Amount in BDT	
		31 December 2019	31 December 2018
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24	51,095,166,712	60,435,601,239
Acceptances and endorsements	24.1	17,978,428,515	23,224,423,401
Letters of guarantee	24.2	9,274,250,539	10,228,543,056
Irrevocable letters of credit	24.3	14,673,137,826	15,475,413,131
Bills for collection	24.4	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		51,095,166,712	60,435,601,239

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

24 June 2020
 Dhaka


Howladar Yunus & Co.
 Chartered Accountants

International Finance Investment and Commerce Bank Limited

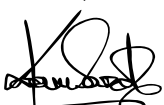
Profit and Loss Account

for the year ended 31 December 2019

Amount in BDT

Particulars	Note	2019	2018
Interest income	26	24,425,901,857	18,964,531,143
Interest paid on deposits, borrowings, etc.	27	18,028,020,880	14,404,724,629
Net interest income		6,397,880,977	4,559,806,514
Investment income	28	2,626,318,570	2,358,454,068
Commission, exchange and brokerage	29	1,649,754,740	1,592,824,756
Other operating income	30	445,787,866	489,623,536
Total operating income		4,721,861,176	4,440,902,360
Total operating income		11,119,742,153	9,000,708,874
Salary and allowances	31	2,563,693,541	2,559,167,763
Rent, taxes, insurance, electricity, etc.	32	565,034,570	765,826,300
Legal expenses	33	8,599,690	10,300,630
Postage, stamp, telecommunication, etc.	34	63,430,699	62,977,318
Stationery, printing, advertisement, etc.	35	439,870,887	376,907,659
Managing Director's salary	36	15,720,000	15,120,000
Directors' fees	37	1,560,000	1,704,000
Auditors' fees	38	2,916,667	1,500,000
Charges on loan losses		758,054,030	109,642,716
Depreciation and repair of bank's assets	39	734,843,273	481,382,585
Other expenses	40	845,572,724	721,477,016
Total operating expenses		5,999,296,081	5,106,005,987
Profit/(Loss) before provision		5,120,446,072	3,894,702,887
Provision for loans, investments and other assets	41		
Provision for loans and advance		774,041,752	813,009,910
Provision for diminution in value of investments		126,926,131	185,345,656
Other provisions		42,052,379	36,959,400
Total Provision		943,020,262	1,035,314,966
Profit/(Loss) before taxes		4,177,425,810	2,859,387,921
Provision for taxation	42		
Current tax		1,700,000,000	1,080,000,000
Deferred tax expense/(income)		33,692,863	209,153,654
		1,733,692,863	1,289,153,654
Net profit after taxation		2,443,732,947	1,570,234,267
Retained earnings brought forward from previous year		2,748,933,607	3,184,939,855
		5,192,666,554	4,755,174,122
Appropriations			
Statutory reserve		835,485,162	571,877,584
Dividend		1,338,738,730	1,434,362,930
		2,174,223,892	2,006,240,514
Retained surplus		3,018,442,662	2,748,933,607
Earnings Per Share (EPS)	49	1.66	1.07

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

24 June 2020
 Dhaka


 Howladar Yunus & Co.
 Chartered Accountants

International Finance Investment and Commerce Bank Limited

Cash Flow Statement

for the year ended 31 December 2019

Particulars	Note	Amount in BDT	
		2019	2018
A. Cash flows from operating activities			
Interest received		26,919,076,909	20,788,845,494
Interest payments		(16,738,966,100)	(12,955,900,475)
Dividend received		208,265,302	40,611,379
Fees and commission received		1,649,754,740	1,616,275,359
Recoveries of loans and advances previously written-off		601,783,125	165,713,392
Cash payments to employees		(2,569,913,541)	(2,584,787,763)
Cash payments to suppliers		(486,915,656)	(460,646,290)
Income taxes paid		(1,660,879,183)	(1,056,598,314)
Receipts from other operating activities	43	447,828,684	471,064,423
Payments for other operating activities	44	(1,602,455,876)	(1,682,602,848)
Operating cash flows before changing in operating assets and liabilities		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		(23,239,690,456)	(27,421,751,453)
Other assets	46	(208,344,698)	206,716,709
Deposits from other banks		(3,167,323,151)	(8,875,257,126)
Deposits from customers		33,887,438,885	33,633,872,060
Other liabilities	47	(169,972,291)	385,863,030
		7,102,108,289	(2,070,556,780)
Net cash flows from/(used in) operating activities		13,869,686,693	2,271,417,577
B. Cash flows from investing activities			
Net proceeds/(payments) from sale/(purchase) of Government securities		(14,072,890,953)	(3,309,748,707)
Net proceeds/(payments) from sale/(purchase) of securities		(85,012,872)	(97,673,892)
Purchase of property, plant & equipment		(594,177,750)	(2,198,868,226)
Proceeds from sale of property, plant & equipment		2,609,682	2,474,163
Net cash flows from/(used in) investing activities		(14,749,471,893)	(5,603,816,662)
C. Cash flows from financing activities			
Borrowing from other banks, financial institution and agents		(2,453,571,943)	1,495,851,530
Payment against lease obligation		(137,348,282)	(2,839,044)
Net cash flows from/(used in) financing activities		(2,590,920,225)	1,493,012,486
D. Net increase/(decrease) in cash (A+B+C)		(3,470,705,425)	(1,839,386,599)
E. Effects of exchange rate changes on cash and cash equivalents		(23,281,415)	(17,831,906)
F. Opening balance of cash and cash equivalents		28,079,046,822	29,936,265,327
G. Closing balance of cash and cash equivalents (D+E+F)		24,585,059,982	28,079,046,822
Closing cash and cash equivalents	45		
Cash in hand		2,871,220,070	2,885,588,822
Balance with Bangladesh Bank and its agents bank		15,183,691,094	13,121,711,294
Balance with other banks and financial institutions		5,617,034,218	8,099,478,106
Money at call and on short notice		910,000,000	3,970,000,000
Prize bonds		3,114,600	2,268,600
		24,585,059,982	28,079,046,822

Note: The reconciliation of cash flows from operating activities (solo basis) has been prepared at note 48 of the Financial Statements.

International Finance Investment and Commerce Bank Limited

Statement of Changes in Equity

for the year ended 31 December 2019

Particulars	Paid up capital	Statutory reserve	General reserve	Revaluation reserve against securities	Revaluation reserve against fixed assets	Surplus in profit and loss account	Amount in BDT
							Total
Balance as at 1 January 2019	13,387,387,350	5,696,418,313	155,071,397	13,108,847	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	13,108,846.5	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	50,121,137	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	50,121,137	115,314,704	3,018,442,662	24,596,979,455
Balance as at 1 January 2018	11,953,024,420	5,124,540,729	155,071,397	6,229,549	115,314,704	3,184,939,855	20,539,120,654
Impact of changes in accounting policy	-	-	-	-	-	-	-
Restated balance as at 1 January 2018	11,953,024,420	5,124,540,729	155,071,397	6,229,549	115,314,704	3,184,939,855	20,539,120,654
Surplus/deficit on account of revaluation of investments	-	-	-	6,879,298	-	-	6,879,298
Net gain and losses not recognized in the income statement	11,953,024,420	5,124,540,729	155,071,397	13,108,847	115,314,704	3,184,939,855	20,545,999,952
Net profit for the year	-	-	-	-	-	1,570,234,267	1,570,234,267
Bonus share issued for the year 2017	1,434,362,930	-	-	-	-	(1,434,362,930)	-
Transfer to statutory reserve	-	571,877,584	-	-	-	(571,877,584)	-
Balance as at 31 December 2018	13,387,387,350	5,696,418,313	155,071,397	13,108,847	115,314,704	2,748,933,607	22,116,234,218

International Finance Investment and Commerce Bank Limited

Liquidity Statement

Maturity Analysis of Assets and Liabilities
as at 31 December 2019

Particulars	Maturity Period					Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	
Assets						
Cash in hand (including Bangladesh Bank)	4,600,320,070	82,900,000	82,900,000	13,288,791,094		18,054,911,164
Balance with other banks and financial institutions	1,711,864,627	3,905,169,591	-	-	-	5,617,034,218
Money at call and on short notice	910,000,000	-	-	-	-	910,000,000
Investment	4,080,981,034	2,840,398,804	16,622,022,971	13,292,448,919	8,664,296,305	45,500,148,033
Loans and advances	53,570,426,048	25,381,458,649	45,317,347,274	38,357,255,614	65,962,012,652	228,588,500,237
Fixed assets including premises, furniture and fixture		638,419,889	957,629,834	2,553,679,558	2,234,469,613	6,384,198,894
Other assets	2,140,340,881	3,944,569,724	1,783,617,401	1,420,245,439	2,233,302,400	11,522,075,844
Non-banking assets	-	-	-	373,474,800	-	373,474,800
Total assets	67,013,932,660	36,792,916,658	64,763,517,480	55,997,104,330	92,382,872,063	316,950,343,190
Liabilities						
Subordinated debt	-	-	700,000,000	2,100,000,000		2,800,000,000
Borrowing from other banks, financial institutions and agents	1,361,351,010	4,390,920,724	1,984,011,837	268,012,046	211,564,718	8,215,860,335
Deposits and other accounts	31,583,308,063	51,862,183,446	76,664,090,979	26,447,741,580	71,810,817,168	258,368,141,236
Other liabilities	1,878,592,772	481,747,620	3,422,438,203	2,274,271,409	14,912,312,160	22,969,362,164
Total liabilities	34,823,251,846	56,734,851,790	82,770,541,019	31,090,025,035	86,934,694,046	292,353,363,735
Net liquidity	32,190,680,815	(19,941,935,133)	(18,007,023,539)	24,907,079,295	5,448,178,017	24,596,979,455

Notes to the Financial Statements

as at and for the year ended 31 December 2019

1. Reporting Entity

1.1 IFIC Bank Limited

International Finance Investment and Commerce Bank Limited (hereinafter referred to as “the Bank” / “IFIC Bank”), started its journey in 1976 at the instance of the Government as a joint venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint venture banks/financial institutions abroad. In 1983 when the Government allowed to open up banking in the private sector, the finance company was converted into a full fledged 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 8.33% 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 148 branches, 35 Uposhakhas and 82 ATM booths with 93 ATMs as at 31 December 2019.

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 time to time, through its Branches, Uposhakhas and Alternative Delivery Channels like ATM Booths and Internet Banking, Digital Channel etc.

1.2 Off-shore Banking Unit (OBU)

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

1.3 Subsidiaries of the Bank

1.3.1 IFIC Securities Limited [IFICSL]

IFIC Securities Limited, a fully owned subsidiary company of IFIC Bank Limited was incorporated as a public limited company and acquired membership of Dhaka Stock Exchange Limited for brokerage transaction. The main objectives of this subsidiary are

buying, selling and settling of securities on behalf of investors and its own portfolio as well as other related services. The registered office of IFICSL located at IFIC Tower, 61, Purana Paltan, Dhaka – 1000.

1.3.2 IFIC Money Transfer (UK) Limited

IFIC Money Transfer (UK) Limited is a fully owned subsidiary of IFIC Bank incorporated as a private limited company with Companies House of England and Wales under registration no. 07379137 on 16 September 2010 and obtained its Money Laundering registration on 17 January 2011 issued by HM Customs and Excise. The company got registration from Financial Services Authority (FSA) on 16 June 2011 under Payment Services Regulations 2009. The company commenced its operation on 31 August 2011. The registered office of the company is located at Ferrari House, 2nd Floor, 102 College Road, Harrow, Middlesex, United Kingdom HAI IES, London, UK. The principal activities of the company is 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 81 (eighty one) branches at different important locations in Nepal. IFIC Bank presently holds 40.91% shares in NBBL and has a Management & Technical Service Agreement to provide technical know-how and professional knowledge to strengthen the smooth function of NBBL. NBBL is listed with Nepal Stock Exchange Limited.

1.4.2 Oman Exchange LLC, Oman

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

1.5 MCB Bank Ltd, Pakistan

MCB Bank Limited is one of the largest Banks in Pakistan listed on Pakistan Stock Exchange. IFIC Bank had two branches in Pakistan, one at Karachi (in 1987) and the other at Lahore (in 1993). IFIC Pakistan operation was merged with NDLC on 02 October 2003 rename it NDLC-IFIC Bank Limited. It was subsequently

renamed as NIB Bank Limited with effect from 28 November 2005. In 2017 NIB Bank Limited merged with MCB Bank Limited and IFIC's holding diluted significantly due to this merger. Now IFIC holds very minimal share in MCB Bank Limited.

2. Basis of Preparation and Significant Accounting Policies

2.1 Basis of preparation

2.1.1 Statement of compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed 2017 but yet to issue financial reporting standards for public interest entities such as Banks. The Banking Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC yet to issue any financial reporting standards as per the provisions of the FRA and hence the consolidated and separate financial statements of the Group and 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 laws and regulations.

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

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

i. Investment in shares and securities

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

of Bangladesh Bank vide its circular letter no. 03 dated 12 March 2015 directed that investment in mutual fund (closed end) will be revalued at lower of cost and (higher of market value and 85% of NAV). Provision should be made for any loss arising from diminution in value of investment on portfolio basis; otherwise investments are recognized at cost.

ii. Revaluation gains/losses on Government securities

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

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

iii. Repo and reverse repo transactions

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

Bangladesh Bank: As per DOS circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no. 2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction and the financial asset is derecognized in the seller's book and recognized in the buyer's book. In addition to that as per DMD circular letter no. 7 dated 29 July 2012, non-primary dealer banks

are eligible to participate in the Assured Liquidity Support (ALS), whereby such banks may carry out collateralized repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognize the asset.

iv. Provision on loans and advances/investments

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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 5 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 1 dated 20 February 2018 and BRPD circular No. 3 dated 21 April 2019 a general provision at 0.25% to 5% under different categories of unclassified/standard loans has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad & loss loans has to be provided at 20%, 50% and 100% respectively depending on the duration of past due of loans and advances. Again general provision at 1% is required to be provided for off-balance sheet exposures as per BRPD circular no. 10 dated 18 September 2007, BRPD circular no. 7 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018. Moreover, a 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 have to be maintained for large restructured loan. Such provision policies are not specifically in line with those prescribed by IFRS 9.

v. Recognition of interest in suspense

IAS/IFRS: Loans and advances to customers are generally classified at amortized cost as per IFRS 9 and interest income is recognized by using the effective interest rate method to the gross

carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.

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

vi. Other comprehensive income

IAS/IFRS: As per IAS 1: Presentation of Financial Statements, Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

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

vii. Financial instruments – presentation and disclosure

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

viii. Financial guarantees

IAS/IFRS: As per IFRS 9: Financial Instruments, financial guarantees are contracts that requires an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the term of debt instruments. Financial guarantee liabilities are recognized initially at their fair value and amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and loss allowance determined expected credit loss under IFRS 9. Financial guarantees are prescribed to be included in other liabilities.

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

ix. Cash and cash equivalent

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

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet. Treasury bills, Bangladesh Bank bills and prize bonds are shown under investments in the balance sheet. However, in the Cash Flow Statement, money at call and on short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

x. Non-banking asset

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, there is a separate balance sheet item named Non-banking assets shown in the standard template of the balance sheet.

xi. Cash flow statement

IAS/IFRS: As per IAS 7: Statements of Cash Flows, the cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, Cash Flow Statement is the mixture of direct and indirect methods.

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

IAS/IFRS: As per IAS 7: Statements of Cash Flows, Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations.

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

viii. Presentation of intangible asset

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

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

xiv. Off-balance sheet items

IAS/IFRS: There is no concept of off-balance sheet items in any IAS/IFRS; hence there is no requirement for disclosure of off-balance sheet

items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no. 14, off-balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xv. Disclosure of appropriation of profit

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

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

xvi. Loans and advances net off provision

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

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

xvii. Presentation of Financial Statement

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

Bangladesh Bank: Bangladesh Bank vide it BRPD circular no. 14 dated 25 June 2003 directed all banks to prepared their financial statements in the prescribed template comprising balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement and certain disclosures therein are guided by the First Schedule (section 38) of the Bank Company 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 intension nor the need to liquidate

or curtail materially the scale of its operation. The accompanying financial statements do not include any adjustments should the Bank be unable to continue as a going concern.

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

2.1.3. Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (BDT/Tk.) which is the Group's and the Bank's functional currency. Functional currency of Off-shore Banking Unit and one of subsidiaries namely IFIC Money Transfer (UK) Limited is US Dollar (USD) and Great Britain Pound (GBP) respectively. Functional currency for two associates – Oman Exchange LLC and Nepal Bangladesh Bank Limited is Omani Rial and Nepalese Rupee respectively. Financial information presented in BDT has been rounded off to nearest integer, except otherwise indicated. The financial statement and information of the subsidiaries and joint venture/ associates whose functional currency is different than that of IFIC Bank Limited has been translated in the presentation currency i.e. BDT as per IAS 21: *The Effects of Changes in Foreign Exchange Rates*, where applicable.

2.1.4. Materiality and aggregation

Each material item considered as significant and has been presented separately in the financial statements. No assets has been set off against any liability other than IFIC General Account and unless the Bank has a legal right to set off such amount and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant financial reporting standards or as directed by Bangladesh Bank.

2.1.5. Comparative information

Accounting policies have been consistently applied by the bank and are consistent with those used in the previous year except for those related to IFRS 16: *Leases*, which is effective from 1 January 2019. 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

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

There is no un-reconciled entries / balances in case of inter-branch transactions as on the reporting date.

2.1.7. Foreign currency transactions

Foreign currency transactions are translated into the Bank's functional currency at the exchange rates prevailing on the respective date of such transactions as per IAS 21: *The Effect of Changes in Foreign Exchange Rates*. Monetary assets and liabilities in foreign currencies are converted into Taka at spot exchange rate at the reporting date. Foreign exchange differences are generally recognized in the profit and loss account.

Foreign operations

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

- Assets and liabilities for each statement of balance sheet have been translated at the closing rate on the date of balance sheet.
- Income and expenses for the profit and Loss account have been translated at 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 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 its parent i.e. IFIC Bank Limited during calculation of share of 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 24 June 2020.

2.1.10. Use of estimates and judgments

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

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

and in any future periods affected.

Key estimates are as follows:

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

Changes in accounting estimates

Changes are reflected in the assumptions when they occur in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*. During the 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 United Kingdom as those of a single economic entity. The separate financial statements are derived by combining the financial statements of main operation of IFIC Bank Limited as Domestic Banking Unit and the financial statements of Off-shore Banking Unit (OBU) in equivalent BDT denomination as per BRPD circular no 2 dated 25 February 2019.

The consolidated and separate financial statements have been prepared in accordance with IAS 27: *Separate Financial Statements* and IFRS 10: *Consolidated Financial Statements*. The consolidated financial statements are prepared to a common year ended 31 December 2019. As stated in note 2.1.8 the reporting period of Nepal Bangladesh Bank Limited is different from that of the parent so necessary adjustments have been made to the financial results at the time of consolidation. Both consolidated financial statements and separate financial statements of the Bank comprises Balance Sheet, Profit & Loss Statement, Cash Flow Statement, Statement of Changes in Equity and relevant notes and disclosures.

Subsidiaries

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

The financial statements of such subsidiary companies are incorporated on a line by line basis and investment held by the bank is eliminated against the corresponding share capital of subsidiaries in the consolidated financial statements.

Associates

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

Transactions eliminated on consolidation

All intra-group transactions, balances and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements.

2.1.12. Basis for preparation of liquidity statement

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

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

2.1.13. Basis of provision, contingent liabilities, contingent assets

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

No provision is recognized for -

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

Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for except in the extremely rare circumstances where no reliable estimate can be made. Contingent assets are not recognized in the financial statement since this may result in the recognition of income that may never be realized.”

2.2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities except otherwise instructed by Bangladesh Bank as the prime regulator or local laws where the entities are operated.

One new financial reporting standard, IFRS 16: *Leases* has come into effect from 01 January 2019. IFIC has adopted it where applicable; presented in note 2.2.1.7 with summary of impacts.

2.2.1. Property and assets

2.2.1.1. Cash and cash equivalents

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

2.2.1.2. Investment

All investments (except government treasury bill and bond) have been initially recognized at cost, including acquisition charges associated with the investment. Premiums have been amortized and discount accredited by using the effective or historical

yield method. Government Treasury Bills and Bonds (categorized as HFT and/or HTM) are accounted for as per Bangladesh Bank DOS circular letter no. 5 dated 26 May 2008 and DOS circular no. 5 dated 28 January 2009. The valuation methods of investment used are:

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

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

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

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

iii. Investment in quoted shares/securities

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

iv. Investment in unquoted shares/securities

Investment in unquoted shares/securities are initially recognized at cost and revalued based on book value of last audited balance sheet. Provision arising from diminution in value of investment recognized in profit and loss accounts as per Bangladesh Bank guidelines.

v. Investment in subsidiary

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

vi. Investment in associates

Investment in associates are accounted for using the equity method (equity accounted investees) in the consolidated financial statements as per IAS 28: *Investment in Associates*. The consolidated financial statements include the IFIC’s share of the profit and loss of equity accounted investees, after adjustments to align the accounting policies with those of the IFIC Bank Limited, from the date that significant influence commences until the date that significant influence ceases.

2.2.1.3. Loans and advances

- i. Loans and advances are non-derivatives financial assets with fixed or determinable payments that are

not quoted in an active market and that the Bank does not sell in the normal course of business. It has been stated at gross value as per requirements of the Banking Companies Act, 1991.

- ii. Provision for loans and advances are made in line with the direction contained in the BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 5 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 4 dated 29 January 2015, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 1 dated 20 February 2018, BRPD circular no. 7 dated 21 June 2018, BRPD circular no. 13 dated 18 October 2018 and BRPD circular No. 3 dated 21 April 2019 issued by Bangladesh Bank. As per BRPD circular no. 4 dated 29 January 2015, 1% additional provision has to be maintained for restructured large loan. The rates of provision by classification of loans and advances are disclosed in note number 15.1.1 and 15.2.1 of the financial statements.
- iii. Interest on unclassified loans and advances (except those of rescheduled and stay order accounts) is recognized as income on accrual basis, interest on classified loans and advances (including rescheduled and stay order accounts) is credited to interest suspense account. However actual recovery of interest on rescheduled, stay order accounts and classified loan credited to income account as per instruction of BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 16 dated 18 November 2014.
- iv. The Bank are providing concessional interest rare to its' good borrowers.
- v. Loans and advances are written off from the books of accounts in line with the BRPD circular no. 01 dated 06 February 2019 issued by Bangladesh Bank. These write off will not undermine/affect the claim amount against the borrower.
- vi. Provision on off balance sheet exposures Bank recognized 1% General Provision on the off balance sheet exposures in line with the directives of Bangladesh circular BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012 considering the exemption as provided through BRPD circular no. 10 dated 18 September 2007, BRPD circular no. 1 dated 03 January 2018, BRPD circular no. 7 dated 21 June 2018 and BRPD circular no.13 dated 18 October 2018.

2.2.1.4. Fixed assets and depreciation

Acquisition through outright purchase and Lease

- i. Fixed assets are stated at cost/revalued amount less accumulated depreciation for those acquired through outright purchase except Land. Land is initially measured at cost and then recognized at revalued amount. The bank has charged

depreciation using straight line method considering the following useful life:

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

- ii. Land/Building is initially recognized at cost and subsequently carried at revalued amount following revaluation model as per IAS 16: Property, plant and equipment. The Bank regularly reviews if the fair value of Land/Building is materially different from its carrying amount or book value and if it is observed that there is material differences between carrying amount and fair value then complete revaluation by professional valuer is carried out and any changes in fair value over cost is adjusted in revaluation reserve account in equity.
- iii. Depreciation on fixed assets except Land is charged from when the assets become ready to be used and no depreciation is charged in the month of asset is disposed.
- iv. Depreciation is comprised of both from fixed assets and leased assets as per IFRS 16: Leases (note 2.2.1.7.). As per the new standard, previously recognized rental expenses would be replaced with depreciation expenses.
- v. Assets that take some time to get it ready for use such as construction or improvement of building or implementation of new system etc. are initially kept as capital work in progress and once ready/available for use then it is transferred to respective category of fixed assets and calculation of depreciation starts accordingly.

2.2.1.5. Intangible assets

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

Subsequent expenditure on intangible asset

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

Amortization of intangible asset

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

2.2.1.6. Impairment of assets

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

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

2.2.1.7. Leases

IFRS 16: *Leases* has come into force on 1 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). As Bangladesh Bank (BB) has no other alternative regulation or guidance regarding the same, IFIC Bank applied IFRS 16 its financial statements using modified retrospective approach 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. Due to applying modified retrospective effect, prior year results have not been restated.

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. The ROU assets are presented under fixed assets (note 9).

Lease Liability

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

Short-term lease and leases of low value assets

The Bank has elected not to recognize ROU assets and lease liabilities for leases of low value assets less than valuing of BDT 20.00 million and short term lease, i.e. for which the lease term ends within 12 months of the date of initial application. The Bank recognizes lease payments associated with these lease as an expense.

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

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

As per IFRS 16: *Leases*, summary of lease related information is provided in the table below:

Particulars	BDT in million	
	ROU Assets	Lease Liability
Opening Balance	739.6	579.8
Addition	250.3	200.3
Depreciation/Interest Expense	172.7	27.0
Accumulated Depreciation/ Lease Payment	172.7	135.4
Closing Balance	817.2	671.7

2.2.1.8. Other assets

Other assets include mainly advance rent of low value lease, payment of advance income tax has not been closed yet and all other financial assets, fees and other unrealized income receivable, advance for operating Branches/Uposhakha and capital expenditure and stocks of stationery and stamps etc. Any part of other assets which is unadjusted more than 12 months subject to make provision as per BRPD circular no.14 dated 25 June 2001.

2.2.2. Liabilities and provisions

2.2.2.1. Borrowings from other banks, financial institutions and agents

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

2.2.2.2. Subordinated debt

In 2016, the Bank with prior consent of Bangladesh Securities and Exchange Commission (vide letter no. BSEC/CI/DS-32/2015/644 dated 28 December 2015) and Bangladesh Bank (vide letter no. BRPD (BFIS)661/18B(P)/2016-938 dated 8 February 2016 and BRPD(BFIS)661/18B(P)/2016-2475 dated 17 April 2016) issued 07 (seven) years Non-Convertible Coupon Bearing Subordinated Bonds as a part of eligible capital under Tier-II as per Basel-III. The issued instrument is un-secured, non-convertible in nature and redeemable at 20% of its face value each year which has been started from May 2019.

The rate of interest of the Bond is Reference Rate + 4.8% Margin, where Reference Rate is the latest 182 days Bangladesh Govt. T-Bill rate. Coupon floor rate is 7.0% and coupon ceiling rate is 11.0%. Coupon to be paid semi-annually. This subordinated bond has been rated by CRAB as AA³ (Hyb) in Long Term category with 'Stable' outlook valid up to 28 June 2020 which is judged to be of very high quality, subject to very low credit risk.

2.2.2.3. Deposits and other accounts

Deposits and other accounts include interest and non-interest bearing demand and time deposits received from the customers/depositors in the form of current,

savings and term deposits etc. Interest paid/payable is charged to the profit and loss account. Deposits by customers and banks are recognized when the Bank enters into the contractual provisions of the arrangements with counterparties, which is generally on trade date, and initially measured at the consideration received.

2.2.2.4. Other liabilities

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

i. Provision for loans and advances

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

Types of loans and advances		Provision				
		STD	SMA	SS	DF	BL
Consumer Finance	Housing Finance (HF)	1%	1%	20%	50%	100%
	Professional	2%	2%	20%	50%	100%
	Other than HF & prof. to set up business	5%	5%	20%	50%	100%
Provision for 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%
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 current tax provision involves making judgments regarding 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 in the page no. 100 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 specific provision on doubtful and bad/loss against the classified loans and advances, the tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilized. Deferred tax assets and liabilities are reviewed at each reporting date and are measured at the prevailing tax rate as per tax laws that are expected to be applied when assets are realized and liabilities are settled. Any unrecognized deferred tax assets and liabilities are reassessed if that has become probable that future taxable profit or loss will be available on which it could be used or settled.

As there is no 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 investment

Provision for diminution in 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 has been calculated and maintained if cost is higher than lower of NAV or market value as the case may be in line with the instructions of Bangladesh Bank.

iv. Provision for Nostro Account

Provision has been made against unsettled nostro transactions as per circular letter number FEPD (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank. In line with this circular management of the Bank reviews the outstanding entries of nostro accounts on quarterly basis and certified by the Bank's external auditors on a semi-annual basis.

v. Provision for Off-balance sheet items

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

2.2.2.5. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are employee benefits which fall due wholly within 12 months after the end of the period in which the employees

render the related service including salaries, bonuses and other allowances. Payments are charged as an expense in the profit and loss account as they fall due. Payments due are accrued as a liability in "Provisions for liabilities and charges" on an undiscounted basis.

ii. Post-employment benefits

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

Provident fund (Defined Contributory Plan)

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

Gratuity Fund (Defined Benefit Plan)

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

Worker's Profit Participation Fund (WPPF)

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

iii. Other Employee Benefits

Life Insurance

The objective of the scheme is to provide death or permanent disability benefits to its confirmed

employees and their families based on the designation as defined in Insurance Coverage Scheme of the Bank.

Hospitalization Insurance

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

Mandatory Annual leave / Leave Fare Assistance

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

Subsidized loan scheme

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

2.2.3. Income

Revenue recognition

IFIC Bank has applied IFRS 15: *Revenue from Contracts with Customers* using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18, as such no adjustment was made in the opening Retained Earnings. Bank recognizes revenue when it satisfies a performance obligation by transferring control over services to a customer and considers the terms of the contract and its customary business practices to determine the transaction price. In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue was recognized when services rendered, to the extent it was probable that the economic benefits from the transactions would flow to the company and the revenue could be reliably measured.

i. Interest income

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

ii. Investment income

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

iii. Dividend income on shares

Dividends are recognized as income when the Bank's right to receive payment of the dividend is established and probable that the economic benefits associated with the dividend will flow to the Bank and the amount of the dividend can be measured reliably as per IFRS 9: *Financial Instruments*.

iv. Fees and commission income

Fees and commission includes benefits arising on financial and other services provided by the bank including trade finance, credit/debit cards, remittances, locker facilities, SMS banking and service charge on various accounts etc. Fees and Commission income arises 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 and transferred to buyer.

2.2.4. Expenses

2.2.4.1. Interest paid on deposits and borrowings

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

2.2.4.2. Management and other expenses

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

2.2.5. Shareholders' equity

2.2.5.1. Share capital

i. Authorized capital

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

ii. Paid up share capital

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

2.2.5.2. Statutory reserve

As per the section 24 (1) of the Banking Companies Act, 1991 as amended, the Bank is required to transfer at least 20% of its current year profit before tax to the

statutory reserve until such reserve equals to Paid up capital.

2.2.5.3. Fixed assets revaluation reserve

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

2.2.5.4. Non-controlling interest

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

2.2.6. General

2.2.6.1. Earnings per share (EPS)

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

i. Basic earnings per share

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

ii. Weighted average number of outstanding ordinary shares

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

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

iii. Diluted earnings per share

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

2.2.6.2. Related party transactions

As per IAS 24: Related Party Disclosures, parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. The Bank carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties. Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24: Related Party Disclosures, Bangladesh Bank and BSEC guidelines. The related party transactions of bank are disclosed in **Annexure-F**.

2.2.6.3. 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**.

2.2.6.4. Events after the reporting period

All material event occurring after the reporting period has been considered and where necessary, adjusted for or adequately disclosed in the financial statements as per IAS 10: *Events after the Reporting Period*. Overall effect of COVID 19 global pandemic on Bank's business in the 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.

2.2.7. Risk management

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

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

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

i. Credit risk

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

CRM policy also contain how to manage credit risk in the origination process, how to organize, role of board, senior management and CRM Committee, credit risk mitigation strategies, MIS for credit risk, managing problem assets including role of Remedial Asset Management Division and maintenance of adequate provisioning etc. This policy ensures sound practices of effective functioning of the Bank's lending process and develop the strategies for appropriate management, measurement and monitoring its lending portfolio. Regular monitoring of the ability of borrowers to meet their principal and interest repayment obligations is conducted. Credit risk is monitored by reference to risk grading and managed by limiting the aggregate exposure to any individual counter party, group of companies or

industry as per lending cap of the bank and single borrower exposure limit defined by Bangladesh Bank. The Bank has defined segregation of duties for all credit risk related activities like credit approval, administration, monitoring and recovery functions.

ii. Asset liability management risk

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

iii. Foreign exchange risk

Foreign Exchange Risk arises from adverse movement in currency exchange rates engaging in activities starting from basic currency buy, sell, imports, exports and remittances to complex structured products. The foreign exchange risks are measured and monitored by the Treasury Division of the bank. As per directives of Bangladesh Bank, the Bank has formulated and adopted the treasury policy for managing the foreign exchange risks. Functions of the treasury front, mid and back office have been designated and properly segregated. In addition to the policy guidelines treasury operational guidelines have also been formulated for defining the roles and responsibilities of front, back and mid office so that various foreign exchange transactions can be performed in line with the Bangladesh Bank regulations and Bank's internal policies and procedures to measure, monitor and mitigate the foreign exchange risks. Treasury continuously monitors price movements of foreign exchange and uses various hedging techniques to manage its open position in such a way that minimizes risk and maximizes return.

iv. Money laundering risk

In recognition of the fact that financial institutions are particularly vulnerable to Money Laundering, IFIC has established "Guidelines on Prevention of Money Laundering and Combating Financing of Terrorism" as per directives of Bangladesh Bank

for strict compliance. The purpose of this policies is to provide guideline to comply with all applicable local laws and regulations regarding prevention of Money Laundering and combating Terrorist Financing, both at country and international level, to safeguard the Bank 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 are also conducted.

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

v. Internal control and compliance risk

The Internal Control & Compliance (ICC) Division of the Bank is working independently to evaluate the Internal Control System of the Bank so as to ensure good governance, transparency & accountability. The ICC Division is conducting comprehensive internal audit of the branches as well as different divisions/departments of Head Office ongoing basis. In line with the Bangladesh Bank guidelines the Bank has successfully implemented the effective internal control system guidelines, formulation of policy guideline, set up of separate organizational structure, segregation of duties and introduction of internal control process, such as Departmental Control Function Checklist (DECFL), Quarterly Operation Report (QOR) etc.

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

Inspection to identify, measure, control and mitigate risk factors at the branches and division of the Bank.

Internal Control Unit (ICU) has also been set-up at the branches with the existing manpower to minimize irregularities and lapses to prevent fraud, forgeries and to avoid operational risks of the Bank. 'Risk based Internal Audit Policy' and 'Branch Audit Rating System' are in place in order to upgrade the operational efficiency of the branches.

vi. Information and communication technology (ICT) risk

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

- ▶ Conducted Cyber Security Assessment to outline the risky areas with PwC- an international reputed consulting firm. The bank has prepared the way out to mitigate the risk areas as per their guideline.
- ▶ For ensuring cyber security, the bank is continuously conducting training on sensitive IT tasks for IT division and awareness program for creating Cyber Security Awareness for all employees.
- ▶ The bank is taking data backup on daily basis; one copy is being stored in a fire-proof Vault and another copy is being kept at a remote site to withstand any disaster in Data Centre.
- ▶ Upgraded Disaster Recovery (DR) Site ensures any payment related service to the customers in case of any emergency or any disaster at Data Centre. Business continuity Plan has also been developed.
- ▶ As per the Bangladesh Bank guideline, the bank has concentrated on ICT security management. In this regard ICT Steering Committee and ICT Security Committee have been formed and are working to ensure the overall ICT Security.
- ▶ The bank has upgraded and introduced the network equipment including Next-Generation Core Firewall, Internet Firewall, Web Application Firewall (WAF), Software Defined Network (SDN) and Network Access Control (NAC) for enhancing security in the Data Center and Disaster recovery site.
- ▶ The SWIFT environment of the bank is upgraded and segmented from the other enterprise network. World class Trade processing system is integrated with the

payment system to mitigate the risk of financial fraud.

- ▶ The Bank has implemented a robust and secure mailing system and incorporated Email Security Solution (ESA). Availability of Exchange Server in Disaster Recovery Site is completed.
- ▶ New Data Center in IFIC tower is inaugurated and is providing value to IT service delivery of the bank. Physical and other appropriate security is being maintained in the workplace to protect ICT resources properly as per the guideline of Bangladesh Bank.
- ▶ The bank is maintaining Service Level Agreement (SLA) with the vendors who are directly involved for providing critical services on behalf of the bank. The bank is also maintaining insurance coverage for critical IT assets and maintaining IT Assets Inventory.
- ▶ The Bank is strictly following the Information Security Guidelines of Bangladesh Bank which covers Password Control, User ID Maintenance, Input Control, Network Security, Data Encryption, Virus Protection and Access Control to Internet and Emailing.
- ▶ Baseline Security Standard has been developed for desktop, operating systems, and network, database and security devices.
- ▶ Risk assessment framework and template has been developed and introduced for systems and application.
- ▶ Security Team regularly conduction Vulnerability Assessment and Application Security testing.
- ▶ The bank has also completed all ICT Security documentation to ensure security of the ICT Systems and is continuously updating them to strengthen security of the systems.
- ▶ The Bank has introduced Digital Banking Channel to explore the technological door for financial advancement. This platform can be used through both online and mobile app (which is available at Apple store and Google Play store). Using Digital Banking Channel (IFIC Aamar Bank), customer can make transaction within Bank or Other Bank through EFT and RTGS, customer can make credit card payment, standing instruction, cheque book order, request for bank certificate etc.

vii. Other relevant risks

a. Operational risk

Operational risk addresses the risk associated with fraud, forgery, unauthorized activities, error, omission, system failure and other external events. These occur mainly due to

inadequate or failed internal processes, people and systems, or from external events (including legal risk). The Bank is managing these risks through written procedures, regular training, and awareness programs and monitoring of the implementation of these procedures. Internal Control and Compliance Division of the Bank monitors operational procedure of the Bank. It undertakes periodical and special audit of the branches and divisions at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

b. Liquidity risk

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

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

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

c. Market risk

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

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

a) may be explicit in portfolios of securities/ equities and instruments that are actively traded;

b) may be implicit such as interest rate risk due to mismatch of assets and liabilities; and

c) may arise from activities categorized as off-balance sheet items.

d. Interest rate risk

Interest rate risk may arise from trading portfolio and non-trading portfolio. The trading portfolio of the Bank consists of government treasury bills, bond, etc. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and

its funding cost. Asset Liability Committee (ALCO) of the Bank monitors the interest rate movement on a regular basis.

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

e. Equity price risk

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

f. Fraud risk

Fraud and forgery have become an important issue in recent years. These have a major impact on our country's economy, impeding economic development. IFIC has always been focused in controlling fraud and forgery by establishing and maintaining proper controlling system. Today, fraud and forgery appear in diverse form. The incidence of fraud may occur due to rapid changes in technological environment in the banking sector or intentional behavioral aspect of the human being. Human fraudulent acts may be committed by outsiders or insiders such as employees who are aware of the internal operational process of the Bank. To take the advantage of the operational process and weakness of the internal control system of the work place, employees may commit fraudulent activities within the Bank. To prevent the fraud and forgeries, the Bank has adopted broad range of measures to monitor and mitigate the fraud risk which involves three steps, fraud prevention, fraud detection and fraud investigation. Bank considers the best practice to prevent frauds and forgeries rather than to detect or investigate. To prevent the external

fraud, Bank regularly arrange training program for its executives and staffs working at branch and head office level. Internal Control and Compliance unit of the Bank also works very extensively to ensure the effectiveness of the internal control system throughout the Bank. Internal Control Unit (ICU) of each branch and division monitors the transactions process to prevent and detect both internal and external frauds.

g. Reputation risk

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

The Bank manages the reputation risk ensuring the followings:

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

2.2.8. Audit Committee

The Audit Committee of the Board was duly formed by the Board of Directors of the Bank in accordance with the BRPD circular no. 11 dated 27 October 2013 of Bangladesh Bank.

Pursuant to the BSEC notification no. BSEC/CMRRCD/2006-158/207/ADMIN/80 dated 3 June 2018 on Corporate Governance, the current Committee is constituted with three members of the Board. The details of the Audit Committee is provided in *Annexure-G*.

2.2.9. Directors' responsibility statement

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

2.2.10. Management Committee (MANCOM)

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

activities taking place in different areas of the Bank.

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

2.2.11. Credit rating of the bank

The Bank has been awarded its credit rating done by Credit Rating Agency of Bangladesh Limited (CRAB) based on the financial statements and other relevant information as at and for the year ended 31 December 2018 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 2018	AA2	ST-2	Stable	30-Jun-20
Entity	Jan to Dec 2017	AA2	ST-2	Stable	30-Jun-19
Entity	Jan to Dec 2016	AA2	ST-2	Stable	30-Jun-18

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

In addition to compliance with local regulatory requirements, in

preparing the Consolidated and Separate Financial Statements, IFIC applied all applicable IASs and IFRSs as adopted by Institute of Chartered Accountants of

Bangladesh (ICAB) except those described in note 2.1.1. Details are given below:

Name of the IFRS	IFRS No.	Status
First-time Adoption International Financial Reporting Standards	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	Complied
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A
Financial Instruments: Disclosures	7	Complied*
Operating Segments	8	Complied
Financial Instruments	9	Complied*
Consolidated Financial Statements	10	Complied
Joint Arrangements	11	N/A
Disclosure of Interests in Other Entities	12	Complied
Fair Value Measurement	13	Complied*
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Complied*
Leases	16	Complied

Name of the IAS	IAS No.	Status
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
Financial Instruments: Recognition and Measurement	39	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 1 January 2019 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

IFRS 17: Insurance Contract was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement,

presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

Amount in BDT

	Note	31 December 2019	31 December 2018
3 Cash			
Cash in hand (including foreign currency)	3.1	2,871,220,070	2,885,588,822
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	15,183,691,094	13,121,711,294
		18,054,911,164	16,007,300,116
3.1 Cash in hand (including foreign currency)			
Local currency in hand		2,613,418,341	2,632,581,387
Foreign currencies in hand		26,676,145	39,030,457
Cash with ATM		231,125,584	213,976,978
		2,871,220,070	2,885,588,822
3.2 Balance with Bangladesh Bank and its agents bank			
Bangladesh Bank			
Local currency		13,941,793,439	12,232,523,883
Foreign currency		828,671,007	325,799,600
		14,770,464,446	12,558,323,483
Sonali Bank as agent of Bangladesh Bank		413,226,648	563,387,811
		15,183,691,094	13,121,711,294
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 and MPD circular no. 1, dated 23 September 2014 and MPD circular no. 2, dated 10 December 2013.			
3.3.1 Cash Reserve Requirement (CRR)			
As per Bangladesh Bank MPD Circular no. 1 dated 3 April 2018 [effective from 15 April 2018], all scheduled banks have to maintain CRR of minimum 5.0% on daily basis and 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 2019 was based on weekly average balance of October 2019]. CRR maintained by the Bank as per statutory requirement is shown below:			
Average time and demand liabilities		238,109,113,000	209,283,456,045
Required reserve		13,096,001,000	11,510,590,082
Actual reserve maintained*		13,908,390,162	12,206,346,533
Surplus		812,389,162	695,756,451
* 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 minimum 13.0% of weekly average demand and time liabilities excluding inter-bank deposits of immediate preceding two months [i.e. SLR of December 2019 was based on weekly average balance of October 2019]. SLR maintained by the Bank as per statutory requirement is shown below:			
Average time and demand liabilities		238,109,113,000	209,283,456,045
Required reserve		30,954,185,000	27,206,849,000
Actual reserve maintained		45,462,977,170	31,400,971,131
Surplus		14,508,792,170	4,194,122,131
Actual reserve maintained for SLR			
Cash in hand	3.1	2,871,220,070	2,885,588,822
Balance with Bangladesh Bank in excess of CRR		812,389,162	695,756,451
Balance with Sonali Bank as agent	3.2	413,226,648	563,387,811
Government securities (HFT)	6.3	18,180,637,761	12,498,053,088
Government securities (HTM)	6.3	23,185,503,529	14,758,184,959
		45,462,977,170	31,400,971,131

	Note	31 December 2019	31 December 2018
3.a Consolidated cash in hand			
IFIC Bank Limited	3.1	2,871,220,070	2,885,588,822
IFIC Securities Limited		26,205	6,904
IFIC Money Transfer (UK) Limited		1,092,404	13,434,563
		2,872,338,679	2,899,030,289
3.b Balance with Bangladesh Bank and its agents bank			
IFIC Bank Limited	3.2	15,183,691,094	13,121,711,294
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		15,183,691,094	13,121,711,294
		18,056,029,773	16,020,741,583
4 Balance with other banks and financial institutions			
In Bangladesh	4.1	4,014,719,294	6,823,590,588
Outside Bangladesh *		1,602,314,924	1,275,887,518
		5,617,034,218	8,099,478,106
* Details of Balance with outside Bangladesh are shown in "Annexure-A".			
4.1 In Bangladesh			
In current deposit account with			
Agrani Bank Limited		6,071,591	31,027,173
Sonali Bank Limited		53,104,148	17,282,743
Islami Bank Bangladesh Limited		97,425	98,575
		59,273,164	48,408,491
In special notice deposit account with			
Trust Bank Limited		34,624,484	33,192,803
Standard Chartered Bank		74,709,608	4,834,930
		109,334,092	38,027,733
In beneficiary owner (BO) account with			
IFIC Securities Limited		3,659	659
Latif Securities Limited		28,834	28,834
Asain Tiger Capital Partners Investments Limited		9,224,878	7,124,871
		9,257,371	7,154,364
In fixed deposit account with banks and NBFIs			
Banking companies			
EXIM Bank Limited		-	500,000,000
Jamuna Bank Limited		-	1,000,000,000
Social Islamic Bank Limited		-	500,000,000
		-	2,000,000,000
Non-Banking Financial Institutions			
Investment Corporation of Bangladesh		3,670,000,000	3,780,000,000
Peoples Leasing & Financial Services Limited		166,854,667	150,000,000
IPDC Finance Limited		-	300,000,000
Delta Brac Housing Finance Corp. Limited		-	500,000,000
		3,836,854,667	4,730,000,000
		3,836,854,667	6,730,000,000
		4,014,719,294	6,823,590,588

	Note	31 December 2019	31 December 2018
4.2	Maturity grouping of balance with other banks and FIs		
	Receivable on demand	168,607,256	86,436,223
	Upto 1 month	1,543,257,371	2,743,041,883
	More than 1 month but not more than 3 months	3,905,169,591	5,270,000,000
	More than 3 months but not more than 6 months	-	-
	More than 6 months but not more than 1 year	-	-
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		5,617,034,218	8,099,478,106
4.a	Consolidated balance with other banks and financial institutions		
4.a(i)	In Bangladesh		
	IFIC Bank Limited 4.1	4,014,719,294	6,823,590,588
	IFIC Securities Limited	207,156,658	145,670,986
	IFIC Money Transfer (UK) Limited	-	-
		4,221,875,952	6,969,261,574
	Less: Inter -company transaction	207,156,658	145,670,986
		4,014,719,294	6,823,590,588
4.a(ii)	Outside Bangladesh		
	IFIC Bank Limited 4	1,602,314,924	1,275,887,518
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	20,799,986	19,502,811
		1,623,114,910	1,295,390,329
		5,637,834,204	8,118,980,917
5	Money at call and on short notice		
	Banking companies		
	Jamuna Bank Limited	300,000,000	-
	Standard Bank Limited	110,000,000	-
	The City Bank Limited	500,000,000	1,400,000,000
	Commercial Bank of Ceylon PLC	-	250,000,000
	Midland Bank Limited	-	200,000,000
	National Bank Limited	-	600,000,000
	NCC Bank Limited	-	850,000,000
	NRB Bank Limited	-	70,000,000
	One Bank Limited	-	100,000,000
	Uttara Bank Limited	-	500,000,000
		910,000,000	3,970,000,000
6	Investments		
	Government Securities 6.1	41,369,255,890	27,258,506,647
	Other Investments 6.2	4,130,892,143	4,045,879,271
		45,500,148,033	31,304,385,918
6.1	Government securities		
	Treasury bills 6.1.1	18,117,008,137	12,498,053,088
	Treasury bonds 6.1.2	23,249,133,153	14,758,184,959
	Prize bonds	3,114,600	2,268,600
		41,369,255,890	27,258,506,647

	Note	31 December 2019	31 December 2018
6.1.1 Treasury bills			
91 Days Govt Treasury Bill		2,072,538,413	2,795,411,871
182 Days Govt Treasury Bill		3,169,696,589	2,053,245,577
364 Days Govt Treasury Bill		12,874,773,135	7,649,395,640
		18,117,008,137	12,498,053,088
6.1.2 Treasury bonds			
2 years Treasury bond		7,680,304,093	2,901,236,644
5 years Treasury bond		5,858,664,222	2,647,870,266
10 years Treasury bond		4,406,886,345	3,927,550,928
15 years Treasury bond		3,568,919,318	3,536,076,359
20 years Treasury bond		1,734,359,175	1,745,450,762
		23,249,133,153	14,758,184,959
6.2 Other investments			
Unquoted shares			
Karma Sangsthan Bank		20,000,000	20,000,000
Central Depository Bangladesh Limited		22,847,220	22,847,220
Energy Pack Power Company Limited		25,960,000	25,960,000
		68,807,220	68,807,220
Quoted shares			
Advent Pharma Limited		4,542,708	-
Genex Infosys Limited		17,277,101	-
Dhaka Bank Limited		5,891,651	-
The City Bank Limited		10,441,665	-
Confidence Cement Limited		17,419,431	12,741,029
Eastland Insurance Company Limited		7,958,672	7,958,672
Fareast Life Insurance Limited		122,511,641	122,511,641
National Housing Finance & Investment Limited		39,010,000	39,010,000
Linde Bangladesh Limited		4,003,965	-
Marico Bangladesh Limited		11,685,707	-
Power Grid Company Limited		215,882,261	215,882,261
Singer Bangladesh Limited		14,481,915	10,965,683
Summit Power Limited		12,116,250	7,751,100
Summit Alliance Port Limited		5,692,616	5,692,616
TITAS Gas Transmission and Distribution Limited		412,348,120	412,348,120
Unique Hotel and Resorts Limited		21,029,385	21,029,385
Aman Feed Limited		-	4,743,200
BBS Cables Limited		-	9,646,540
GlaxoSmithKline(GSK) Bangladesh Limited		-	10,682,010
Square Pharmaceuticals Limited		-	8,957,201
BRAC Bank Limited		-	4,175,700
Meghna Petroleum Limited		-	3,750,542
Shahjalal Islami Bank Limited		-	5,581,890
Shasha Denims Limited		-	7,439,512
Southeast Bank Limited		-	2,232,795
United Power Generation & Distribution Company Limited		-	9,006,690
		922,293,088	922,106,587
Mutual funds			
IFIC Bank 1st Mutual Fund		250,000,000	250,000,000
ICB Employee 1st Mutual Fund		17,986,473	17,986,473
		267,986,473	267,986,473

	Note	31 December 2019	31 December 2018
Foreign Investment			
Investment in associates:			
Nepal Bangladesh Bank Limited		2,435,097,291	2,411,533,806
Oman Exchange LLC		76,085,913	19,070,638
		2,511,183,204	2,430,604,444
Other foreign investment			
MCB Bank Limited, Pakistan		360,622,158	356,374,547
		2,871,805,362	2,786,978,991
		4,130,892,143	4,045,879,271

Details of investment in shares are shown in "Annexure-B".

6.3 Government securities classified according to Bangladesh Bank Circular

Held for trading (HFT)		18,180,637,761	12,498,053,088
Held to maturity (HTM)		23,185,503,529	14,758,184,959
Other securities	6.1	3,114,600	2,268,600
		41,369,255,890	27,258,506,647

6.4 Maturity grouping of investments

On demand		3,114,600	2,268,600
Up to 1 month		4,077,866,434	-
Over 1 month but not more than 3 months		2,840,398,804	3,583,458,033
Over 3 months but not more than 6 months		4,801,516,397	1,596,060,073
Over 6 months but not more than 1 years		11,820,506,574	7,555,013,678
Over 1 year but not more than 5 years		13,292,448,919	12,366,423,831
Over 5 years		8,664,296,305	6,201,161,703
		45,500,148,033	31,304,385,918

6.5 Disclosure regarding outstanding Repo and Reverse Repo

Disclosure regarding outstanding Repo

Sl.	Counterparty name	Agreement date	Reversal date	Amount
-	-	-	-	-

Disclosure regarding outstanding Reverse Repo

Sl.	Counterparty name	Agreement date	Reversal date	Amount
1	Uttara Bank Limited	30/12/2019	01/01/2020	63,632,966
2	BRAC Bank Limited	30/12/2019	01/01/2020	716,349,750
3	Mercantile Bank Limited	30/12/2019	01/01/2020	984,323,000
4	National Bank Limited	30/12/2019	01/01/2020	802,954,819
5	Mutual Trust Bank Limited	30/12/2019	01/01/2020	758,848,200
Total				3,326,108,735

Disclosure regarding overall transaction of Repo and Reverse Repo

Counterparty name	Minimum outstanding in Y2019	Maximum outstanding in Y2019	Daily average outstanding in Y2019
Securities sold under Repo			
With Bangladesh Bank	-	-	-
With other Banks and FIs	296,597,700	1,981,409,000	684,488,782
Securities purchased under Reverse Repo			
From Bangladesh Bank	-	-	-
From other Banks and FIs	51,570,041	1,490,187,000	690,646,105

	Note	31 December 2019	31 December 2018
6.a Consolidated investments			
Government Securities			
IFIC Bank Limited	6.1	41,369,255,890	27,258,506,647
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		41,369,255,890	27,258,506,647
6.b Consolidated other investments			
IFIC Bank Limited	6.2	4,130,892,143	4,045,879,271
IFIC Securities Limited		68,702,025	70,782,190
IFIC Money Transfer (UK) Limited		-	-
Less: Book value of investment in joint venture/associate-NBBL		(2,435,097,291)	(2,411,533,806)
Less: Book value of investment in joint venture/associate -OE LLC		(76,085,913)	(19,070,638)
Add: Investment in NBBL under equity method	40.b(i)	4,025,376,164	3,667,144,961
Add: Investment in OE LLC under equity method	40.b(ii)	133,400,738	52,691,476
		5,847,187,866	5,405,893,454
		47,216,443,756	32,664,400,101
7 Loans and advances			
Loans, cash credit, overdraft etc.	7.1	217,627,752,438	194,668,112,000
Bill purchased and discounted	8	10,960,747,799	12,261,523,707
		228,588,500,237	206,929,635,707
7.1 Loans, cash credit, overdraft etc.			
Inside Bangladesh			
Term loan industrial		16,679,241,403	18,014,358,116
Term loan consumer finance		217,487,844	406,147,670
Agricultural loan		2,756,983,582	3,307,816,634
Term loan women entrepreneur		30,377,007	72,657,808
Term loan-others		64,243,240,345	52,449,339,055
House building loans		35,878,061,417	32,118,754,920
Staff loan		1,445,244,406	1,616,151,683
Transport loan		112,151,072	175,128,847
Loan general		3,273,896,438	3,478,838,901
Demand loan		9,479,236,138	5,902,080,933
Overdrafts		52,042,757,341	41,966,927,428
Cash credit		23,146,114,027	25,608,250,393
Credit card finance		162,579,957	218,924,160
Loan against trust receipt (LTR)		5,529,994,503	7,269,614,377
Lease finance		294,519,805	399,773,603
		215,291,885,285	193,004,764,528
Outside Bangladesh			
Term Loan-Foreign Currency (OBU)		2,335,867,153	1,663,347,472
		217,627,752,438	194,668,112,000
7.2 Net loans and advances including bills purchased and discounted			
Total loans and advances		228,588,500,237	206,929,635,707
Provision against loans and advances	15	(6,033,570,883)	(5,953,922,678)
Interest suspense account	15	(6,633,354,159)	(6,286,303,850)
		215,921,575,195	194,689,409,178

	Note	31 December 2019	31 December 2018
7.3 Residual maturity grouping of loans, cash credit, overdraft etc.			
On demand		41,476,313,632	33,896,561,001
Up to 1 month		6,147,676,143	5,233,301,370
Over 1 month but not more than 3 months		22,845,989,923	17,823,885,652
Over 3 months but not more than 1 year		42,838,504,474	40,150,057,281
Over 1 year but not more than 5 years		38,357,255,614	66,212,878,661
Over 5 years		65,962,012,652	31,351,428,034
		217,627,752,438	194,668,112,000
7.4 Loans and advances under broad categories			
In Bangladesh			
Loans		142,438,881,070	127,092,934,179
Cash credit		23,146,114,027	25,608,250,393
Overdrafts		52,042,757,341	41,966,927,428
		217,627,752,438	194,668,112,000
Bill purchased and discounted	8	10,960,747,799	12,261,523,707
		228,588,500,237	206,929,635,707
7.5 Loans and advances on the basis of significant concentration			
Loans and advances to directors and their allied concerns		-	-
Loans and advances to Managing Director, Senior Executives and Staffs		1,445,244,406	1,616,151,683
Advances to customers' groups		227,143,255,831	205,313,484,024
		228,588,500,237	206,929,635,707
7.6 Loans and advances allowed to each customer exceeding 10% of Bank's total capital			
Number of customers		26	22
Outstanding - Funded		92,632,200,000	68,358,030,000
Outstanding - Non-funded		12,745,400,000	15,537,500,000
Amount classified		-	-
Amount of loans and advances (comprising funded and non funded facilities) to each customer exceeding BDT 2,916.75 million which is computed as 10% of the Bank's capital (as defined under the Banking Companies Act 1991 as amended) of BDT 29,167.46 million as at 31 December 2019 (note-16.7). As at 31 December 2018, 10% of Bank's total capital was BDT 2,690.37 million.			
Details of loans and advances to each customer exceeding 10% Banks capital are shown in "Annexure-C".			
7.7 Industry wise position of loans and advances including bills purchased and discounted			
Agriculture		3,996,322,997	4,100,871,662
Jute		4,287,695,452	3,409,944,054
Textile		10,632,481,602	9,634,908,479
Garments		27,564,767,593	27,329,636,906
Chemical and chemical products		105,411,026	65,641,436
Cement		2,273,333,981	493,605,449
Bricks & ceramic		1,211,721,357	1,256,956,493
Food products & processing		5,649,730,708	6,598,731,822
Engineering & metal		5,508,796,223	5,503,947,446
Drugs & pharmaceuticals		854,297,234	836,637,760
Hospital & clinics		98,832,724	112,629,849
Paper & paper products		2,966,520,646	1,946,994,437
Other small industries		7,738,468,466	10,081,823,073
IT sector		4,408,911,995	4,531,030,945
Other service industries		22,480,311,052	19,672,984,559
Trade & commerce		29,955,530,118	28,450,186,327
Transport		1,276,538,796	380,633,564

	Note	31 December 2019	31 December 2018
Construction firms/companies		10,438,190,017	9,350,469,046
Housing societies/companies		28,235,167,595	19,577,451,204
Cold storage		102,862,158	135,550,704
Consumer finance		38,563,436,084	35,196,287,222
Energy		7,427,982,403	6,884,492,131
Telecommunication		8,840,098,241	8,805,955,835
NBFI's		2,631,510	-
Others		3,968,460,259	2,572,265,304
		228,588,500,237	206,929,635,707
7.8	Sector wise position of loans and advances including bills purchased and discounted		
Government sector		-	-
Other public sector		-	45,272,017
Private sector		228,578,728,477	206,862,539,963
Co-operative sector		9,771,760	21,823,727
		228,588,500,237	206,929,635,707
7.9	Geographical location-wise loans and advances including bills purchased and discounted		
Dhaka division		192,078,954,152	169,660,429,132
Chittagong division		19,170,896,791	18,918,852,561
Sylhet division		1,476,567,974	1,552,604,529
Rajshahi division		6,443,784,333	6,813,459,086
Khulna division		3,885,117,501	4,238,229,069
Barisal division		1,589,339,223	1,006,182,814
Rangpur division		1,015,644,442	3,175,705,370
Mymensingh division		2,928,195,821	1,564,173,146
		228,588,500,237	206,929,635,707
7.10	Business segment-wise concentration of loans and advances as per CL		
Corporate		161,530,029,726	141,789,297,838
SME		28,247,755,366	29,203,321,027
Short term agri credit		1,131,573,424	1,238,546,499
Consumer (including staff)		6,007,107,128	6,169,280,362
Others		31,672,034,593	28,529,189,981
		228,588,500,237	206,929,635,707
7.11	Loans and advances including bills purchased and discounted as per CL		
Continuous loan			
Consumer finance		3,406,522,173	3,228,503,802
Small and medium enterprise		21,116,670,078	22,087,432,209
Loans to BHs/MBs/SDs		10,039,939	284,034,921
Other continuous loans		48,684,363,598	40,316,586,108
		73,217,595,788	65,916,557,040
Demand loans			
Consumer finance		846,548,823	805,569,104
Small and medium enterprise		2,944,658,565	3,093,352,762
Other demand loans		26,662,996,419	26,447,995,846
		30,454,203,807	30,346,917,712
Term loan			
Consumer finance (including staff, other than HF)		1,754,036,132	2,135,207,456
Small and medium enterprise		4,186,426,723	4,022,536,056
Housing finance (HF)		31,583,793,090	28,240,132,875
Loans for professionals		333,331	390,554
Loans to BHs/MBs/SDs		77,868,233	4,631,631
Other fixed term loan		86,182,669,709	75,024,715,884
		123,785,127,218	109,427,614,456

	Note	31 December 2019	31 December 2018
Short term loan			
Short term agri credit		1,131,573,424	1,238,546,499
		228,588,500,237	206,929,635,707
7.12 Security/collateral-wise concentration of loans and advances including bills purchased and discounted			
Collateral of movable/immovable assets		183,563,902,386	164,770,530,731
Local banks and financial institutions' guarantee		307,052,908	535,568,817
Government guarantee		894,582,610	965,568,541
Export documents		2,911,579,975	2,377,254,025
Import documents		9,046,957,412	3,764,135,933
Fixed deposit receipts		8,125,914,830	6,914,255,832
Personal guarantee		6,530,168,342	6,239,794,609
Other securities		17,208,341,774	21,362,527,219
		228,588,500,237	206,929,635,707
7.13 Particulars of loans and advances			
i) Loans considered good in respect of which the Bank is fully secured		219,894,848,851	197,494,534,296
ii) Loans considered good for which the Bank holds no other security than the debtors' personal guarantee		162,579,958	218,924,160
iii) Loans considered good being secured by personal security of one or more persons in addition to the personal security of the debtors		8,531,071,428	9,216,177,251
iv) Loans adversely classified; provision not maintained there against		-	-
		228,588,500,237	206,929,635,707
v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons.		1,445,244,406	1,616,151,683
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		1,677,057,510	1,769,192,677
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		(352,629,444)	(196,775,921)
Amount of loan written off		2,349,130,015	1,368,940,948
Amount recovered against the loans previously written off		700,039,010	173,422,704
b) Amount of provision kept against loans classified as bad/loss as at the Balance Sheet date		2,756,082,189	3,027,299,586
c) Amount of interest creditable to the interest suspense account		3,959,253,482	3,143,633,681
xi) Cumulative amount of written off loan:			
Opening balance		13,078,722,116	11,883,203,872
Amount written off during the year		2,349,130,015	1,368,940,948
Interest charged		-	-
Recovery from written-off during the year*		(700,039,010)	(173,422,704)
		14,727,813,121	13,078,722,116
* Recovery from written-off loans during the year include interest waiver of Tk. 98,255,500 [Y2018: Tk. 7,709,312]			
7.14 Cumulative amount of written off loans for which law suits have been filed			
Opening balance		18,623,152,756	17,254,211,808
During the year		2,349,130,015	1,368,940,948
		20,972,282,771	18,623,152,756
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.			

	Note	31 December 2019	31 December 2018
7.15			
Classification of loans and advances			
Unclassified			
Standard		207,621,139,162	183,181,322,577
Special mention account		8,701,889,298	11,008,179,243
		216,323,028,460	194,189,501,820
Classified			
Substandard		3,198,899,994	3,950,146,955
Doubtful		402,454,243	645,594,790
Bad/Loss		8,664,117,540	8,144,392,142
		12,265,471,777	12,740,133,887
		228,588,500,237	206,929,635,707
7.16			
Movements of classified loans and advances			
Opening balance		12,740,133,887	11,477,879,667
Additions during the year		7,960,374,992	15,163,270,027
Reduction during the year		(8,435,037,102)	(13,901,015,807)
		12,265,471,777	12,740,133,887
7.a			
Consolidated loans and advance Loans, cash credits, overdrafts etc.			
IFIC Bank Limited	7.1	217,627,752,438	194,668,112,000
IFIC Securities Limited		3,934,940,830	4,002,656,028
IFIC Money Transfer (UK) Limited		-	-
		221,562,693,268	198,670,768,028
Less: Inter-company transactions		-	-
		221,562,693,268	198,670,768,028
8			
Bills purchased and discounted			
Payable in Bangladesh	8.1	9,665,670,886	10,820,366,348
Payable outside Bangladesh	8.1	1,295,076,913	1,441,157,359
		10,960,747,799	12,261,523,707
8.1			
Bill purchased and discounted Payable in Bangladesh			
Local bills/documents			
Inland documentary bill purchase (IDBP)		968,734,045	1,187,854,926
Payment against documents-cash		1,126,143,073	195,805,114
Payment against documents-EDF		6,078,902,756	7,599,331,777
Payment against documents-forced (Inland)		517,338,885	834,336,580
Payment against documents-forced (Foreign)		554,885,209	740,133,711
Payment against documents-Others		419,666,918	262,904,240
		9,665,670,886	10,820,366,348
Payable outside Bangladesh			
Foreign documentary bill purchase (FDBP)		988,024,005	905,588,542
Usance Bill Discounted (OBU)		307,052,908	535,568,817
		1,295,076,913	1,441,157,359
		10,960,747,799	12,261,523,707
8.2			
Residual maturity grouping of bill purchased and discounted			
On demand		3,279,461,674	2,480,596,822
Up to 1 month		2,666,974,599	2,236,092,869
Over 1 month but not more than 3 months		2,535,468,726	3,785,990,212
Over 3 months but not more than 6 months		2,454,040,122	3,719,063,264
Over 6 months		24,802,678	39,780,540
		10,960,747,799	12,261,523,707

	Note	31 December 2019	31 December 2018
8.a Consolidated bills purchased and discounted			
IFIC Bank Limited	8	10,960,747,799	12,261,523,707
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		10,960,747,799	12,261,523,707
9 Fixed assets including premises, furniture and fixtures			
Cost/revalued:			
Land		2,423,609,559	2,423,609,559
Buildings and premises		1,902,617,204	1,902,617,204
Right of Use Assets		989,931,442	-
Wooden furniture		254,570,346	254,995,657
Steel furniture		77,057,552	69,355,031
Computer equipment		863,236,002	834,234,736
Office equipment		902,371,888	227,658,391
Electrical & gas equipment		242,661,330	872,562,106
Leasehold improvement		312,213,038	295,691,386
Vehicles		147,985,565	134,040,330
Leased vehicles		47,600,000	47,600,000
Soft furnishing		12,646,335	11,764,626
Software		693,375,354	554,133,463
		8,869,875,615	7,628,262,489
Capital work in progress *		297,219,437	195,116,279
		9,167,095,052	7,823,378,768
Less: Accumulated depreciation		2,782,896,158	2,385,429,460
Written down value		6,384,198,894	5,437,949,308
Details of fixed assets are shown in "Annexure-D"			
* Capital work in progress represents the amount paid for Data Center, Fusion Banking Essence, Digital Channel Solution, Network Solution for Digital Channel, Implementation of SWIFT etc.			
9.a Consolidated fixed assets including premises, furniture and fixtures			
IFIC Bank Limited	9	6,384,198,894	5,437,949,308
IFIC Securities Limited		43,595,367	4,255,186
IFIC Money Transfer (UK) Limited		2,637,359	3,630,900
		6,430,431,620	5,445,835,394
10 Other Assets			
Stationery and stamps		40,919,747	32,367,261
Suspense account	10.1	986,739,119	828,249,291
Advance, deposit and prepayments	10.2	6,106,810,736	5,408,142,054
Accrued interest & other income receivable	10.3	1,090,781,883	1,167,944,485
Investment in subsidiaries	10.4	2,233,302,400	2,231,793,790
Deferred tax assets	10.5	870,102,393	903,795,256
Dividend Receivable and others		193,419,566	378,766,295
		11,522,075,844	10,951,058,432
10.1 Suspense account			
Advance against bills, new branches		32,858,601	16,551,502
Advance against TA / DA		6,722,800	3,664,125
Law charges		265,265,869	225,421,603
Sanchayapatra paid		414,811,535	397,305,266
Wage earners development bond paid		133,764,030	25,456,033

	Note	31 December 2019	31 December 2018
Investment bond		14,015,504	8,193,009
Sundry debtors		118,878,001	149,410,510
CIB charge receivable		90,060	-
EFTN receivable		317,333	1,785,243
VISA card		15,386	462,000
		986,739,119	828,249,291
10.2 Advance, deposit and prepayments			
Rent		171,545,507	259,355,926
Income tax	10.2.1	5,507,367,245	4,863,041,730
Security deposit including demand note		11,867,313	13,191,174
Car purchase finance scheme		154,032,849	159,089,205
Insurance premium		-	2,500,000
Money remittance company		38,441,562	-
Protested bills		44,543,206	44,130,460
Cash remittance		135,500,000	45,526,689
Supplier		29,237,767	9,251,038
Lease vehicle		896,021	896,021
Share money deposits		13,379,266	11,159,811
		6,106,810,736	5,408,142,054
10.2.1 Advance income tax			
Opening balance on 1 January		4,863,041,730	6,225,321,335
Add: Payment made during the year		1,660,879,183	1,056,598,314
Add: Prior years adjustment made during the year		-	42,603,403
Less: Settlement of Years 2013 and 2014		(1,016,553,668)	(2,461,481,322)
Closing balance		5,507,367,245	4,863,041,730
10.3 Accrued interest & other income receivable			
Treasury bonds and bills		465,016,906	355,836,743
Receivables from Government		41,272,375	41,272,375
Interest accrued on loans and advances		473,234,204	682,113,839
Investment on term and call		110,893,000	88,721,528
Holding period interest on reverse repo		365,398	-
		1,090,781,883	1,167,944,485
10.4 Investment in subsidiaries			
IFIC Securities Limited		2,199,994,000	2,199,994,000
IFIC Money Transfer (UK) Limited		33,308,400	31,799,790
		2,233,302,400	2,231,793,790
10.5 Deferred tax assets			
Deferred tax assets have been recognized and measured as per Bangladesh Accounting Standards 12: Income Taxes and BRPD Circular no. 11 dated 12 December 2011 based on temporary difference in the carrying amount of the assets and liabilities in the financial statements and its tax base. Calculation of deferred tax assets is as follows:			
Deferred tax assets		1,064,159,464	1,168,882,916
Deferred tax liabilities		(194,057,071)	(265,087,660)
Deferred tax assets/(liabilities)		870,102,393	903,795,256
i) Deferred tax on provision for loans and advances classified as doubtful and bad & loss			
Carrying amount		2,819,230,101	3,117,021,110
Tax base		-	-
Temporary difference		2,819,230,101	3,117,021,110
Tax rate		37.50%	37.50%
Closing deferred tax assets/(liabilities)		1,057,211,288	1,168,882,916
Opening deferred tax assets/(liabilities)		1,168,882,916	1,334,667,576
Deferred tax (expense)/income (A)		(111,671,628)	(165,784,660)

	Note	31 December 2019	31 December 2018
ii) Deferred tax on fixed assets			
Carrying amount		2,833,825,524	2,873,948,596
Tax base		2,316,340,000	2,167,048,168
Temporary difference		517,485,524	706,900,427
Tax rate		37.50%	37.50%
Closing deferred tax assets/(liabilities)		(194,057,071)	(265,087,660)
Opening deferred tax assets/(liabilities)		(265,087,660)	(221,718,666)
Deferred tax (expense)/income (B)		71,030,589	(43,368,994)
iii) Deferred tax on leased assets			
Right-of-Use Assets		817,235,585	-
Less: Lease Liabilities		671,725,133	-
Carrying amount		145,510,453	-
Tax base		164,038,922	-
Temporary difference		(18,528,469)	-
Tax rate		37.50%	-
Closing deferred tax assets/(liabilities)		6,948,176	-
Opening deferred tax assets/(liabilities)		-	-
Deferred tax (expense)/income (C)		6,948,176	-
Deferred tax (expense)/income (A+B+C)		(33,692,863)	-
10.6 Income generating other assets			
Investment in subsidiary-IFIC Securities Limited	10.4	2,199,994,000	2,199,994,000
Investment in subsidiary-IFIC Money Transfer (UK) Limited	10.4	33,308,400	31,799,790
		2,233,302,400	2,231,793,790
10.7 Non-Income generating other assets			
Stationery and stamps		40,919,747	32,367,261
Suspense account	10.1	986,739,119	828,249,291
Advance, deposit and prepayments	10.2	6,106,810,736	5,408,142,054
Accrued interest & other income receivable	10.3	1,090,781,883	1,167,944,485
Deferred tax assets	10.5	870,102,393	903,795,256
Receivable others		193,419,566	378,766,295
		9,288,773,444	8,719,264,642
10.a Consolidated other assets			
IFIC Bank Limited	10	11,522,075,844	10,951,058,432
Less: Investment in IFIC Securities Limited	10.4	2,199,994,000	2,199,994,000
Less: Investment in IFIC Money Transfer (UK) Limited	10.4	33,308,400	31,799,790
		9,288,773,444	8,719,264,642
IFIC Securities Limited		315,989,156	283,186,384
IFIC Money Transfer (UK) Limited		1,775,005	609,496
		9,606,537,605	9,003,060,522
11 Non-banking assets		373,474,800	373,474,800
<p>Through the verdict of honorable court under section 33(7) of the Artharin Adalat Act 2003, the Bank has got an absolute ownership on few mortgaged properties. These properties were recorded at Tk. 373,474,800 as non-banking assets in the year 2013.</p>			
12 Borrowing from other banks, financial institutions and agents			
In Bangladesh	12.1	6,517,860,335	7,871,932,278
Outside Bangladesh	12.2	1,698,000,000	2,097,500,000
		8,215,860,335	9,969,432,278

	Note	31 December 2019	31 December 2018
12.1	In Bangladesh		
	Call borrowing	-	-
	Term borrowing		
	Obligation under lease finance	12,001,012	19,827,757
	Short Term Borrowing	-	83,900,000
		12,001,012	103,727,757
	Refinance from Bangladesh Bank		
	Export Development Fund (EDF)	5,935,951,100	7,133,891,576
	Small and Medium Enterprise (SME)	530,344,520	574,842,616
	Long Term Financing Facility (LTFF)	39,563,703	59,470,329
		6,505,859,323	7,768,204,521
		6,517,860,335	7,871,932,278
12.2	Outside Bangladesh		
	Nepal Bangladesh Bank Limited	1,698,000,000	2,097,500,000
		1,698,000,000	2,097,500,000
	Borrowing from outside Bangladesh is used for Off-shore Banking unit.		
12.3	Secured and unsecured borrowing from other banks, financial institutions and agents		
	Secured borrowing	-	-
	Unsecured borrowing	8,215,860,335	9,969,432,278
		8,215,860,335	9,969,432,278
12.4	Maturity grouping of borrowing from other banks, financial institutions and agents		
	Payable		
	On demand	-	11,474,233
	Up to 1 month	1,361,351,010	421,545,318
	Over 1 month but not more than 3 months	4,390,920,724	2,265,916,026
	Over 3 months but not more than 1 year	1,984,011,837	2,323,012,367
	Over 1 year but not more than 5 years	268,012,046	4,905,043,200
	Over 5 years	211,564,718	42,441,134
		8,215,860,335	9,969,432,278
12.a	Consolidated borrowing from other banks, financial institutions and agents		
	In Bangladesh		
	IFIC Bank Limited	12.1	6,517,860,335
	IFIC Securities Limited		-
	IFIC Money Transfer (UK) Limited		-
			6,517,860,335
	Less: Inter -company transactions		-
			6,517,860,335
	Outside Bangladesh		
	IFIC Bank Limited	12.2	1,698,000,000
	IFIC Securities Limited		-
	IFIC Money Transfer (UK) Limited		-
			1,698,000,000
			8,215,860,335
			9,969,432,278

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 2019	Outstanding 31 December 2018
Sonali Bank Limited	1,000,000,000	200,000,000	800,000,000	1,000,000,000
Janata Bank Limited	1,000,000,000	200,000,000	800,000,000	1,000,000,000
Rupali Bank Limited	1,000,000,000	200,000,000	800,000,000	1,000,000,000
Agrani Bank Limited	500,000,000	100,000,000	400,000,000	500,000,000
	3,500,000,000	700,000,000	2,800,000,000	3,500,000,000

14 Deposits and other accounts

Current deposit and other accounts	14.1	57,089,778,779	40,984,620,648
Bills payable	14.2	1,840,433,536	2,066,079,056
Savings bank deposits	14.3	23,299,407,700	24,711,065,947
Fixed deposits	14.4	176,138,521,221	158,602,206,257
		258,368,141,236	226,363,971,908
14.1 Current deposit and other accounts			
Current accounts		16,751,724,835	18,493,074,110
IFIC AAMAR account		32,361,380,548	14,564,938,228
IFIC Shohoj Account		136,862,041	-
Foreign currency deposit		255,461,641	869,285,363
Resident foreign currency deposit		47,095,819	50,707,790
Exporters foreign currency account		5,064,346,336	4,881,723,297
Margin on letters of credit		1,611,311,769	1,304,092,145
Margin on letters of guarantee		413,544,674	374,569,623
Sundry deposit		448,051,116	446,230,092
		57,089,778,779	40,984,620,648
14.1.1 Sundry deposit			
Sundry creditor		118,860,020	122,172,679
Lease deposit		18,593,332	23,645,299
Risk fund-lease, CCS & others		224,303	264,303
Clearing collection		165,425,901	147,668,326
Card Deposit		56,304,761	37,302,420
Sundry deposit BFF		25,912,400	25,912,400
FDD issued but not presented		13,323,391	13,323,391
Key deposit		5,873,025	5,799,550
CIB Charges		1,973,542	1,720,766
Other sundry deposits		41,560,441	68,420,958
		448,051,116	446,230,092
14.2 Bills payable			
Payment order		1,832,716,279	2,058,290,411
Demand draft		5,728,179	5,732,767
Security deposit receipt		1,989,078	2,055,878
		1,840,433,536	2,066,079,056

	Note	31 December 2019	31 December 2018
14.3 Savings bank deposit			
Savings account		17,486,387,437	17,475,296,032
Super savings plus		4,357,759,777	5,723,959,197
Payroll savings		341,507,069	343,980,845
Sanchita-female savings		1,009,734,700	995,543,687
Student savings - duronto		103,478,620	171,693,222
Interest payable on savings deposit		540,097	592,964
		23,299,407,700	24,711,065,947
14.4 Fixed deposit			
Special notice deposit (SND)		17,423,788,727	25,101,619,381
Term deposit	14.4.1	148,706,357,525	124,730,829,282
Recurring deposit	14.4.2	9,588,859,670	8,747,714,491
Non resident foreign currency deposit (NFCD)		9,255,260	9,101,831
Export retention quota (ERQ)		410,260,039	12,941,272
		176,138,521,221	158,602,206,257
14.4.1 Term deposit			
Fixed deposits		132,401,520,210	108,862,565,314
Double return deposit scheme		7,037,614,862	7,855,681,076
Three years deposit plus		5,163,900	5,163,900
Monthly income scheme		4,894,756,648	4,800,115,250
Monthly income scheme - Arjon		32,380,000	56,080,000
Interest payable on term deposit		4,334,921,905	3,151,223,742
		148,706,357,525	124,730,829,282
14.4.2 Recurring deposit			
Pension savings scheme (PSS)		6,792,946,944	6,745,497,954
Pension savings scheme - Joma		7,269,422	18,136,965
Flexi DPS - Freedom		1,222,175,166	1,023,904,154
Millionaire dream plan		527,616,976	523,532,439
School savings plan		26,124,547	34,896,628
IFIC AGAMI		691,582,552	181,010,586
Interest payable on recurring deposit		321,144,063	220,735,765
		9,588,859,670	8,747,714,491
14.5 Deposit and other accounts of the banks			
Deposit from banks	14.7	8,564,982,723	11,732,305,874
Deposit from customers		249,803,158,513	214,631,666,034
		258,368,141,236	226,363,971,908
14.6 Payable on demand and time deposit			
Demand deposits			
Current deposits		49,972,040,183	33,979,626,823
Savings deposits		2,096,946,693	2,223,942,568
Sundry deposits		2,416,602,798	5,517,865,655
Bills payable		1,840,433,537	2,066,079,056
		56,326,023,211	43,787,514,102
Time deposits			
Savings deposits		21,202,461,006	22,486,530,414
Fixed deposits		154,298,320,837	130,106,585,066
Special notice deposits		17,423,788,727	25,101,619,381
Deposits under schemes		9,061,242,694	4,881,722,944
		201,985,813,264	182,576,457,806
		258,311,836,475	226,363,971,908

	Note	31 December 2019	31 December 2018
14.7	Sector-wise concentration of deposits and other accounts		
Government deposits		8,072,842,260	6,669,713,875
Other public sector		33,352,810,380	35,089,000,201
Deposit for banks		8,565,419,464	11,732,305,874
Foreign currency deposits		5,786,419,095	5,823,759,553
Private sectors		202,590,650,037	167,049,192,405
		258,368,141,236	226,363,971,908
14.8	Unclaimed deposits		
Current deposits		8,962,549	5,531,272
Savings deposits		40,703,362	35,616,032
Special notice deposits		-	2,646,077
Pay order and demand drafts		10,427,680	1,266,520
		60,093,591	45,059,901
14.9	Residual maturity grouping of deposits and other accounts		
	Maturity grouping of deposit from banks		
On demand		-	228,503,339
Up to 1 month		240,000,000	13,802,535
Over 1 month but not more than 3 months		934,982,723	550,000,000
Over 3 months but not more than 1 year		7,390,000,000	10,940,000,000
Over 1 year but not more than 5 years		-	-
Over 5 years		-	-
		8,564,982,723	11,732,305,874
	Maturity grouping of deposit from customers excluding bills payable		
On demand		1,912,412,834	1,581,265,204
Up to 1 month		28,878,765,168	27,159,900,670
Over 1 month but not more than 3 months		50,559,114,016	50,725,061,895
Over 3 months but not more than 1 year		69,090,047,625	52,016,880,935
Over 1 year but not more than 5 years		26,079,654,873	77,912,853,596
Over 5 years		71,442,730,460	3,169,624,677
		247,962,724,977	212,565,586,977
	Maturity grouping of bills payable		
On demand		184,043,354	206,627,909
Up to 1 month		368,086,707	413,255,816
Over 1 month but not more than 3 months		368,086,707	413,255,818
Over 3 months but not more than 1 year		184,043,354	206,627,908
Over 1 year but not more than 5 years		368,086,707	413,255,817
Over 5 years		368,086,707	413,055,789
		1,840,433,536	2,066,079,057
		258,368,141,236	226,363,971,908
14.a	Consolidated deposits and other accounts		
	Current deposits and other accounts		
IFIC Bank Limited	14.1	57,089,778,779	40,984,620,648
IFIC Securities Limited		19,433,794	41,192,225
IFIC Money Transfer (UK) Limited		-	-
		57,109,212,573	41,025,812,873
Less: Inter -company transactions		207,156,658	145,670,986
		56,902,055,915	40,880,141,888
	Bills payable		
IFIC Bank Limited	14.2	1,840,433,536	2,066,079,056
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		1,840,433,536	2,066,079,056

	Note	31 December 2019	31 December 2018
Savings bank deposit			
IFIC Bank Limited	14.3	23,299,407,700	24,711,065,947
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		23,299,407,700	24,711,065,947
Fixed deposits			
IFIC Bank Limited	14.4	176,138,521,221	158,602,206,257
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		176,138,521,221	158,602,206,257
		258,180,418,372	226,259,493,148

15 Other Liabilities

Specific provision for classified loans and advances	15.1	3,086,703,002	3,439,332,446
General provision for unclassified loans and advances	15.2	2,485,966,343	1,970,054,642
Provision for off balance sheet items	15.3	460,901,538	544,535,590
Provision for loans and advances		6,033,570,883	5,953,922,678
Provision for diminution in value of investments	15.4	651,829,320	524,903,189
Provision for nostro account	15.5	10,659,195	10,533,645
Provision for other assets	15.6	416,485,497	376,349,960
Provision for loans, investments and other assets		7,112,544,895	6,865,709,472
Provision for taxation	15.7	7,317,502,199	6,634,055,867
Interest suspense accounts	15.8	6,633,354,159	6,286,303,850
Incentive bonus	15.9	250,000,000	240,500,000
Lease Liability		671,725,133	-
Rebate to good borrowers		21,870,000	21,870,000
Interest payable on borrowing and bond		51,307,247	48,264,200
Accrued expenses		83,560,453	29,470,225
Withholding Tax payable to government *		341,514,845	278,926,291
Withholding VAT payable to government *		80,529,151	71,091,971
Excise duty payable to government *		192,744,701	176,133,961
Dividend		2,814,447	2,814,447
Revaluation of investment abroad		30,946,297	30,946,297
Payable against Gov Bond & Sanchayapatra		65,743,619	357,561,049
Others		113,205,018	79,996,353
		22,969,362,164	21,123,643,983

* Subsequently deposited to government exchequer.

15.1 Specific provision for classified loans and advances

Provision held at the beginning of the year		3,439,332,446	3,594,107,146
Less: Fully provided debts written off		(1,296,176,672)	(933,473,298)
Add: Recoveries of amounts previously written off		601,783,125	165,713,392
Add: Specific provision for the year	41	341,764,103	612,985,206
		3,086,703,002	3,439,332,446

15.1.1 Specific provision required for classified loans and advances

Status of loans and advances	Base for provision	Rate (%)	Required provision	
			31 December 2019	31 December 2018
Sub-standard	1,335,712,827	20%	267,142,565	321,853,867
Sub-standard- Short term agri. credit	6,606,701	5%	330,335	457,469
Doubtful	125,633,616	50%	62,816,808	89,096,059
Doubtful- Short term agri. credit	6,622,090	5%	331,105	625,465
Bad/loss	2,733,290,490	100%	2,756,082,189	3,027,299,586
	4,207,865,724		3,086,703,002	3,439,332,446
Specific provision maintained (note-15.1)			3,086,703,002	3,439,332,446
Excess/(short)			-	-

	Note	31 December 2019	31 December 2018
15.2 General provision for unclassified loans & advances			
Provision held at the beginning of the year		1,948,065,479	1,688,322,303
Provision made/(release) during the year	41	511,471,663	259,743,176
		2,459,537,142	1,948,065,479
Off-shore Banking Unit (OBU)			
Provision held at the beginning of the year		21,989,163	27,535,391
Provision made/(release) during the year	41	4,440,038	(5,546,228)
		26,429,201	21,989,163
		2,485,966,343	1,970,054,642

15.2.1 General provision required for unclassified loans and advances

Status of loans and advances	Base for provision	Rate (%)	Required provision	
			31 December 2019	31 December 2018
Standard				
Small and medium enterprise	21,798,960,024	0.25%	54,497,400	56,293,051
Consumer finance (house building)	30,224,611,297	1.00%	302,246,113	246,835,117
Loans to LP/BHs/MBs/SDs share etc.	88,025,533	2.00%	1,760,511	5,773,331
Consumer finance	4,294,412,500	5.00%	214,720,625	209,010,826
Consumer finance (card)	118,752,362	2.00%	2,375,047	2,700,173
Short term agri. and micro-credit	1,047,214,948	1.00%	10,472,149	11,906,688
Staff loan	1,445,244,406	0.00%	-	-
Other unclassified loan *	145,960,998,046	1.00%	1,752,207,278	1,264,398,802
	204,978,219,116		2,338,279,123	1,796,917,988
Special Mention Account (SMA)				
Small and medium enterprise	473,491,806	0.25%	1,183,730	2,637,682
Consumer finance (house building)	611,472,462	1.00%	6,114,725	21,918,444
Loans to LP/BHs/MBs/SDs share etc.	-	2.00%	-	3,492
Consumer finance	22,233,225	5.00%	1,111,661	4,183,738
Consumer finance (card)	4,180,703	2.00%	83,614	35,010
Other unclassified loan **	7,590,511,502	1.00%	112,764,289	112,369,125
	8,701,889,698		121,258,019	141,147,491
Off-shore banking unit				
Unclassified loans	2,642,920,061	1.00%	26,429,201	21,989,163
	2,642,920,061		26,429,201	21,989,163
General provision required			2,485,966,343	1,960,054,642
General provision maintained (note-15.2)			2,485,966,343	1,970,054,642
Excess/(short)			-	10,000,000

* Provision against loans and advances has been maintained as per Bangladesh Bank letter no.: DBI-1/32/2020/1543 dated 14 June 2020. According to this letter, provision shortfall of Tk. 2,890 million against loans and advances to be maintained on the basis of 20% in Y2020, 30% in Y2021 and 50% in Y2022.

** 1% additional provision has been maintained against restructured loan in line with the BRPD Circular No. 04 dated 29 January 2015. Details Restructured Loan are shown in Annexure-J.

15.3 Provision for off-balance sheet

Provision held at the beginning of the year		544,535,590	598,707,834
Provision made/(release) during the year	41	(83,634,052)	(54,172,244)
		460,901,538	544,535,590

15.3.1 Provision required for off-balance sheet exposure

Status	Base for provision	Rate (%)	Required provision	
			31 December 2019	31 December 2018
Acceptances and endorsements	17,978,428,515	1.00%	179,784,285	232,244,234
Letters of guarantee *	9,274,250,539	1.00%	92,742,505	114,791,463
Irrevocable letters of credit	14,673,137,826	1.00%	159,237,410	154,754,131
Bills for collection	2,913,733,690	1.00%	29,137,337	42,745,762
Required provision	44,839,550,570		460,901,537	544,535,590
Provision maintained (note-15.3)			460,901,537	544,535,590
Excess/(short)			-	-

* As per Bangladesh Bank instruction, BDT 537,544 and BDT 11,968,588 has been maintained as additional provision against letter of guarantee of M/s Hannan Works and M/s ATCO Internation, respectively.

	Note	31 December 2019	31 December 2018		
15.4	Provision for diminution in value of investments				
	Provision held at the beginning of the year	524,903,189	339,557,533		
	Provision made/(release) during the year	41 126,926,131	185,345,656		
		651,829,320	524,903,189		
15.5	Provision for nostro account				
	Provision held at the beginning of the year	10,533,645	10,382,985		
	Provision made/(release) during the year	41.1 125,550	150,660		
		10,659,195	10,533,645		
15.6	Provision for other assets				
	Provision held at the beginning of the year	376,349,960	339,541,220		
	Less: written off during the year	(1,791,292)	-		
	Provision made/(release) during the year	41.1 41,926,829	36,808,740		
		416,485,497	376,349,960		
15.6.1	Particulars of required provision for other assets				
	Status	Base for provision	Rate (%)	Required provision	
				31 December 2019	
				31 December 2018	
	Other assets for 6-12 months	30,245,177	50%	15,122,588	17,539,085
	Other assets for more than 12 months	346,819,703	100%	346,819,703	314,680,415
	Protested bills	44,543,206	100%	44,543,206	44,130,460
	Required provision			406,485,497	376,349,960
	Provision maintained (note-15.6)			416,485,497	376,349,960
	Excess/(Short)			10,000,000	-
15.7	Provision for taxation				
	Provision held at the beginning of the year			6,634,055,867	7,972,933,786
	Provision made during the year			1,700,000,000	1,080,000,000
				8,334,055,867	9,052,933,786
	Adjustment made during the year			-	42,603,403
	Less: Settlement of previous year			(1,016,553,668)	(2,461,481,322)
				7,317,502,199	6,634,055,867
	The provision for corporate tax has been made as per Income Tax Ordinance 1984 and the Bank has made current tax provision in the books of accounts of 2019 after considering the prior years' excess tax provisions. Assessments up to year 2015 (other than 2005 and 2010) have been completed by the tax authority and there is no tax liability remained outstanding up to year 2015 except 2005 and 2010. Overall tax position/status of the Bank are shown in "Annexure - K".				
15.8	Interest suspense account				
	Balance at the beginning of the year			6,286,303,850	4,953,004,400
	Add: Amount transferred to interest suspense account during the year			3,959,253,482	3,143,633,681
	Less: Amount transferred to interest income account during the year			(3,317,300,859)	(1,484,509,297)
	Less: Amount written-off during the year			(294,902,314)	(325,824,934)
				6,633,354,159	6,286,303,850
15.9	Incentive bonus				
	Balance at the beginning of the year			240,500,000	251,000,000
	Add: Provision made during the year			250,000,000	240,000,000
	Less: Paid during the year			(238,498,794)	(242,615,407)
	Less: Transfer to income during the year			(2,001,206)	(7,884,593)
				250,000,000	240,500,000
15.a	Consolidated other liabilities				
	IFIC Bank Limited	15		22,969,362,164	21,123,643,983
	IFIC Securities Limited			2,028,176,069	1,965,256,166
	IFIC Money Transfer (UK) Limited			17,398,532	33,300,105
				25,014,936,765	23,122,200,254

	Note	31 December 2019	31 December 2018
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16 Share Capital

16.1 Authorized Capital			
4,000,000,000 ordinary shares of Taka 10 each		40,000,000,000	20,000,000,000

16.2	Issued, subscribed and fully paid up capital	No of Share			
	Ordinary shares of Taka 10 each issued for cash	8,000,000		80,000,000	80,000,000
	Ordinary shares of Taka 10 each issued as rights share	4,400,000	16.2.1	44,000,000	44,000,000
	Ordinary shares of Taka 10 each issued as rights share	563,821,907	16.2.2	5,638,219,070	5,638,219,070
	Ordinary shares of Taka 10 each issued for bonus share	896,390,701		8,963,907,010	7,625,168,280
		1,472,612,608		14,726,126,080	13,387,387,350

16.2.1 The Bank raised paid-up capital of Tk. 44,000,000 through Rights Issue of 440,000 no. of ordinary shares at a ratio of 1R:2 i.e. one rights share for two existing share at par in the year 1989 which was completed in the month of January 1990, before change of denomination from Tk. 100 to Tk. 10 which was effected from 4 December 2011.

16.2.2 The Bank raised paid-up capital of Tk. 5,638,219,070 through Rights Issue of 563,821,907 no. of ordinary shares at a ratio of 1R:1 i.e. one rights share for one existing share at par in the year 2017.

16.3 Issued, subscribed and fully paid up Capital-Shareholders' Category			
990,353,220 [Year 2018: 900,321,109] ordinary shares of Taka 10 each fully paid held by the Sponsors, Directors, Institutions, Foreign investors & General Public.		9,903,532,200	9,003,211,090
482,259,388 [Year 2018: 438,417,626] ordinary shares of Taka 10 each fully paid held by the Government of the People's Republic of Bangladesh.		4,822,593,880	4,384,176,260
		14,726,126,080	13,387,387,350

16.4 Shareholding by Category

Category	31 December 2019			31 December 2018		
	No. of Share	%	Taka	No. of Share	%	Taka
Sponsors	57,795,104	3.92	577,951,040	52,541,011	3.92	525,410,110
Directors	64,943,437	4.41	649,434,370	26,782,314	2.00	267,823,140
Government (Director also)	482,259,388	32.75	4,822,593,880	438,417,626	32.75	4,384,176,260
Sub-Total	604,997,929	41.08	6,049,979,290	517,740,951	38.67	5,177,409,510
Institutions	340,317,105	23.11	3,403,171,050	301,327,505	22.51	3,013,275,050
Foreign investors	15,276,079	1.04	152,760,790	24,126,033	1.80	241,260,330
General investors	512,021,495	34.77	5,120,214,950	495,544,246	37.02	4,955,442,460
Sub-Total	867,614,679	58.92	8,676,146,790	820,997,784	61.33	8,209,977,840
Total	1,472,612,608	100	14,726,126,080	1,338,738,735	100	13,387,387,350

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

The Government is representing in the Board of the Bank by nomination 03 (Three) Directors and as such, Sponsors & Directors are at present holding 41.08% shares of the Bank.

16.5 Distribution of paid up capital

Holding of share	31 December 2019			31 December 2018		
	No. of holder	Total shares	%	No. of holder	Total shares	%
1 to 500 shares	14,695	2,091,145	0.14	15,486	2,170,986	0.16
501 to 5,000 shares	15,689	31,842,708	2.16	16,060	31,964,716	2.39
5,001 to 10,000 shares	4,197	30,197,520	2.05	4,058	28,724,648	2.15
10,001 to 20,000 shares	3,168	44,639,141	3.03	2,878	40,127,050	3.00
20,001 to 30,000 shares	1,226	30,311,561	2.06	1,137	27,986,162	2.09
30,001 to 40,000 shares	652	22,745,183	1.55	500	17,321,635	1.29
40,001 to 50,000 shares	379	17,268,513	1.17	298	13,527,710	1.01
50,001 to 100,000 shares	754	52,193,228	3.55	606	41,591,254	3.11
100,001 to 1,000,000 shares	698	184,521,732	12.53	577	145,032,801	10.83
More than 1,000,000 shares	115	1,056,801,877	71.76	121	990,291,773	73.97
Total	41,573	1,472,612,608	100	41,721	1,338,738,735	100

	Note	31 December 2019	31 December 2018
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16.6 Shareholding of Directors as at 31 December 2019

Sl.	Name of the Directors	Status	Holding %	Closing Position	Opening Position
1	Mr. Salman F Rahman	Chairman	2.00	29,460,545	26,782,314
2	Mr. Ahmed Shayan Fazlur Rahman*	Vice Chairman	2.41	35,482,892	32,057,175
3	Mr. Anwaruzzaman Chowdhury	Managing Director	Nil	Nil	Nil
4	Ms. Rabeya Jamali	Independent Director	Nil	Nil	Nil
5	Mr. Jalal Ahmed **	Govt. nominated Director	32.75	482,259,388	438,417,626
6	Mr. A. R. M. Nazmus Sakib **	Govt. nominated Director			
7	Ms. Quamrun Naher Ahmed**	Govt. nominated Director	Nil	Nil	Nil
8	Mr. M Shah Alam Sarwar	Managing Director			

* Represents M/s. New Dacca Industries Limited against its holding of 2.41% shares in the Bank.

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

16.7 Solo Capital Adequacy Ratio (BASEL III)

As per section 13(2) of the Banking Companies Act, 1991 as amended 2013, BRPD circular no. 18 dated 21 December 2014, Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) was issued and effective from 1 January 2015. Capital to Risk-weighted Asset Ratio (CRAR) is calculated as follows:

Common Equity Tier 1 (going-concern capital)

Paid-up capital	16.2	14,726,126,080	13,387,387,350
Statutory reserve	17	6,531,903,475	5,696,418,313
General reserve	18	155,071,397	155,071,397
Retained earnings	21	3,018,442,662	2,748,933,607
		24,431,543,614	21,987,810,667

Less: Regulatory Adjustments:

Deduction from Tier-1 Capital (95% of deferred tax assets)		1,010,951,491	1,110,438,771
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Total Common Equity Tier 1 Capital

23,420,592,124 **20,877,371,897**

Tier-2 (Gone-Concern Capital)

General provision		2,946,867,881	2,514,590,232
Subordinated debt that meet the qualifying criterion for Tier 2		2,800,000,000	3,500,000,000
Revaluation Reserves as on 31 December 2014		58,445,121	58,445,121

Less: Regulatory Adjustments:

Revaluation reserve (80% for 2018 of Tk. 58,445,121)		(58,445,121)	(46,756,097)
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Total Tier-2 Capital

5,746,867,881 **6,026,279,257**

Total Regulatory Capital (A)

29,167,460,005 **26,903,651,153**

Total assets including off-balance sheet items		368,045,509,902	343,508,883,626
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Total risk-weighted Assets		227,798,495,191	213,010,627,971
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Required capital @12.5% [Y2018: 11.875%] (B)		28,474,811,899	25,295,012,072
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Total capital surplus C=(A-B)

692,648,106 **1,608,639,082**

Capital to Risk-weighted Asset Ratio (CRAR):

Common Equity Tier 1 to RWA		10.28%	9.80%
Tier - 2 Capital to RWA		2.52%	2.83%
Capital to Risk-weighted Asset Ratio (CRAR)		12.80%	12.63%

Details computation of risk-weighted assets are shown in "Annexure - E"

16.7.a Consolidated Capital Adequacy Ratio (BASEL III)

As per section 13(2) of the Banking Companies Act, 1991 as amended 2013, BRPD circular no. 18 dated 21 December 2014, Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) was issued and effective from 1 January 2015. The Capital to Risk-weighted Asset Ratio (CRAR) is calculated as follows:

Common Equity Tier 1 (going-concern capital)

Paid-up capital	16.2	14,726,126,080	13,387,387,350
Statutory reserve	17	6,531,903,475	5,696,418,313
General reserve	18	155,071,397	155,071,397
Retained earnings	22	4,920,565,744	4,267,059,068
		26,333,666,696	23,505,936,128

	Note	31 December 2019	31 December 2018
Regulatory Adjustments:			
Deduction from Tier-1 Capital (95% of deferred tax assets)		1,010,951,491	1,110,438,771
Total Common Equity Tier 1 Capital		25,322,715,206	22,395,497,357
Tier-2 (Gone-Concern Capital)			
General provision		2,946,867,881	2,514,590,232
Subordinated debt that meet the qualifying criterion for Tier 2		2,800,000,000	3,500,000,000
Revaluation Reserves as on 31 December 2014		58,445,121	58,445,121
Regulatory Adjustments:			
Revaluation reserve (80% for 2018 of Tk. 58,445,121)		(58,445,121)	(46,756,097)
Total Tier-2 Capital		5,746,867,881	6,026,279,257
Total Regulatory Capital (A)		31,069,583,087	28,421,776,615
Total assets including off-balance sheet items		371,849,359,537	346,964,386,291
Total risk-weighted Assets		231,554,686,630	218,798,091,096
Required capital @12.5% [Y2018: 11.875%] (B)		28,944,335,829	25,982,273,318
Total capital surplus C=(A-B)		2,125,247,258	2,439,503,297
Capital to Risk-weighted Asset Ratio (CRAR):			
Common Equity Tier 1 to RWA		10.94%	10.24%
Tier – 2 Capital to RWA		2.48%	2.75%
Capital to Risk-weighted Asset Ratio (CRAR)		13.42%	12.99%
17 Statutory reserve			
Balance at the beginning of the year		5,696,418,313	5,124,540,729
Transferred from profit during the year		835,485,162	571,877,584
		6,531,903,475	5,696,418,313
18 General reserve		155,071,397	155,071,397
General reserve also includes surplus provision of Tk. 99,300,000 against the restructured large loan of RR Holdings which was transferred from 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	48,258,777	4,743,046
HFT securities	19.2	1,862,360	8,365,801
		50,121,137	13,108,847
19.1 Revaluation reserve HTM securities			
Balance at the beginning of the year		4,743,046	3,857,293
Gain/(loss) from revaluation on investments		43,515,731	885,753
		48,258,777	4,743,046
19.2 Revaluation reserve HFT securities			
Balance at the beginning of the year		8,365,801	2,372,256
Gain/(loss) from revaluation on investments		(6,503,441)	5,993,545
		1,862,360	8,365,801
19.a Consolidated revaluation reserve against securities			
IFIC Bank Limited	19	50,121,137	13,108,847
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		50,121,137	13,108,847
20 Revaluation reserve against fixed assets		115,314,704	115,314,704

In terms of Bangladesh Accounting Standard (BAS)-16, "Property, Plant & Equipment" and instruction contained in BRPD Circular No. 10 dated 25 November 2002 issued by Bangladesh Bank, gain on revaluation of Tk. 115,314,704 has been credited to revaluation reserve account.

	Note	31 December 2019	31 December 2018	
20.a	Consolidated foreign currency translation reserve			
	IFIC Money Transfer (UK) Limited	1,829,993	3,017,535	
	Investment in joint venture/associate (NBBL)	40,324,282	38,922,757	
	Investment in joint venture/associate (OE LLC)	1,713,661	1,352,583	
		43,867,936	43,292,875	
21	Surplus in profit and loss account			
	Balance at the beginning of the year	2,748,933,607	3,184,939,855	
	Net profit after tax for the year	2,443,732,947	1,570,234,267	
	Transfer to statutory reserve during the year	(835,485,162)	(571,877,585)	
	Issue of bonus shares	(1,338,738,730)	(1,434,362,930)	
		3,018,442,662	2,748,933,607	
22	Consolidated surplus in profit and loss account			
	IFIC Bank Limited	21	3,018,442,662	2,748,933,607
	IFIC Securities Limited		322,799,499	300,108,468
	IFIC Money Transfer (UK) Limited		(26,232,171)	(30,939,659)
	Share of profit of investment in joint venture/associate (NBBL)		1,642,684,855	1,285,855,176
	Share of profit of investment in joint venture/associate (OE LLC)		57,314,825	33,620,838
	Exchange (gain)/loss on investment in joint venture/associate (NBBL)		(92,730,264)	(69,166,779)
	Exchange (gain)/loss on investment in joint venture/associate (OE LLC)		(1,713,662)	(1,352,584)
			4,920,565,744	4,267,059,068
23	Non-controlling interest (NCI)			
	IFIC Securities Limited	23.1	6,880	6,818
	IFIC Money Transfer (UK) Limited		-	-
			6,880	6,818
23.1	NCI of IFIC Securities Limited			
	Opening balance on 1 January		6,818	6,669
	Add: Share of profit during the year		62	149
			6,880	6,818
24	Contingent liabilities			
	Acceptances and endorsements	24.1	17,978,428,515	23,224,423,401
	Letters of guarantee	24.2	9,274,250,539	10,228,543,056
	Irrevocable Letters of credit	24.3	14,673,137,826	15,475,413,131
	Bills for collection	24.4	9,169,349,832	11,507,221,651
			51,095,166,712	60,435,601,239
24.1	Acceptances and endorsements			
	Back to back bills (local currency)		197,607,606	212,374,197
	Back to back bills (foreign currency)		17,780,820,909	23,012,049,204
			17,978,428,515	23,224,423,401
24.2	Letters of guarantee			
	Letters of guarantee (local currency)		9,145,418,872	10,057,537,985
	Letters of guarantee (foreign currency)		128,831,667	171,005,071
			9,274,250,539	10,228,543,056

	Note	31 December 2019	31 December 2018
Money for which the bank is contingently liable in respect of guarantee issued favoring:			
Directors		-	-
Government		4,264,377,276	2,781,296,524
Banks and other financial institutions		1,892,035,766	2,491,544,704
Others		3,117,837,497	4,955,701,828
		9,274,250,539	10,228,543,056
24.3 Irrevocable letters of credit			
Letter of credit (LC) - cash sight		6,740,841,075	7,423,663,948
Letter of credit (LC) - back to back		7,730,378,117	272,198,528
Letter of credit (LC) - cash usance		201,918,634	7,779,550,655
		14,673,137,826	15,475,413,131
24.4 Bills for collection			
Inland bills collection		21,261,409	23,897,531
Foreign bills collection		-	1,704,375
Inland documentary bills for collection		2,913,733,690	4,274,576,248
Foreign documentary bills for collection		6,234,354,733	7,207,043,497
		9,169,349,832	11,507,221,651

	Note	2019	2018
Amount in BDT			
25 Income statement			
Income			
Interest, discount and similar income	26, 28	26,784,747,249	20,913,918,358
Dividend income	28	208,265,302	398,799,286
Fees, commission and brokerage	29.1	930,256,562	920,163,418
Gains less losses arising from dealing in securities	28	57,167,058	5,376,078
Gains less losses arising from investment securities	28.1	2,040,818	4,877,439
Gain less losses arising from dealing in foreign currencies	29.2	719,498,177	672,661,338
Other operating income	30	445,787,866	489,637,586
		29,147,763,033	23,405,433,503
Expenses			
Interest, fee and commission	27	18,028,020,880	14,404,724,629
Losses on loan and advances		758,054,030	109,642,716
Administrative expenses	31-38	3,660,826,054	3,793,503,670
Other operating expenses	39, 40	1,089,011,364	915,658,403
Depreciation on banking assets		491,404,633	287,201,198
		24,027,316,961	19,510,730,616
Profit before provision		5,120,446,072	3,894,702,887
26 Interest income			
Term loan-industrial		2,245,650,120	1,794,683,759
Term loan-agricultural Loan		230,573,616	211,481,447
Term loan-consumer finance		41,855,294	61,286,328
Term loan-housing finance		3,752,614,702	3,312,440,291
Term loan-transport loan		19,240,905	32,028,964
Term loan-lease finance		44,921,629	64,829,905
Term loan-foreign currency (OBU)		109,387,936	61,787,366
Term loan-others		5,830,751,989	3,971,165,166

	Note	2019	2018
Overdrafts		6,330,928,169	4,016,141,799
Cash credit		2,592,629,570	2,591,900,340
Credit card		22,471,501	34,161,090
Demand loan		967,294,005	656,298,718
Loan general		165,542,963	167,837,201
Loan against trust receipt (LTR)		797,570,270	752,616,242
Staff loan		66,539,810	74,909,818
Overdue interest		107,258,282	65,097,957
Interest income from loans and advances		23,325,230,761	17,868,666,391
Inland documentary bill purchased (IDBP)		199,887,302	155,720,761
Foreign documentary bill purchased (FDBP)		24,417,146	20,414,327
Usance bill discounted (OBU)		14,990,490	50,215,167
Payment against document (cash)		32,466,045	32,672,585
Payment against document (forced)		102,010,669	94,172,959
Payment against document (EDF)		353,393,596	340,331,185
Payment against document (inland)		70,537,557	79,628,783
Payment against document (others)		179,077,315	145,416,676
Interest income from bills paid and discounted		976,780,120	918,572,443
Money at call on short notice		76,448,278	137,566,847
Balance held outside Bangladesh		20,295,103	16,899,939
Balance held inside Bangladesh		27,147,595	22,825,523
		24,425,901,857	18,964,531,143
26.a Consolidated interest income			
IFIC Bank Limited	26	24,425,901,857	18,964,531,143
IFIC Securities Limited		52,534,798	47,373,510
IFIC Money Transfer (UK) Limited		-	-
		24,478,436,655	19,011,904,653
Less: Inter -company interest income		-	-
		24,478,436,655	19,011,904,653
27 Interest paid on deposits, borrowings etc.			
Interest paid on deposits			
Current deposit		2,671,144,322	1,476,447,014
Saving bank deposit		825,843,679	881,406,248
Special notice deposit		1,210,243,333	928,622,148
Fixed deposit		10,765,983,265	8,660,899,478
Non resident FC deposit		129,728	147,039
Resident FC deposit		235,514	107,545
Pension savings scheme		595,573,864	608,893,827
Monthly income scheme		1,176,171,547	1,313,011,122
Foreign currency deposit		266,311	287,426
		17,245,591,563	13,869,821,847
Interest paid on borrowings			
Call borrowing		7,339,496	161,111
Term borrowing		125,406,848	57,097,949
Repurchase agreement (repo)		17,152,125	127,697
Bangladesh Bank- SME refinance		26,701,333	34,115,481
Payment against lease obligation		1,958,139	2,839,044
Interest on subordinated bond		346,193,151	267,435,959
Bangladesh Bank- EDF		255,023,726	169,764,559
Bangladesh Bank- LTFF Refinance		2,654,499	3,360,982
		782,429,317	534,902,782
		18,028,020,880	14,404,724,629

	Note	2019	2018
27.a Consolidated interest paid on deposits, borrowings etc.			
IFIC Bank Limited	27	18,028,020,880	14,404,724,629
IFIC Securities Limited		1,056,166	90
IFIC Money Transfer (UK) Limited		-	-
		18,029,077,046	14,404,724,719
Less: Inter -company interest paid		(16,713)	(25,189)
		18,029,060,333	14,404,699,530
28 Investment income			
Interest on treasury bills and bonds		1,861,423,952	1,410,348,672
Interest on term placement		497,421,440	539,038,543
Interest on reverse repo		57,167,058	5,376,078
Gain from sale of shares of listed companies	28.1	2,040,818	4,877,439
Dividend income - local		34,955,882	54,379,442
Dividend income - foreign		173,309,420	344,419,844
Prize bond		-	14,050
		2,626,318,570	2,358,454,068
28.1 Gain from sale of shares of listed companies			
Gain on share sale		7,245,259	6,401,020
Less: Loss on sale of share		(5,204,441)	(1,523,581)
		2,040,818	4,877,439
28.a Consolidated investment income			
IFIC Bank Limited	28	2,626,318,570	2,358,454,068
IFIC Securities Limited		5,197,821	30,162,404
IFIC Money Transfer (UK) Limited		-	-
Less: Dividend received from associates (NBBL)		(173,309,420)	(344,419,844)
		2,458,206,971	2,044,196,628
29 Commission, exchange and brokerage			
Commission	29.1	930,256,562	920,163,418
Exchange gain/(loss)	29.2	719,498,177	672,661,338
		1,649,754,740	1,592,824,756
29.1 Commission			
Bills purchased		731,947	3,680,359
Remittances (inland)		11,438,335	14,434,585
Remittances (foreign)		3,134,240	4,442,829
Letter of guarantee (LG)-local		81,926,382	99,710,753
Letter of guarantee (LG)-foreign		1,166,396	4,854,660
Letter of credit (back to back)		356,725,556	134,434,471
Letter of credit (cash)		127,337,074	145,005,192
Letter of credit (others)		84,972,476	26,667,353
Local documentary bills collection (LDBC)		7,508,447	13,242,000
Inward foreign documentary bills collection (IFDBC)		74,961,720	189,588,064
Foreign documentary bills collection (FDBC)		1,853,500	9,413,505
Foreign bills collection (FBC)		733,100	615,002
Add confirmation		21,829,873	16,772,760
Sanchaypatra		4,276,389	6,974,584
Foreign correspondent charges		47,202,824	164,744,758
Negotiation against contract		40,701,949	2,148,450
Rebate from foreign correspondent		51,273,358	62,117,879
Commission others		12,482,993	21,316,214
		930,256,562	920,163,418

	Note	2019	2018
29.2	Exchange gain/(loss)		
	Exchange gain from revaluation of FC	719,498,177	672,661,338
		719,498,177	672,661,338
29.a	Consolidated commission, exchange and brokerage		
	IFIC Bank Limited 29	1,649,754,740	1,592,824,756
	IFIC Securities Limited	20,352,880	24,395,453
	IFIC Money Transfer (UK) Limited	39,334,401	27,619,061
	Exchange (gain)/loss for investment in joint venture/associate (NBBL)	(23,563,485)	(28,276,183)
	Exchange (gain)/loss for investment in joint venture/associate (OE LLC)	(361,078)	(272,763)
		1,685,517,458	1,616,290,324
30	Other Operating Income		
	Locker rent	18,820,201	16,238,293
	Other rents	1,157,455	5,268,480
	Cheque Book charge recovery	26,424,264	22,005,071
	SWIFT charges recovery	21,720,497	26,460,886
	Loan processing fees	67,301,014	83,100,506
	Visa card fees and commission	43,376,415	35,069,399
	Service charge on accounts	151,482,043	101,558,341
	Online charge	14,562,761	23,450,602
	Gain on sale of fixed assets 40.5	1,623,480	372,406
	Management fee - foreign*	15,853,125	12,582,000
	Miscellaneous earning	70,506,233	125,167,296
	Other fees, commission & charges	12,960,378	38,350,255
		445,787,866	489,623,536
	* The Bank has received Management fee from NBBL under Management service/Technical Know-how fee agreement which has credited Bank's Nostro Account in 2019.		
30.a	Consolidated other operating income		
	IFIC Bank Limited 30	445,787,866	489,623,536
	IFIC Securities Limited	1,283,406	1,587,044
	IFIC Money Transfer (UK) Limited	-	-
		447,071,272	491,210,580
	Less: Inter-company paid	16,713	25,189
		447,054,559	491,185,391
31	Salary and allowances		
	Basic salary	1,092,535,881	1,054,076,770
	House rent allowance	470,160,456	460,650,315
	Conveyance allowance	61,903,622	55,954,073
	Medical allowances	104,772,557	102,557,584
	Entertainment allowance	47,408,569	56,234,457
	Other allowances	89,768,707	101,614,246
	Incentive bonus	250,000,000	240,000,000
	Leave encashment	17,660,322	8,219,071
	Festival bonus	197,587,595	193,785,587
	Leave fare assistant	100,712,917	106,230,662
	Provident fund- Bank's contribution	101,182,915	99,844,998
	Contribution to gratuity fund	30,000,000	80,000,000
		2,563,693,541	2,559,167,763

Number of employees for the year of 2019 who were paid remuneration less than Tk. 36,000 was nil (year 2018: nil). Total number of employees employed in the Bank at the end of the year 2019 were 2,559 (year 2018:2,556).

	Note	2019	2018
31.a Consolidated salary and allowances			
IFIC Bank Limited	31	2,563,693,541	2,559,167,763
IFIC Securities Limited		14,848,510	13,845,106
IFIC Money Transfer (UK) Limited		9,264,152	7,859,574
		2,587,806,203	2,580,872,443
32 Rent, taxes, insurance, electricity etc.			
Rent paid		286,571,455	467,140,078
Rates & taxes		5,684,953	41,635,042
Insurance premium		179,331,545	169,576,277
Electricity & water		93,446,617	87,474,903
		565,034,570	765,826,300
Total office rent expenses for the year 2019 is Tk. 467,700,959. Due to application of IFRS 16: Lease, Tk. 181,129,504 has been distributed as depreciation (Annexure D) and interest expense (note 40). Required withholding tax and VAT on total rental expense has been deducted and deposited accordingly. Details is disclosed in Note 2.2.1.7.			
32.a Consolidated rent, taxes, insurance, electricity etc.			
IFIC Bank Limited	32	565,034,570	765,826,300
IFIC Securities Limited		5,021,794	7,291,082
IFIC Money Transfer (UK) Limited		9,358,229	7,754,254
		579,414,593	780,871,636
33 Legal expenses			
Legal expenses		1,804,546	1,977,259
Professional fees		6,795,144	8,323,371
		8,599,690	10,300,630
33.a Consolidated legal expenses			
IFIC Bank Limited	33	8,599,690	10,300,630
IFIC Securities Limited		242,525	429,197
IFIC Money Transfer (UK) Limited		1,228,495	1,763,669
		10,070,710	12,493,496
34 Postage, stamp, telecommunication etc.			
Postage expenses		7,580,279	5,803,438
Telephone		13,515,201	11,269,697
Communication facilities		42,335,219	45,904,183
		63,430,699	62,977,318
34.a Consolidated postage, stamp, telecommunication etc.			
IFIC Bank Limited	34	63,430,699	62,977,318
IFIC Securities Limited		48,107	58,982
IFIC Money Transfer (UK) Limited		190,311	226,972
		63,669,117	63,263,272
35 Stationery, printing, advertisement etc.			
Printing stationery		5,535,684	17,702,977
Security stationery		7,414,916	9,943,799
Petty stationery		23,639,915	19,558,295
Computer stationery		12,648,728	13,913,185
Advertisement and publicity		390,631,644	315,789,403
		439,870,887	376,907,659

	Note	2019	2018
35.a Consolidated stationery, printing, advertisement etc.			
IFIC Bank Limited	35	439,870,887	376,907,659
IFIC Securities Limited		135,140	136,880
IFIC Money Transfer (UK) Limited		216,743	18,998
		440,222,770	377,063,537
36 Managing Director's salary			
Basic salary		12,000,000	11,700,000
House rent allowance		375,000	300,000
Provident fund- Bank's contribution		1,200,000	1,170,000
Festival bonus		2,145,000	1,950,000
		15,720,000	15,120,000
In addition to the above Managing Director was paid incentive bonus of Tk. 1 million in both years.			
37 Directors' fees			
Meeting attendance fees		1,560,000	1,704,000
		1,560,000	1,704,000
Each Director is paid Tk. 8,000 for attending each meeting as per latest BRPD letter no. 11 dated 4 October 2015.			
37.a Consolidated Directors' fees			
IFIC Bank Limited	37	1,560,000	1,704,000
IFIC Securities Limited		294,500	207,000
IFIC Money Transfer (UK) Limited		-	-
		1,854,500	1,911,000
38 Auditors' fees*			
Statutory annual audit fees		1,916,667	1,500,000
Interim audit fees		1,000,000	-
		2,916,667	1,500,000
* Audit fee is inclusive of tax and VAT.			
38.a Consolidated Auditors' fees			
IFIC Bank Limited	38	2,916,667	1,500,000
IFIC Securities Limited		333,500	223,500
IFIC Money Transfer (UK) Limited		258,926	266,633
		3,509,093	1,990,133
39 Depreciation and repair of bank's assets			
Depreciation			
Buildings and premises		47,045,580	47,045,580
Right of Use Assets		172,695,856	-
Wooden furniture		20,183,246	19,894,529
Steel furniture		3,309,100	3,088,778
Computer equipment		68,928,095	51,751,242
Office equipment		13,694,046	13,276,192
Electrical & gas equipment		87,771,515	79,067,274
Leasehold improvement		20,572,499	17,520,840
Vehicles		11,754,830	13,100,866
Leased vehicles		7,826,745	6,945,840
Soft furnishing		711,217	489,136
Software		36,911,905	35,020,921
		491,404,633	287,201,198

	Note	2019	2018
Repairs and maintenance			
Property maintenance and repairs		194,577,671	137,484,156
Vehicles maintenance and repairs		48,860,969	56,697,231
		243,438,640	194,181,387
		734,843,273	481,382,585
39.a Consolidated depreciation and repair of bank's assets			
IFIC Bank Limited	39	734,843,273	481,382,585
IFIC Securities Limited		3,577,404	1,002,643
IFIC Money Transfer (UK) Limited		1,288,372	2,217,612
		739,709,049	484,602,840
40 Other expenses			
Entertainment		42,596,573	35,326,999
Petrol, oil and lubricants	40.1	66,991,479	71,694,069
Training and internship	40.2	28,081,193	29,042,530
Traveling expenses	40.3	67,821,573	60,117,994
Casual and contractual service	40.4	185,883,376	168,216,672
Subscription and donation		35,107,080	65,705,187
Corporate Social Responsibility (CSR)		94,015,985	48,199,946
Books, newspapers and magazines, etc.		1,415,141	2,154,750
NID verification charge		411,015	630,688
Reward and recognition		1,689,961	8,913,076
Uniforms and liveries		1,760,688	4,216,805
Annual General Meeting		11,785,133	9,169,646
Business development		42,351,989	23,758,220
Crockeries		1,225,472	737,383
Security services		145,068,368	110,672,293
Bank charges and commission		7,679,845	13,892,832
Recovery and sales agent		14,841,187	1,654,727
Visa card expense		26,085,414	7,546,089
Interest on leased assets		26,962,117	-
Risk charges		17,678,640	17,171,583
Bond & Rights Share issue		1,976,979	3,168,888
Miscellaneous		24,143,515	39,486,639
		845,572,724	721,477,016
Expenses incurred by the Bank shown in these Financial Statements are inclusive of VAT where applicable as per VAT Act 1991.			
40.1 Petrol, oil and lubricants			
Petrol, oil and lubricants - pool car		18,867,856	18,916,731
Petrol, oil and lubricants - car purchase scheme		48,123,623	52,777,338
		66,991,479	71,694,069
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		47,650,157	45,766,698
DSA salary and incentive		63,293,461	62,860,587
Casual and contractual - staff		74,939,758	59,589,387
		185,883,376	168,216,672

	Note	2019	2018
40.5			
Gain/ (loss) on sales of fixed assets			
Cost of fixed assets sold			
Wooden furniture		8,219,388	4,061,000
Steel furniture		280,432	481,307
Computer equipment		41,086,145	12,486,117
Office equipment		2,939,011	2,912,969
Electrical & gas equipment		23,665,104	12,849,968
Leasehold improvement		15,955,183	4,946,409
Vehicles		2,428,750	-
Soft furnishing		350,124	277,624
		94,924,137	38,015,394
Less : Accumulated depreciation			
Wooden furniture		7,967,946	3,597,645
Steel furniture		243,849	332,665
Computer equipment		41,081,636	12,464,754
Office equipment		2,937,062	2,901,121
Electrical & gas equipment		23,151,351	11,736,569
Leasehold improvement		15,777,228	4,603,284
Vehicles		2,428,746	-
Soft furnishing		350,117	277,599
		93,937,934	35,913,637
Written down value		986,202	2,101,757
Sale proceeds of above fixed assets		2,609,682	2,474,163
Gain / (loss) on sales of fixed assets		1,623,480	372,406
40.a			
Consolidated other expenses			
IFIC Bank Limited	40	845,572,724	721,477,016
IFIC Securities Limited		4,562,700	5,387,845
IFIC Money Transfer (UK) Limited		12,821,686	10,117,292
		862,957,110	736,982,153
40.b			
Details of investment in joint ventures/associates - under equity method			
i) Nepal Bangladesh Bank Limited			
Opening balance		3,667,144,961	3,696,288,544
Add/ (less): Share of post acquisition profit during the year		530,139,098	399,726,145
Add/ (less): Cash dividend received		(173,309,420)	(344,419,844)
Add/ (less): Effect of changes in foreign currency exchange rate		1,401,525	(84,449,885)
Closing balance		4,025,376,164	3,667,144,961
ii) Oman Exchange LLC			
Opening balance		52,691,476	52,019,550
Add/ (less): New investment made during the year		56,654,197	-
Add/ (less): Share of post acquisition profit/(loss) during the year		23,693,987	399,163
Add/ (less): Effect of changes in foreign currency exchange rate		361,078	272,763
Closing balance		133,400,738	52,691,476
iii) Share of post acquisition profit during the year			
Nepal Bangladesh Bank Limited		530,139,098	399,726,145
Oman Exchange LLC		23,693,987	399,163
		553,833,085	400,125,308
iv) Investment in joint ventures/associates-under equity method			
A. Book value of investment			
Nepal Bangladesh Bank Limited	6.2	2,435,097,291	2,411,533,806
Oman Exchange LLC	6.2	76,085,913	19,070,638
		2,511,183,204	2,430,604,444

	Note	2019	2018
B. Cumulative share of post acquisition profit			
Nepal Bangladesh Bank Limited		1,590,278,873	1,255,611,155
Oman Exchange LLC		57,314,825	33,620,838
		1,647,593,698	1,289,231,993
Total (A+B)		4,158,776,902	3,719,836,437
41 Provision for loans, investments and other assets			
Specific provision	15.1	341,764,103	612,985,206
General provision	15.2	511,471,663	259,743,176
Provision for off-shore banking unit	15.2	4,440,038	(5,546,228)
Provision for off-balance sheet exposure	15.3	(83,634,052)	(54,172,244)
Provision for loans and advances		774,041,752	813,009,910
Provision for diminution in value of investments	15.4	126,926,131	185,345,656
Other provisions	41.1	42,052,379	36,959,400
		943,020,262	1,035,314,966
41.1 Other provisions			
Provision for nostro account	15.5	125,550	150,660
Provision for other assets	15.6	41,926,829	36,808,740
		42,052,379	36,959,400
41.a Consolidated provision for loans, investments and other assets			
IFIC Bank Limited	41	943,020,262	1,035,314,966
IFIC Securities Limited		3,260,090	115,650
IFIC Money Transfer (UK) Limited		-	-
		946,280,352	1,035,430,616
42 Provision for taxation			
Current tax		1,700,000,000	1,080,000,000
Deferred tax expense/(income)	42.1	33,692,863	209,153,654
		1,733,692,863	1,289,153,654
42.1 Deferred tax expense/(income)			
Deferred tax on provision for loans and advances (DF & BL)	10.5	111,671,628	165,784,660
Deferred tax on fixed assets	10.5	(71,030,589)	43,368,994
Deferred tax on leased assets	10.5	(6,948,176)	-
		33,692,863	209,153,654
42.a Consolidated provision for current tax			
IFIC Bank Limited	42	1,700,000,000	1,080,000,000
IFIC Securities Limited		21,922,569	20,427,296
IFIC Money Transfer (UK) Limited		-	-
		1,721,922,569	1,100,427,296
42.b Consolidated deferred tax			
IFIC Bank Limited	42.1	33,692,863	209,153,654
IFIC Securities Limited		1,374,806	(326,290)
IFIC Money Transfer (UK) Limited		-	-
		35,067,669	208,827,364
43 Receipts from other operating activities			
Rent received		19,977,656	21,759,413
Other receipts		425,810,210	444,427,571
Capital gain	28.1	2,040,818	4,877,439
		447,828,684	471,064,423

	Note	2019	2018
43.a Consolidated cash received from other operating activities			
IFIC Bank Limited	43	447,828,684	471,064,423
IFIC Securities Limited		3,455,309	24,259,620
IFIC Money Transfer (UK) Limited		-	-
		451,283,993	495,324,043
44 Cash paid for other operating activities			
Postage, stamp, telecommunication etc.		63,430,699	62,977,318
Rent paid		286,571,455	467,140,078
Rates, taxes & utilities		5,684,953	41,635,042
Insurance premium		179,331,545	169,576,277
Electricity & water		93,446,617	87,474,903
Traveling expenses		67,821,573	60,117,994
Auditors' fees		2,916,667	1,500,000
Directors' fees		1,560,000	1,704,000
Legal expenses		8,599,690	10,300,630
Repairs and maintenance		243,438,640	194,181,387
Other expenses		649,654,037	585,995,219
		1,602,455,876	1,682,602,848
44.a Consolidated cash paid for other operating activities			
IFIC Bank Limited	44	1,602,455,876	1,682,602,848
IFIC Securities Limited		10,638,266	13,734,486
IFIC Money Transfer (UK) Limited		24,074,390	20,147,818
		1,637,168,532	1,716,485,152
45 Cash and cash equivalents			
Cash in hand		2,871,220,070	2,885,588,822
Balance with Bangladesh Bank and its agent Bank (s)		15,183,691,094	13,121,711,294
Balance with other banks and financial Institutions		5,617,034,218	8,099,478,106
Money at call and on short notice		910,000,000	3,970,000,000
Prize Bonds		3,114,600	2,268,600
		24,585,059,982	28,079,046,822
45.a Consolidated cash and cash equivalents			
IFIC Bank Limited	45	24,585,059,982	28,079,046,822
IFIC Securities Limited		26,205	6,904
IFIC Money Transfer (UK) Limited		21,892,390	32,937,374
		24,606,978,577	28,111,991,100
46 (Increase)/decrease of other assets			
Stationery and stamps		40,919,747	32,367,261
Suspense account		986,739,119	828,249,291
Advance, deposit and prepayments		599,443,491	545,100,324
Investment in subsidiaries		2,233,302,400	2,231,793,790
Receivable others		193,419,566.00	207,968,959
Closing other assets		4,053,824,323	3,845,479,625
Opening other assets		3,845,479,625	4,052,196,334
		(208,344,698)	206,716,709
46.a (Increase)/decrease of consolidated other assets			
IFIC Bank Limited	46	(208,344,698)	206,716,709
IFIC Securities Limited		10,877,401	(2,728,792)
IFIC Money Transfer (UK) Limited		(1,165,509)	27,565
		(198,632,806)	204,015,482

	Note	2019	2018
47 Increase/(decrease) of other liabilities			
Withholding Tax payable to government		341,514,845	278,926,291
Withholding VAT payable to government		80,529,151	71,091,971
Excise duty payable to government		192,744,701	176,133,961
Dividend payable		2,814,447	2,814,447
Revaluation of investment abroad		30,946,297	30,946,297
Sale proceeds of PSP & TC		65,743,619	357,561,049
Others		113,205,018	79,996,353
Closing other liabilities		827,498,078	997,470,369
Opening other liabilities		997,470,369	611,607,339
		(169,972,291)	385,863,030
47.a Consolidated increase/(decrease) of other liabilities			
IFIC Bank Limited	47	(169,972,291)	385,863,030
IFIC Securities Limited		2,218,148	(7,956,240)
IFIC Money Transfer (UK) Limited		(15,901,573)	24,642,617
		(183,655,715)	402,549,407
48 Reconciliation of statement of cash flows from operating activities			
Profit before provision		5,120,446,072	3,894,702,887
Adjustment for non cash items			
Depreciation on fixed asset		454,492,728	252,180,277
Amortization on software		36,911,905	35,020,921
Adjustment with non-operating activities		491,404,633	287,201,198
Recovery of written off loans		601,783,125	165,713,392
Interest receivable		77,162,602	(78,578,942)
Interest payable on deposits		1,289,054,780	1,396,954,154
Charges on loan losses		758,054,030	109,642,716
Accrued Expense		54,090,228	(8,374,828)
Bonus payable		9,500,000	(10,500,000)
Interest on leased assets		26,962,117	-
Dividend receivable		-	(358,187,906)
		2,816,606,881	1,216,668,586
Changes in operating assets and liabilities			
Changes in loans & advances		(23,239,690,456)	(27,421,751,453)
Changes in deposit and other accounts		30,720,115,734	24,758,614,934
Changes in other assets		(208,344,698)	206,716,709
Changes in other liabilities		(169,972,291)	385,863,030
		7,102,108,289	(2,070,556,780)
Income tax paid		(1,660,879,183)	(1,056,598,314)
Net cash flows from/(used in) operating activities		13,869,686,693	2,271,417,577
49 Number of ordinary shares outstanding			
Balance at the beginning of the year		1,338,738,735	1,195,302,442
Add: Bonus share issued		133,873,873	143,436,293
		1,472,612,608	1,338,738,735
50 Earnings Per Share (EPS)*			
Net profit after tax		2,443,732,947	1,570,234,267
Number of ordinary shares outstanding		1,472,612,608	1,472,612,608
Earning Per Share (EPS)		1.66	1.07

	Note	2019	2018
50.a	Consolidated Earnings Per Share (EPS)*		
	Net profit after tax attributable to equity holders of the Bank	2,827,730,568	1,649,504,123
	Number of ordinary shares outstanding	1,472,612,608	1,472,612,608
	Consolidated Earnings Per Share (EPS)	1.92	1.12
51	Net Operating Cash Flow per Share*		
	Net cash flows from operating activities	13,869,686,693	2,271,417,577
	Number of ordinary shares outstanding	1,472,612,608	1,472,612,608
	Net Operating Cash Flow per Share	9.42	1.54
51.a	Consolidated Net Operating Cash Flow per Share*		
	Consolidated net cash flows from operating activities	13,893,097,493	2,282,795,086
	Number of ordinary shares outstanding	1,472,612,608	1,472,612,608
	Consolidated Net Operating Cash Flow per Share	9.43	1.55
52	Net Asset Value (NAV) per Share*		
	Net assets value at the end of the year	24,596,979,455	22,116,234,218
	Number of ordinary shares outstanding	1,472,612,608	1,472,612,608
	Net Asset Value (NAV) per Share	16.70	15.02
52.a	Consolidated Net Asset Value (NAV) per Share*		
	Net assets value attributable to equity holders	26,542,970,473	23,677,652,554
	Number of ordinary shares outstanding	1,472,612,608	1,472,612,608
	Consolidated Net Asset Value (NAV) per Share	18.02	16.08

* Previous year's figure has been restated.

53 Events after the reporting period

Subsequent to the balance sheet date, the Board of Directors in its 773rd Meeting held on 24 June 2020 recommended 10% stock dividend for the year ended 31 December 2019 which will be placed for approval of the shareholders in the forthcoming 43rd Annual General Meeting of the Bank.

Balance with other Banks and Financial Institutions-Outside Bangladesh

as at 31 December 2019

Name of the Bank and Financial Institutions	Account type	Currency type	31 December 2019			31 December 2018		
			FC amount	Conversion rate	Equivalent BDT	FC amount	Conversion rate	Equivalent BDT
AB Bank Ltd., Mumbai	CD		588,403	84.90	49,955,411	628,792	83.90	52,755,658
Bank of Bhutan, Phuentsoling	CD		77,927	84.90	6,615,973	51,355	83.90	4,308,706
Bank of Tokyo- Mitsubishi, Tokyo	CD	JPY	-	-	-	4,938,026	0.75	3,720,309
Citi Bank N.A. New York	CD		2,063,130	84.90	175,159,724	2,165,883	83.90	181,717,544
Commerz Bank AG, Frankfurt	CD		731,794	84.90	62,129,307	1,097,777	83.90	92,103,511
Commerz Bank AG, Frankfurt	CD		336,659	94.89	31,945,058	211,972	95.25	20,190,722
Habib Bank, New York	CD		1,231,921	84.90	104,590,065	1,035,085	83.90	86,843,611
Habib Bank AG, Zurich	CD		10,950	87.08	953,528	97,068	84.25	8,178,356
ICIC Bank Ltd., India	CD		704,396	84.90	59,803,179	747,742	83.90	62,735,551
J.P. Morgan Chase Bank AG, Frankfurt	CD		102,687	94.89	9,743,813	111,310	95.25	10,602,486
J.P. Morgan Chase Bank, New York	CD		2,500,768	84.90	212,315,237	1,769,972	83.90	148,500,644
J.P. Morgan Chase Bank, Sydney	CD		80,090	59.24	4,744,809	44,093	59.30	2,614,574
Mashreq Bank, PSC, India	CD		451,037	84.90	38,293,021	176,161	83.90	14,779,915
Masreq Bank PSC, New York	CD		1,787,247	84.90	151,737,253	761,772	83.90	63,912,631
MCB Bank Ltd, Pakistan	CD		149,818	84.90	12,719,509	233,615	83.90	19,600,288
Nations Trust Bank Ltd., Colombo	CD		113,912	84.90	9,671,134	79,884	83.90	6,702,235
Nepal Bangladesh Bank Ltd., Nepal	CD		282,207	84.90	23,959,387	491,290	83.90	41,219,218
Sonali Bank Limited, Kolkata	CD		154,216	84.90	13,092,906	179,210	83.90	15,035,712
Standard Chartered Bank, New York	CD		5,165,275	84.90	438,531,824	3,189,332	83.90	267,584,954
Standard Chartered Bank, Kolkata	CD		372,060	84.90	31,587,890	877,512	83.90	73,623,217
Standard Chartered Bank, London	CD		466,191	111.03	51,760,267	128,784	106.00	13,651,027
Standard Chartered Bank, London	CD		122,970	84.90	10,440,145	104,806	83.90	8,793,216
Standard Chartered Bank, Tokyo	CD		7,072,726	0.78	5,487,728	-	-	-
Wells Fargo Bank, New York	CD		1,143,436	84.90	97,077,755	914,344	83.90	76,713,431
Total			25,709,818		1,602,314,923	20,035,784		1,275,887,518

Details of investment in shares

as at 31 December 2019

		Amount in BDT					
Name of the Company	Face value	No. of share	Cost/share	Cost price	NAV or Mkt price/share	Total value	Gain/(loss)
Unquoted shares							
Karma Sangsthan Bank	100	200,000	100.00	20,000,000	116.11	23,221,703	3,221,703
Central Depository Bangladesh Limited	10	2,284,722	10.00	22,847,220	34.73	79,353,976	56,506,756
Energy Pack Power Company Limited	10	619,500	41.90	25,960,000	31.02	19,214,270	(6,745,730)
		3,104,222		68,807,220		121,789,949	52,982,729
Quoted shares							
Advent Pharma Limited	10	170,065	26.71	4,542,708	22.40	3,809,456	(733,252)
Genex Infosys Limited	10	330,704	52.24	17,277,101	67.40	22,289,450	5,012,349
Dhaka Bank Limited	10	482,266	12.22	5,891,651	12.00	5,787,192	(104,459)
The City Bank Limited	10	431,000	24.23	10,441,665	21.10	9,094,100	(1,347,565)
Confidence Cement Limited	10	110,400	157.78	17,419,431	106.10	11,713,440	(5,705,991)
Eastland Insurance Company Limited	10	206,260	38.59	7,958,672	24.60	5,073,996	(2,884,676)
Fareast Life Insurance Limited	10	979,224	125.11	122,511,641	49.60	48,569,510	(73,942,131)
National Housing Finance & Investment Limited	10	5,288,910	7.38	39,010,000	31.90	168,716,229	129,706,229
Linde Bangladesh Limited	10	3,000	1,334.66	4,003,965	1,299.00	3,897,000	(106,965)
Miarco Bangladesh Limited	10	6,650	1,757.25	11,685,707	1,673.30	11,127,445	(558,262)
Power Grid Company Limited	10	3,123,057	69.13	215,882,261	44.60	139,288,342	(76,593,919)
Singer Bangladesh Limited	10	70,656	204.96	14,481,915	180.40	12,746,342	(1,735,573)
Summit Power Limited	10	300,000	40.39	12,116,250	36.30	10,890,000	(1,226,250)
Summit Alliance Port Limited	10	57,044	99.79	5,692,616	16.70	952,635	(4,739,981)
TTTAS Gas Transmission and Distribution Limited	10	5,383,325	76.60	412,348,120	30.90	166,344,743	(246,003,378)
Unique Hotel and Resorts Limited	10	200,000	105.15	21,029,385	43.90	8,780,000	(12,249,385)
Total		17,142,561		922,293,088		629,079,880	(293,213,208)

Name of the Company	Face value	No. of share	Cost/share	Cost price	NAV or Mkt price/share	Total value	Gain/(loss)
Mutual funds							
IFIC Bank 1st Mutual Fund	10	37,951,655	6.59	250,000,000	8.36	317,105,053	67,105,053
ICB Employee 1st Mutual Fund	10	1,339,500	13.43	17,986,473	4.82	6,455,720	(11,530,753)
		39,291,155		267,986,473		323,560,774	55,574,301
Foreign Investment							
Investment in associate/joint venture							
Nepal Bangladesh Bank Limited		33,088,433	73.59	2,435,097,291	137.51	4,550,006,966	2,114,909,675
Oman Exchange LLC		577,840	131.67	76,085,913	245.33	141,761,598	65,675,685
		33,666,273		2,511,183,204		4,691,768,564	2,180,585,360
Other foreign investment							
MCB Bank Limited, Pakistan		175,508	2,054.73	360,622,158	115.56	20,282,529	(340,339,629)
		33,841,781		2,871,805,362		4,712,051,094	1,840,245,732
Total		67,508,054		4,130,892,143		5,786,481,696	1,655,589,553

Required provision for investment in shares

Particulars	Cost price	Total value	Req. Provision
Unquoted shares ¹	68,807,220	121,789,949	(6,745,730)
Quoted	922,293,088	629,079,880	(293,213,208)
Mutual funds ²	267,986,473	323,560,774	(11,530,753)
Sub-total	1,259,086,781	1,074,430,602	(311,489,691)
Investment in associate/joint venture	2,511,183,204	4,691,768,564	-
Other foreign investment-MCB Bank Ltd.	360,622,158	20,282,529	(340,339,629)
Grand Total	4,130,892,143	5,786,481,696	(651,829,320)

Amount in BDT

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

² Provision calculation for Investment in Mutual Funds

Name of the Company	No. of share	Cost/Share	NAV x 85%	MV/share	Higher of C & D	(NAVx85% - CP)	Required Provision
	A	B	C	D	E	F=(E-B)	G=(A x F)
IFIC Bank 1st MF	37,951,655	6.59	8.36	4.60	8.36	-	-
ICB EP 1st MF	1,339,500	13.43	4.82	4.40	4.82	(8.61)	(11,530,753)
Total provision required							(11,530,753)

Note: Provision is required if cost price is higher than 85% of NAV or MV.

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

Loans and advances allowed to each customer exceeding 10% of Bank's total capital

as at 31 December 2019

BDT in million

Sl.	Name of the group	Name of clients	Outstanding as on 31 December 2019			Amount classified
			Funded	Non-funded	Total	
1	Uttara	Uttara Traders(Pvt.) Ltd.	5,069.30	1,343.10	6,412.40	-
		Sub Total:	5,069.30	1,343.10	6,412.40	-
2	Navana	Navana Ltd.	516.30	560.50	1,076.80	-
		Navana Real Estate Ltd.	2,500.10	-	2,500.10	-
		Navana Interlinks Ltd.	71.20	123.90	195.10	-
		Aftab Automobiles Ltd.	2,060.20	120.10	2,180.30	-
		Navana Electronics Ltd.	103.90	-	103.90	-
		Sub Total:	5,251.70	804.50	6,056.20	-
3	Doha-Global	Dohatec Newmedia	1,445.50	13.40	1,458.90	-
		Global Voice Telecom Ltd.	2,073.00	2,078.00	4,151.00	-
		Sub Total:	3,518.50	2,091.40	5,609.90	-
4	ENA	Ena Properties Ltd.	1,761.50	40.50	1,802.00	-
		Northern Power Solutions Ltd.	1,581.30	1,079.40	2,660.70	-
		Ena Building Products Ltd.	255.80	-	255.80	-
		Sakoatex Ltd.	348.30	53.50	401.80	-
		Sub Total:	3,946.90	1,173.40	5,120.30	-
5	Silver Line	Silver Line Composit Textile Mill Ltd.	723.90	469.80	1,193.70	-
		Silver Composite Textile Mills Ltd.	3,123.60	485.80	3,609.40	-
		Sub Total:	3,847.50	955.60	4,803.10	-
6	Habib Hotel	Habib Hotel International Ltd.	4,442.70	119.00	4,561.70	-
		Sub Total:	4,442.70	119.00	4,561.70	-
7	Islam	Islam Garments Ltd.	1,770.60	1,864.70	3,635.30	-
		Islam Knit Designs Ltd.	-	662.00	662.00	-
		Armor Bangladesh Ltd	39.80	-	39.80	-
		Euro Jeans Ltd.	45.50	-	45.50	-
		Sub Total:	1,855.90	2,526.70	4,382.60	-
8	Nassa	Nassa Properties Ltd.	3,525.80	-	3,525.80	-
		Nassa Spinners & Garments	286.60	-	286.60	-
		Nassa Supreme Wash Ltd.	279.90	17.00	296.90	-
		Sub Total:	4,092.30	17.00	4,109.30	-
9	Uttara Jute	Uttara Jute Fibres & Industries Ltd.	4,104.80	4.40	4,109.20	-
		Sub Total:	4,104.80	4.40	4,109.20	-
10	BRAC	Bangladesh Rural Advance Committee	3,493.80	510.30	4,004.10	-
		Sub Total:	3,493.80	510.30	4,004.10	-
11	Teambuild	Teambuild Construction & Eng Ltd.	4,013.30	-	4,013.30	-
		Sub Total:	4,013.30	-	4,013.30	-
12		Global LPG Ltd.	3,955.10	-	3,955.10	-
		Sub Total:	3,955.10	-	3,955.10	-

Sl.	Name of the group	Name of clients	Outstanding as on 31 December 2019			Amount classified
			Funded	Non-funded	Total	
13		Wisdom Attires Ltd.	3,276.60	622.10	3,898.70	-
		Sub Total:	3,276.60	622.10	3,898.70	-
14		Central Land & Buildings Ltd	3,752.30	-	3,752.30	-
		Sub Total:	3,752.30	-	3,752.30	-
15	Sikder	Powerpac Mutiara Keraniganj (Pvt) Ltd.	1,891.50	-	1,891.50	-
		R & R Holdings	1,794.40	-	1,794.40	-
		Sub Total:	3,685.90	-	3,685.90	-
16		Quick Real Estate Ltd.	3,629.80	-	3,629.80	-
		Sub Total:	3,629.80	-	3,629.80	-
17		Sristi Real Estate Ltd.	3,630.50	-	3,630.50	-
		Sub Total:	3,630.50	-	3,630.50	-
18		Raj Housing Ltd	3,574.80	-	3,574.80	-
		Sub Total:	3,574.80	-	3,574.80	-
19		Crystal Construction Ltd.	3,543.10	-	3,543.10	-
		Sub Total:	3,543.10	-	3,543.10	-
20	Knit Concern	Knit Concern Ltd.	897.70	1,875.40	2,773.10	-
		KC Apparels Ltd	49.70	219.30	269.00	-
		Pack Concern Ltd.	53.20	28.40	81.60	-
		KC Lingerie Ltd	31.40	231.80	263.20	-
		Zas Concern Ltd	23.90	5.00	28.90	-
		JMJ Mollah Cold Storage Ltd	67.90	-	67.90	-
		Surecell Medical (BD) Ltd	20.90	-	20.90	-
		Sub Total:	1,144.70	2,359.90	3,504.60	-
21		Vestel Cable TV Networks	3,309.70	-	3,309.70	-
		Sub Total:	3,309.70	-	3,309.70	-
22		Prisma Digital Network Ltd	3,121.70	117.00	3,238.70	-
		Sub Total:	3,121.70	117.00	3,238.70	-
23	Bashundhara	Bashundhara Parer Mills Ltd.	1,429.20	21.40	1,450.60	-
		Bashundhara Industrial Complex Ltd.	130.60	-	130.60	-
		East West Property Development Ltd.	215.20	-	215.20	-
		Bashundhara Multi Paper Ind.Ltd.	1,400.00	13.00	1,413.00	-
		Sub Total:	3,175.00	34.40	3,209.40	-
24	Phonix	Appollo Ispat Complex Ltd.	3,096.90	66.60	3,163.50	-
		Sub Total:	3,096.90	66.60	3,163.50	-
25	Bengal	Bengal Communications Ltd.	3,144.20	-	3,144.20	-
		Sub Total:	3,144.20	-	3,144.20	-
26		Northstone Eng. & Cons. Ltd.	2,955.20	-	2,955.20	-
		Sub Total:	2,955.20	-	2,955.20	-
		Grand Total:	92,632.20	12,745.40	105,377.60	-

Schedule of fixed assets including premises, furniture and fixture

as at 31 December 2019

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 1 December 2019	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	47,045,580	-	374,834,064
Right of Use Assets	-	989,931,442	-	-	989,931,442	172,695,856	-	172,695,856
Wooden furniture	254,995,657	7,794,078	-	8,219,388	254,570,346	20,183,246	7,967,946	131,702,993
Steel furniture	69,355,032	7,982,952	-	280,432	77,057,552	3,309,100	243,849	46,253,874
Computer equipment	834,234,736	70,087,411	-	41,086,145	863,236,002	68,928,095	41,081,636	680,401,945
Electrical & gas equipment	872,582,106	53,474,886	-	23,665,104	902,371,888	87,771,515	23,151,351	483,273,963
Office equipment	227,658,391	17,941,950	-	2,939,011	242,661,330	13,694,046	2,937,062	204,996,742
Leasehold improvement	295,691,386	32,476,835	-	15,955,183	312,213,038	20,572,499	15,777,228	186,421,607
Vehicles	134,040,330	16,373,985	-	2,428,750	147,985,565	11,754,830	2,428,746	115,581,655
Leased vehicles	47,600,000	-	-	-	47,600,000	7,826,745	-	35,598,988
Soft furnishing	11,764,626	1,231,833	-	350,124	12,646,335	11,077,434	350,117	11,438,534
Software	554,133,463	139,241,891	-	-	693,375,354	36,911,905	-	339,695,937
Capital work in progress *	7,628,262,489	1,336,537,262	-	94,924,137	8,869,875,615	491,404,633	93,937,934	2,782,896,158
	195,116,279	247,571,931	(145,468,772)	-	297,219,437	-	-	297,219,437
Total	7,823,378,768	1,584,109,192	(145,468,772)	94,924,137	9,167,095,052	491,404,633	93,937,934	2,782,896,158

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

Particulars	Cost			Depreciation/Amortization			Written down value as at 31 December 2018	
	Balance as at 1 January 2018	Addition during the year	Transfer from CWIP	Disposal during the year	Balance as at 1 December 2018	Charged during the year		Disposal during the year
Land	475,118,759	-	1,948,490,800	-	2,423,609,559	-	-	2,423,609,559
Buildings and premises	1,902,617,204	-	-	-	1,902,617,204	47,045,580	-	327,788,484
Wooden Furniture	249,945,813	7,853,120	1,257,724	4,061,000	254,995,657	19,894,529	3,597,645	119,487,693
Steel Furniture	65,205,635	3,221,050	1,409,653	481,307	69,355,031	3,088,778	332,665	43,188,623
Computer equipment	737,808,650	73,254,852	35,657,351	12,486,117	834,234,736	51,751,242	12,464,754	652,555,487
Electrical & gas equipment	796,346,585	36,519,834	52,545,654	12,849,968	872,582,106	79,067,274	11,736,569	418,653,799
Office equipment	219,597,186	10,174,348	799,826	2,912,969	227,658,391	13,276,192	2,901,122	194,239,758
Leasehold improvement	261,520,678	20,236,904	18,680,213	4,946,409	295,691,386	17,520,840	4,603,284	181,626,336
Vehicles	119,768,760	14,271,570	-	-	134,040,330	13,100,866	-	106,255,571
Leased vehicles	47,600,000	-	-	-	47,600,000	6,945,840	-	27,772,243
Soft Furnishing	11,468,191	565,448	8,610	277,624	11,764,626	489,136	277,599	11,077,434
Software	542,871,430	5,546,921	5,715,112	-	554,133,463	35,020,921	-	302,784,032
Capital work in progress *	5,429,868,891	171,644,049	2,064,764,943	38,015,394	7,628,262,489	287,201,198	35,913,637	2,385,429,460
	232,657,045	2,027,224,177	(2,064,764,943)	-	195,116,279	-	-	195,116,279
Total	5,682,525,936	2,198,868,226	-	38,015,394	7,823,378,768	287,201,198	35,913,637	2,385,429,460

* Capital work in progress represents the amount paid for fire protection system, Data centre, Data Management System and Fusion Banking Essence.

Computation of Risk Weighted Assets

Solo Basis

as at 31 December 2019

1.0 Risk Weighted Assets for Credit Risk Balance Sheet Exposures

BDT in Million

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
1	2	3	4	5	6 = (4x5)
a.	Cash		0	2,871.22	-
b.	Claims on Bangladesh Government (other than PSEs) and Bangladesh Bank		0	38,372.31	-
c.	Claims on other Sovereigns & Central Banks		0.5	-	-
d.	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		0	-	-
	Claims on Multilateral Development Banks (MDBs):			-	-
	i) IBRD, IFC, ADB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		0	-	-
e.	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	391.18	78.24
		2,3	0.50	51.41	25.70
		4,5	1.00	4.40	4.40
		6	1.50	-	-
		Unrated	1.00	12.91	12.91
	ii) Maturity less than 3 months		0.20	8,023.87	1,604.77
	h. Claims on Corporate (excluding equity exposure)	1	0.20	10,216.37	2,043.27
		2	0.50	25,737.77	12,868.88
		3,4	1.00	55,015.31	55,015.31
		5,6	1.50	-	-
		Unrated	1.25	19,174.50	23,968.12
	h(1) Claims on SME	SME 1	0.20	-	-
		SME 2	0.40	150.16	60.06
		SME 3	0.60	1,979.37	1,187.62
		SME 4	0.80	641.83	513.47
		SME 5	1.20	-	-
		SME 6	1.50	-	-
		Unrated (small enterprise & <BDT 3m)	0.75	2,058.86	1,544.15
		Unrated (small enterprise having ≥ BDT 3m&Medium enterprise)	1.00	13,973.20	13,973.20

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
i.	Claims under Credit Risk Mitigation	PSE		-	-
		Banks & NBFIs		-	-
		Corporate		5,230.66	3,784.19
		Retail		439.83	335.88
		SME		429.37	40.14
		Consumer finance		2,513.79	72.19
		Residential property		164.86	81.63
	Commercial real estate		-	-	
j.	Claims categorized as retail portfolio (excluding SME, Consumer Finance and Staff loan) upto 1 crore		0.75	422.27	316.70
k.	Consumer finance		1.00	814.84	814.84
l.	Claims fully secured by residential property		0.50	39,323.62	19,661.81
m.	Claims fully secured by Commercial real estate		1.00	26,716.66	26,716.66
n.	1. Past Due Claims that is past due for 60 days or more (Risk weights are to be assigned net of specific provision):			-	-
	i) Where specific provisions are less than 20 percent of the outstanding amount of the past due claim		1.50	4,462.50	6,693.75
	ii) Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim		1.00	4,661.50	4,661.50
	iii) Where specific provisions are more than 50 percent of the outstanding amount of the past due claim		0.50	990.70	495.35
	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	1,014.90	1,014.90
	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	206.90	155.18
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	124.89	156.12
q.	Investments in venture capital		1.50	-	-
r.	Investments in premises, plant and equipment and all other fixed assets		1.00	6,384.20	6,384.20
s.	Claims on all fixed assets under operating lease		1.00	243.11	243.11
t.	All other assets			-	-
	i) Claims on GoB & BB		0.00	6,562.23	-
	ii) Staff loan/Investment		0.20	1,401.07	280.21
	iii) Cash items in Process of Collection		0.20	-	-
	iv) Claims on Off-shore Banking Units (OBU)		1.00	2,605.99	2,605.99
	v) Other assets (net off specific provision, if any)		1.00	6,361.26	6,361.26
Sub-Total				289,769.83	193,785.73

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	4,121.02	824.20
		2	0.50	10,781.60	5,390.80
		3,4	1.00	5,137.15	5,137.15
		5,6	1.50	-	-
		Unrated	1.25	3,410.57	4,263.21
h)	Claims under retail exposure		0.75	17.05	12.79
h(1)	Claims under SME Credit Rating-wise exposure	1	0.20	-	-
		2	0.40	194.13	77.65
		3	0.60	377.96	226.78
		4	0.80	73.73	58.98
		5	1.20	-	-
		6	1.50	-	-
		Unrated (small enterprise & <BDT 3.00m)	0.75	63.89	47.91
		Unrated (small enterprise having ≥ BDT 3.00m & Medium enterprise)	1.00	1,140.21	1,140.21

Sl. No.	Exposure Type	BB's Rating Grade*	Risk Weight	Exposure	RWA
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				25,317.30	17,179.69

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	61.60	10.00	616.04
b	Equities	190.53	10.00	1,905.28
c	Foreign Exchange Position	114.30	10.00	1,143.04
d	Commodities	-	-	-
Sub-Total		366.44		3,664.37

4.0 Capital Charge for Operational Risk (Basic Indicator Approach)

Sl. No.	Operational Risk	Capital Charge	Risk Weight	RWA
a	Gross Income	1,316.87	10.00	13,168.71
Sub-Total		1,316.87	10.00	13,168.71
Grand Total Risk Weighted Assets				227,798.50

Related Party Disclosures

Name of Directors and their interest in different Entities

as at 31 December 2019

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. Limited
			Vice Chairman	Beximco Pharmaceuticals Limited
			Vice Chairman	Beximco Synthetics Limited
			Vice Chairman	Shinepukur Ceramics Limited
			Vice Chairman	Independent Television Limited
			Vice Chairman	Beximco Holdings Limited
			Vice Chairman	Beximco Computers Limited
			Vice Chairman	Beximco Pharma Center for Bio & Industrial Research Limited
			Vice Chairman	Beximco Property Development and Management Limited
			Vice Chairman	Sonali Ansh Limited
			Vice Chairman	Esses Exporters Limited
			Shareholder	Beximco Power Company Limited
			Shareholder	Beximco Engineering Limited
Shareholder	I & I Services Limited			
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
			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			
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 Money Transfer (UK) Limited
			Alternate Director (Nominated by IFIC Bank)	Nepal Bangladesh Bank Limited, Nepal
			Partner	Jamali & Morshed

SI No.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
5	Mr. Jalal Ahmed	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)	IFIC Securities Limited
			Alternate Director (Nominated by IFIC Bank)	Oman Exchange LLC
6	Mr. A. R. M. Nazmus Sakib	Govt. nominated Director	Director (Nominated by IFIC Bank)	Oman Exchange LLC
			Director (Nominated by IFIC Bank)	IFIC Money Transfer (UK) Limited
7	Ms. Quamrun Naher Ahmed	Govt. nominated Director	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)	IFIC Securities Limited
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

Related party transactions

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

Amount in BDT

Nature of Transaction	As at and for the year ended	
	31 December 2019	31 December 2018
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	207,156,658	145,670,986
C. BO account balance	3,659	659
2) Name of the Party : IFIC Money Transfer (UK) Limited		
Relationship with the company : Subsidiary		
A. Capital investment	33,308,400	31,799,790
3) Name of the Party : Oman Exchange LLC		
Relationship with the company : Associate		
A. Capital investment	76,085,913	19,070,638
B. Share money deposits	10,893,739	8,703,560

Nature of Transaction	As at and for the year ended	
	31 December 2019	31 December 2018
4) Name of the Party : Nepal Bangladesh Bank Limited		
Relationship with the company : Associate		
A. Capital investment	2,435,097,291	2,411,533,806
B. Borrowing	1,698,000,000	2,097,500,000
C. Cash Dividend received	173,309,420	344,419,844
D. Management fee received	15,853,125	12,582,000
E. Share money deposits	2,485,527	2,456,251

iv) Lending policies in respect of related party:

In case of approval of Loan to related parties, the Bank follows the BRPD circular no. 04 dated 23 February 2014 and requirement of section 27(1) of the Banking Companies Act 1991 as amended.

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

Bank has executed maintenance agreement with Beximco Computers Limited for maintenance of Nostro Reconciliation Software with a fees of BDT 50,000 per year, Bangladesh Bank Taka Account Reconciliation software with a fees of BDT 50,000 per year and Bangladesh Bank Foreign Exchange Return software with a fee of BDT 95,000 per month. 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 5,889,102 and BDT 5,647,605 to Independent Television Ltd. and Independent Publications Ltd. respectively in the year 2019.

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
NIL				

Disclosure on Audit Committee of the Bank

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. Jalal Ahmed	Director	Member	B.S.S. (Hons), M. S. S. in Public Administration

b) Particulars of meetings held by the Audit Committee during the period from 01 January to 31 December 2019

Sl.	Meeting Number	Meeting held on
1	130 th Audit Committee Meeting	23.01.2019
2	131 st Audit Committee Meeting	05.03.2019
3	132 nd Audit Committee Meeting	19.03.2019
4	133 rd Audit Committee Meeting	25.04.2019
5	134 th Audit Committee Meeting	29.04.2019
6	135 th Audit Committee Meeting	14.05.2019
7	136 th Audit Committee Meeting	02.07.2019
8	137 th Audit Committee Meeting	30.07.2019
9	138 th Audit Committee Meeting	25.08.2019
10	139 th Audit Committee Meeting	11.09.2019
11	140 th Audit Committee Meeting	24.10.2019
12	141 st Audit Committee Meeting	18.11.2019
13	142 nd Audit Committee Meeting	29.12.2019

Evaluation of the Audit Committee regarding strengthening of Internal Control System

The Internal Control & Compliance Division (ICCD) of the Bank reviews the Internal Control System of the Bank and ensures that internal controls are 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 2019, 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 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 2019 have been explained and endorsed to the Audit Committee whether the statements reflect the complete and concrete information, and whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank and Bangladesh Securities and Exchange Commission.

The Committee has submitted compliance reports to the Board on a quarterly basis during 2019 regarding compliance with recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.

Segment Reporting

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 2019

Amount in BDT

Particulars	IFIC Bank Limited				Subsidiaries			Associates			Adjustment	IFIC Bank & its subsidiaries
	Inside Bangladesh		Off-Shore Banking Unit	Adjustment	Total	IFIC Securities Limited	IFIC Money Transfer (UK) Limited	Nepal Bangladesh Bank Limited	Oman Exchange LLC			
	Conventional Banking	24,301,523,431										
Interest income	18,028,020,880	124,378,426	-	(88,928,257)	18,028,020,880	52,534,798	-	-	-	(16,713)	24,478,436,655	
Interest paid on deposits and borrowings, etc.	6,273,502,551	35,450,169	(88,928,257)	6,397,880,977	53,590,964	-	-	-	-	(16,713)	18,029,060,333	
Net interest income	11,754,518,329	88,918,257	(88,928,257)	11,754,518,329	53,590,964	-	-	-	-	(16,713)	18,029,060,333	
Investment income	2,626,318,570	-	-	-	2,626,318,570	5,197,821	-	(173,309,420)	-	-	2,458,206,971	
Commission, exchange and brokerage	1,649,754,740	-	-	-	1,649,754,740	20,352,880	39,334,401	(361,078)	-	-	1,685,517,458	
Other operating income	445,407,167	380,699	-	445,787,866	1,283,406	-	-	-	-	(16,713)	447,054,559	
4,721,480,477	380,699	-	-	4,721,861,176	26,834,107	39,334,401	(361,078)	(361,078)	-	(16,713)	4,590,778,888	
Total operating income	10,994,983,028	35,830,868	(88,928,257)	11,119,742,153	80,425,071	39,334,401	(196,872,905)	(361,078)	(361,078)	(33,426)	11,040,155,310	
Salary and allowances	2,563,693,541	-	-	-	2,563,693,541	14,848,510	9,264,152	-	-	-	2,587,806,203	
Rent, taxes, insurance, electricity, etc.	565,034,570	-	-	-	565,034,570	5,021,794	9,358,229	-	-	-	579,414,593	
Legal expenses	8,599,690	-	-	-	8,599,690	242,525	1,228,495	-	-	-	10,070,710	
Postage, stamps, telecommunication, etc.	63,430,699	-	-	-	63,430,699	48,107	190,311	-	-	-	63,669,117	
Stationery, printing, advertisement, etc.	439,870,887	-	-	-	439,870,887	135,140	216,743	-	-	-	440,222,770	
Managing Director's salary	15,720,000	-	-	-	15,720,000	-	-	-	-	-	15,720,000	
Directors' fees	1,560,000	-	-	-	1,560,000	294,500	-	-	-	-	1,854,500	
Auditors' fees	2,916,667	-	-	-	2,916,667	333,500	258,926	-	-	-	3,509,093	
Charges on loan losses	758,054,030	-	-	-	758,054,030	-	-	-	-	-	758,054,030	
Depreciation and repairs of Bank's assets	734,843,273	-	-	-	734,843,273	3,577,404	1,288,372	-	-	-	739,709,049	
Other expenses	845,572,724	-	-	-	845,572,724	4,562,700	12,821,686	-	-	-	862,957,110	
Total operating expenses	5,999,296,081	-	-	5,999,296,081	29,064,180	34,626,914	-	-	-	-	6,062,987,175	
Operating profit	4,995,686,947	35,830,868	(88,928,257)	5,120,446,072	51,360,891	4,707,487	(196,872,905)	(361,078)	(361,078)	(33,426)	4,977,168,135	
Share of profit of joint ventures/associates	-	-	-	-	-	-	530,139,098	23,693,987	-	-	553,833,085	
Profit before provision	4,995,686,947	35,830,868	(88,928,257)	5,120,446,072	51,360,891	4,707,487	333,266,193	23,332,909	(361,078)	(33,426)	5,531,001,220	
Provision against loans and advances	774,041,752	-	-	-	774,041,752	-	-	-	-	-	774,041,752	
Provision for diminution in value of investments	126,926,131	-	-	-	126,926,131	3,260,090	-	-	-	-	130,186,221	
Provisions for other assets	42,052,379	-	-	-	42,052,379	-	-	-	-	-	42,052,379	
Total provision	943,020,262	-	-	943,020,262	3,260,090	-	-	-	-	-	946,280,352	
Profit before taxation	4,052,666,685	35,830,868	(88,928,257)	4,177,425,810	48,100,801	4,707,487	(196,872,905)	(361,078)	(361,078)	(33,426)	4,584,720,368	
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	
Current tax	1,700,000,000	-	-	-	1,700,000,000	21,922,569	-	-	-	-	1,721,922,569	
Deferred tax	33,692,863	-	-	-	33,692,863	1,374,806	-	-	-	-	35,067,669	
Net profit after taxation	2,318,973,822	35,830,868	(88,928,257)	2,443,732,947	24,803,426	4,707,487	(196,872,905)	(361,078)	(361,078)	(33,426)	2,827,730,630	

The Bank reports its operations under geographical location and business segment as per IFRS:8 Operating Segment

Balance Sheet as at 31 December 2019

Particulars	IFIC Bank Limited				Subsidiaries			Associates			Adjustment	IFIC Bank & its subsidiaries	Amount in BDT
	Inside Bangladesh		Off-Shore Banking Unit	Adjustment	Total	IFIC Securities Limited	IFIC Money Transfer (UK) Limited	Nepal Bangladesh Bank Limited	Oman Exchange LLC				
	Conventional Banking	Conventional Banking											
PROPERTY AND ASSETS													
Cash	18,054,911,164	-	-	-	18,054,911,164	26,205	1,092,404	-	-	-	-	18,056,029,773	
Balance with other banks and financial instit.	5,617,034,218	-	-	-	5,617,034,218	207,156,658	20,799,986	-	-	-	(207,156,658)	5,637,834,204	
Money at call and on short notice	910,000,000	-	-	-	910,000,000	-	-	-	-	-	-	910,000,000	
Investments	45,500,148,033	-	-	-	45,500,148,033	68,702,025	-	-	-	-	1,647,593,698	47,216,443,756	
Loans and advances	225,945,580,176	2,642,920,061	-	-	228,588,500,237	3,934,940,830	-	-	-	-	-	232,523,441,067	
Fixed assets	6,384,198,894	-	-	-	6,384,198,894	43,595,367	2,637,359	-	-	-	-	6,430,431,620	
Other assets	11,475,429,112	46,646,732	-	-	11,522,075,844	315,989,156	1,775,005	-	-	-	(2,233,302,400)	9,606,537,605	
Non-banking assets	373,474,800	-	-	-	373,474,800	-	-	-	-	-	-	373,474,800	
Total Assets	314,260,776,397	2,689,566,793	-	-	316,950,343,190	4,570,410,241	26,304,754	-	-	-	(792,865,360)	320,754,192,825	
LIABILITIES AND CAPITAL													
Borrowings from other banks, financial institutions and agents	8,215,860,335	2,605,992,630	(2,605,992,630)	-	8,215,860,335	-	-	-	-	-	-	8,215,860,335	
Subordinated debt	2,800,000,000	-	-	-	2,800,000,000	-	-	-	-	-	-	2,800,000,000	
Deposits and other accounts	258,368,141,236	-	-	-	258,368,141,236	19,433,794	-	-	-	-	(207,156,658)	258,180,418,372	
Other Liabilities	22,921,618,869	47,743,295	-	-	22,969,362,164	2,028,176,069	17,398,532	-	-	-	-	25,014,936,765	
Total Liabilities	292,305,620,440	2,653,735,925	(2,605,992,630)	-	292,353,363,735	2,047,609,863	17,398,532	-	-	-	(207,156,658)	294,211,215,472	
Capital/Shareholders' equity													
Paid up capital	14,726,126,080	-	-	-	14,726,126,080	2,200,000,000	33,308,400	-	-	-	(2,233,308,400)	14,726,126,080	
Statutory reserve	6,531,903,475	-	-	-	6,531,903,475	-	-	-	-	-	-	6,531,903,475	
General reserve	155,071,397	-	-	-	155,071,397	-	-	-	-	-	-	155,071,397	
Revaluation reserve against securities	50,121,137	-	-	-	50,121,137	-	-	-	-	-	-	50,121,137	
Revaluation reserve against fixed assets	115,314,704	-	-	-	115,314,704	-	-	-	-	-	-	115,314,704	
Foreign currency translation reserve	-	-	-	-	-	-	1,829,993	40,324,282	1,713,661	-	-	43,867,936	
Surplus in profit and loss account	3,018,442,662	-	-	-	3,018,442,662	322,799,499	(26,232,171)	1,642,684,855	57,314,825	(94,443,926)	-	4,920,565,744	
Total Liabilities and Shareholders' equity	24,596,979,455	-	-	-	24,596,979,455	2,522,799,499	8,906,222	1,663,009,137	59,028,486	(2,327,752,326)	-	26,542,970,473	
Minority Interest	-	-	-	-	-	6,880	-	-	-	-	-	6,880	
Total shareholders' equity	24,596,979,455	-	-	-	24,596,979,455	2,522,806,379	8,906,222	1,663,009,137	59,028,486	(2,327,752,326)	-	26,542,977,353	
Total liabilities and shareholders' equity	316,902,599,895	2,653,735,925	(2,605,992,630)	-	316,950,343,190	4,570,416,242	26,304,754	1,663,009,137	59,028,486	(2,534,908,984)	-	320,754,192,825	

Financial Highlights of the Bank

as at and for the year ended 31 December 2019

Sl.	Particulars	Currency/ percentage	31 December 2019	31 December 2018
1	Paid up capital	BDT	14,726,126,080	13,387,387,350
2	Total capital	BDT	29,167,460,005	26,903,651,153
3	Capital surplus	BDT	692,648,106	1,608,639,082
4	Total assets	BDT	316,950,343,190	283,073,282,387
5	Total deposits	BDT	258,368,141,236	226,363,971,908
6	Total loan & advances	BDT	228,588,500,237	206,929,635,707
7	Total contingent liabilities & commitments	BDT	51,095,166,712	60,435,601,239
8	Credit deposit ratio	%	84.08	86.83
9	Percentage of classified loan against total loans & advances	%	5.37	6.16
10	Profit after tax & provision	BDT	2,443,732,947	1,570,234,267
11	Amount of classified loans	BDT	12,265,471,777	12,740,133,887
12	Provision kept against classified loans	BDT	3,086,703,002	3,439,332,446
14	Cost of fund	%	6.01	5.26
15	Interest earning assets	BDT	275,639,501,293	245,249,701,087
16	Non-interest earning assets	BDT	41,310,841,897	37,823,581,300
17	Return on Investment (ROI)	%	6.84	7.97
18	Return on Assets (ROA)	%	0.81	0.59
19	Income from investment	BDT	2,626,318,570	2,358,454,068
20	Earnings per share	BDT	1.66	1.07
21	Net income per share	BDT	1.66	1.07
22	Net Asset Value (NAV)	BDT	24,596,979,455	22,116,234,218
23	Net Asset Value (NAV) per share	BDT	16.70	16.52
24	Net Operating Cash Flow Per Share (NOCFPS)	BDT	9.33	1.70
25	Price earning ratio	Times	5.97	10.22

Disclosure of Restructured Loan

as at and for the year ended 31 December 2019

Sl.	Name of the Borrower	Type of Loan	Date of restructure	Down Payment		Due Date of 1st Installment	Outstanding Amount			Total Provision as at 31 December 2019		Present Status	Outstanding as at 31 December 2018
				Required	Realized		At the time of taking NOC from BB	New/Fresh Disbursement amount after NOC	Outstanding as at 31 December 2019	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	1,891.51	37.83	37.83	SMA(RST)	1,827.10
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	965.44	19.31	19.31	SMA(RST)	933.20
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	828.96	16.58	16.58	SMA(RST)	800.90
Total				-	-	-	3,573.30	-	3,685.91	73.72	73.72	-	3,561.20

BDT in Million

Statement of Tax position

As at 31 December 2019

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)		-	1,449,645,879	-	Assessments up to Y2015 (except Y2005 & Y2010) have been completed by the Tax Authority and there is no tax liability remained outstanding against related years
2005	2006-2007	140,397,922	-	140,397,922	-	Honorable High Court Division of Supreme Court Assessment was completed with loss, however, advance tax paid for 2005 amounting to Tk. 90.27 mln was adjusted in subsequent years.
2010	2011-2012	1,454,854,995	1,508,170,344	(53,315,349)	1,385,538,554	Honorable High Court Division of Supreme Court
2016	2017-2018	700,000,000	1,038,305,623	(338,305,623)	914,266,201	Bank has received the appeal order from the Commissioner of Taxes (Appeal) which are under review of the Management for next course of action.
2017	2018-2019	750,000,000	1,366,612,250	(616,612,250)	1,236,812,394	Bank has received the order from Deputy Commissioner of Taxes which are under review of the Management for next course of action.
2018	2019-2020	1,080,000,000	-	-	1,069,572,247	Assessment under process
2019	2020-2021	1,700,000,000	-	-	901,177,849	Not yet due

International Finance Investment and Commerce Bank Limited

Off-shore Banking Unit

Balance Sheet

as at 31 December 2019

Amount in BDT

Particulars	Note	31 December 2019		31 December 2018	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash		-	-	-	-
Cash in hand (including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currency)		-	-	-	-
Balance with other banks and financial institutions		-	-	-	-
In Bangladesh		-	-	-	-
Outside Bangladesh		-	-	-	-
Money at call and on short notice		-	-	-	-
Investments		-	-	-	-
Government securities		-	-	-	-
Other investments		-	-	-	-
Loans and advances	3	31,129,800	2,642,920,061	26,208,776	2,198,916,289
Loans, cash credits, overdrafts etc.	3.1	27,513,158	2,335,867,153	19,825,357	1,663,347,472
Bills purchased and discounted	3.2	3,616,642	307,052,908	6,383,419	535,568,817
Fixed assets including premises, furniture and fixtures					
Other assets	4	549,431	46,646,732	2,233,499	187,390,570
Non banking assets		-	-	-	-
Total assets		31,679,231	2,689,566,793	28,442,275	2,386,306,859
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from other banks, financial Institutions and agents	5	30,694,848	2,605,992,630	27,799,237	2,332,355,956
Deposit and other accounts		-	-	-	-
Current deposits and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed Deposits		-	-	-	-
Other liabilities	6	562,347	47,743,295	459,314	38,536,475
Total liabilities		31,257,195	2,653,735,925	28,258,551	2,370,892,431
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	422,036	35,830,868	183,724	15,414,428
Total shareholders' equity		422,036	35,830,868	183,724	15,414,428
Total liabilities and shareholders' equity		31,679,231	2,689,566,793	28,442,275	2,386,306,859

Particulars	Note	31 December 2019		31 December 2018	
		USD	Taka	USD	Taka
OFF BALANCE SHEET ITEMS					
Contingent liabilities		-	-	-	-
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
Other Commitments					
Documents credit and short term trade -related transactions		-	-	-	-
Forward assets purchased and forward deposit placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
Total off-Balance Sheet exposures including contingent liabilities		-	-	-	-
These financial reports should be read in conjunction with the annexed notes.					

International Finance Investment and Commerce Bank Limited

Off-shore Banking Unit

Profit and Loss Account

for the year ended 31 December 2019

Particulars	Note	31 December 2019		31 December 2018	
		USD	Taka	USD	Taka
Interest income	8	1,464,999	124,378,426	1,334,953	112,002,533
Interest paid on deposits, borrowings etc.	9	1,047,447	88,928,257	1,138,396	95,511,429
Net interest income		417,552	35,450,169	196,557	16,491,104
Investment Income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income	10	4,484	380,699	4,009	336,343
Total operating income		422,036	35,830,868	200,566	16,827,447
Salaries and allowances		-	-	16,842	1,413,019
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		-	-	16,842	1,413,019
Profit/(Loss) before provision		422,036	35,830,868	183,724	15,414,428
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		422,036	35,830,868	183,724	15,414,428

These financial reports 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 2019

1 Status of the unit

Off-shore Banking Units of IFIC Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission from Bangladesh Bank vide letter no. BRPD (P-3) 744 (104)/2009-4233 dated 17 November 2009. The Bank commenced the operation of its Off-shore Banking Unit from 10 May 2010. Presently the Bank has 1 (one) unit in Dhaka. The principal activities 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, Bangladesh Accounting Standards 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 BAS 21: *The Effects of Changes in Foreign Exchange Rates*.

Particulars	Note	31 December 2019		31 December 2018	
		USD	Taka	USD	Taka
3 Loans and advances					
3.1 Loans, cash credits, overdrafts etc.					
Term loan		27,513,158	2,335,867,153	19,825,357	1,663,347,472
		27,513,158	2,335,867,153	19,825,357	1,663,347,472
3.2 Bills purchased and discounted					
Inside Bangladesh		3,616,642	307,052,908	6,383,419	535,568,817
Outside Bangladesh		-	-	-	-
		3,616,642	307,052,908	6,383,419	535,568,817
		31,129,800	2,642,920,061	26,208,776	2,198,916,289
4 Other assets					
Interest receivable on term loan		507,472	43,084,406	2,104,460	176,564,209
Interest receivable on bills discount		41,959	3,562,326	129,039	10,826,361
		549,431	46,646,732	2,233,499	187,390,570
5 Borrowing from other banks, financial Institutions and its agents					
In Bangladesh:					
IFIC Bank Limited		30,694,848	2,605,992,630	27,799,237	2,332,355,956
		30,694,848	2,605,992,630	27,799,237	2,332,355,956
Outside Bangladesh		-	-	-	-
		30,694,848	2,605,992,630	27,799,237	2,332,355,956
6 Other liabilities					
Interest on borrowing from abroad		-	-	-	-
Due to Head Office		562,347	47,743,295	459,314	38,536,475
		562,347	47,743,295	459,314	38,536,475

Particulars	Note	31 December 2019		31 December 2018	
		USD	Taka	USD	Taka
7 Surplus in profit and loss account					
Opening balance		183,724	15,414,428	655,330	54,195,815
Less: Adjustment/ payment for the year		(183,724)	(15,414,428)	(655,330)	(54,195,815)
Add: Addition during the year		422,036	35,830,868	183,724	15,414,428
		422,036	35,830,868	183,724	15,414,428

Particulars	Note	2019		2018	
		USD	Taka	USD	Taka
8 Interest income					
Term Loan		1,288,433	109,387,936	736,441	61,787,366
Bills discount		176,566	14,990,490	598,512	50,215,167
Interest on loans and advances		1,464,999	124,378,426	1,334,953	112,002,533
9 Interest paid on deposits, borrowings etc.					
Interest paid on IFIC Bank Limited		1,047,447	88,928,257	1,138,396	95,511,429
Interest paid on SCB, NY		-	-	-	-
		1,047,447	88,928,257	1,138,396	95,511,429
10 Other operating income					
Income-Fees & Commission		744	63,173	0	0
Income-Other Operating		3,740	317,526	4,009	336,343
		4,484	380,699	4,009	336,343

FINANCIAL STATEMENTS OF THE SUBSIDIARIES



IFIC Securities Limited

Directors' Report

Respected Shareholders,

The Board of Directors is pleased to present the 9th Annual Report of IFIC Securities Ltd. (IFICSL) for the year ended on 31 December 2019. In the report, IFICSL's operational performance of the year 2019 as compared to 2018 has been evaluated and analyzed within prevailing business environment. The information and analysis may be read in conjunction with the audited financial statements presented herewith.

Capital Market 2019

The Capital Market of the country passed a challenging year in 2019. In the passed year the market has shrunk substantially. This is visible in both the average daily volume of Dhaka Stock Exchange Limited and the trade volume of IFICSL as a participant. Although the market participation by the stakeholders has also decreased significantly, IFICSL has managed to keep its participation consistent.

Our business

IFICSL has been established with the objectives of rendering compliant, efficient and innovative brokerage services to the prospective investors of the country, as well as to ensure adequate return on equity to the shareholders.

IFIC Securities Limited is a fully owned subsidiary of International Finance Investment and Commerce Bank Limited (IFIC Bank Ltd) and was incorporated with the Registrar of Joint Stock Companies and Firms, Bangladesh as a public limited company on 02 November 2010 under Companies Act, 1994. IFICSL as a subsidiary company of IFIC Bank for stock dealer and stock broker operations is authorized to undertake the following activities:

- ▶ Opening of Beneficiary owners (BO) account;
- ▶ Buy and Sell of Securities in Dhaka Stock Exchange Ltd;
- ▶ Margin Loan facilities to its clients;
- ▶ Settlement of buying and selling of Securities in Dhaka Stock Exchange through CDBL;
- ▶ Process IPO applications on behalf of clients;

Capital

The authorized capital of IFICSL is BDT 3,000 million of which BDT 2,200 million has been paid up. The Paid-up capital represents the face value of 220,000,000 shares of BDT 10 each fully subscribed by the shareholders.

Total shareholders' equity at the end of December 2019 stood at BDT 2,522.80 million including retained earnings of BDT 322.80 million.

Profit & Operating Results

IFICSL has earned BDT 79.37 million for the year 2019 in the form of operating income. During 2019 the operational expenses incurred by IFICSL stood at BDT 30.12 million. Furthermore, the total profit before tax stood at BDT 49.25 million during 2019. After keeping BDT 23.30 million as provision for income tax and BDT 3.26 million as provision for investments, the net profit of IFICSL for 2019 was BDT 22.70 million.

Loans & Advances

Total margin loan facilities provided to the investors by IFICSL was BDT. 3934.94 million as on 31 December 2019.

Own Portfolio

Managing own investment portfolio is a regulatory requirement and also a core business objective of IFICSL to ensure higher return on equity. IFICSL has established an investment process and has been maintaining its own portfolio following this process in compliance with the Investment Policy of IFICSL. The active participation of IFICSL in the capital market has enabled the management to earn a capital gain of BDT 2.17 million during 2019. During 2018 IFICSL earned BDT 22.67 million as capital gain from investment in own portfolio. This decrease has resulted from the shrinkage of the capital market. However, IFICSL has always been prudent in managing its own investment portfolio and this is reflected in the huge provisions made against its investments to mitigate possible future losses.

Support Services from IFIC Bank Ltd

IFIC Bank Ltd is providing professional support services to the IFICSL in the field of HRM, Support Services and IT. As such entire functions of these fields are being managed from the respective IFIC Bank Limited divisions minimizing overall cost of operations.

Rotation/Re-election of Directors

According to clause 52 of the Articles of Association of the Company, the Directors shall retire by rotation at the 9th Annual General Meeting. However, as per clause 53 they are eligible for re-election.

Appointment of Auditors and fix-up their remuneration

In the 9th Annual General Meeting of the company Howlader Younus & Co. Chartered Accountants were reappointed as the statutory auditors of the company up to the conclusion of the 10th Annual General Meeting.

Dividend

In order to strengthen the capital base of the Company and also to ensure sufficient liquidity for smooth operations, the Board of Directors of the company did not recommend any dividend for the year 2019.

Acknowledgement

The Board of Directors would like to express its gratitude and thanks to our valued shareholders, customers, bankers, regulators, DSE, CDBL, BSEC and other stakeholders for their continuous support and assistance. The Board has special thanks for the management and employees for their commitments and hard work about the company.

For and on behalf of the Board of Directors.



Chairman

**Independent Auditor's Report
to The Shareholders of IFIC Securities Limited**

Opinion

We have audited the financial statements of IFIC Securities Limited, which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, accompanying the financial statements give a true and fair view of the financial position of the Company as at 31 December, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The Company departed from the requirements of IFRSs are explained in note 2.1 of the financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c) The statement of financial position and statement of profit or loss and other comprehensive income, dealt with by the report agrees with the books of account and returns.

Date: 23 June 2020
Place: Dhaka


Chartered Accountants

IFIC Securities Limited

Statement of Financial Position

As at 31 December 2019

In taka	Note	31-Dec-19	31-Dec-18
ASSETS			
Non current assets			
Property, plant and equipments	4	43,433,542	4,024,007
Intangible assets	5	161,825	231,179
Investments membership value	6	56,241,750	56,241,750
Deferred tax asset	7	-	205,523
		99,837,117	60,702,459
Current assets			
Margin loan to clients	8	3,934,940,830	4,002,656,024
Accounts receivable (DSE)		183,808	10,761,929
Dividend receivable		256,203	219,778
Advance deposits and prepayments	9	315,549,145	271,999,154
Investment	10	12,460,275	14,540,440
Cash & cash equivalents	11	207,182,863	145,677,890
		4,470,573,125	4,445,855,216
TOTAL		4,570,410,242	4,506,557,675
Equity and liabilities:			
Shareholders equity			
Share capital	12.1	2,200,000,000	2,200,000,000
Retained earnings	13	322,800,380	300,109,286
		2,522,800,380	2,500,109,286
Non- current liabilities			
Lease liabilities	14	31,137,798	-
Deferred tax liabilities	7	1,169,283	-
		32,307,081	-
Current liabilities			
Lease liabilities- current portion	14	3,212,016	-
Provision for income tax	15	252,313,381	230,390,812
Clients payable	16	19,433,794	41,192,225
DSE payable		2,040,470	225,219
General provision	17	234,556,929	231,296,839
Other liabilities	18	1,503,746,191	1,503,343,295
		2,015,302,781	2,006,448,390
total		4,570,410,242	4,506,557,676

The annexed notes from an integral part of these financial statements.


Chief Executive Officer
(Current Charge)


Director


Director

Dated: 23 June 2020
Dhaka


Chartered Accountants

IFIC Securities Limited
Statement of Comprehensive Income

For the year ended 31 December 2019

In taka	Note	For the year ended	
		31-Dec-19	31-Dec-18
Income:			
Operating income	19	72,887,678	71,768,963
Non-operating income	20	6,481,227	31,749,448
		79,368,905	103,518,411
Expenses:			
Operating expenses	21	2,996,119	3,283,474
Office & administrative expenses	22	26,068,061	25,298,851
Financial expense	23	1,056,166	-
		30,120,346	28,582,325
Profit/(loss) before provisions and tax		49,248,559	74,936,086
Less: Provisions	24	3,260,090	115,650
Profit after provisions		45,988,469	74,820,436
Less: Tax			
Deferred tax	7	1,374,806	(326,291)
Current tax	15	21,922,569	20,427,296
		23,297,375	20,101,005
Net profit after tax		22,691,094	54,719,431
Basic and diluted earning per share	25	0.10	0.25

The annexed notes from an integral part of these financial statements.


Chief Executive Officer
(Current Charge)


Director


Director

Dated: 23 June 2020
Dhaka


Chartered Accountants

IFIC Securities Limited
Statement of Change in Equity

For the year ended 31 December 2019

In taka	Share Capital	Retained Earnings	Total
Opening Balance as on January 01, 2019	2,200,000,000	300,109,286	2,500,109,286
Profit/(loss) during the year	-	22,691,094	22,691,094
Balance as on December 31, 2019	2,200,000,000	322,800,380	2,522,800,380

Statement of Change in Equity

For the year ended 31 December 2018

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as on 01.01.2018	2,200,000,000	245,389,855	2,445,389,855
Profit/(loss) during the year		54,719,431	54,719,431
Balance as on December 31, 2018	2,200,000,000	300,109,286	2,500,109,286

The annexed notes from an integral part of these financial statements.


Chief Executive Officer
(Current Charge)


Director


Director

Dated: 23 June 2020
 Dhaka


Chartered Accountants

IFIC Securities Limited

Statement of Cash Flow

For the year ended 31 December 2019

In taka	31-Dec-19	31-Dec-18
A) Cash flows from operating activities		
Brokerage commission receipts	20,352,880	24,395,453
Interest on margin loan receipts	52,534,798	47,373,510
Interest payments	-	(837,840)
Dividend receipts	2,989,493	7,641,462
Payments to employees	(14,759,980)	(13,785,736)
Payments to suppliers	(7,841,135)	(9,267,815)
Income taxes paid	(41,666,238)	(62,503,319)
Payment made for rent expense including prepayment adjustment	(7,454,740)	-
Receipts from other operating activities	1,283,406	1,587,044
Payments for other operating activities	(2,996,119)	(3,283,474)
Cash generated from operating activities before changes in operating assets and liabilities	2,442,365	(8,680,715)
Increase / (decrease) in operating assets and liabilities		
Margin loan to clients	67,715,194	29,248,333
Other assets	10,962,597	(2,643,650)
Other liabilities	(21,758,431)	(5,734,033)
	56,919,360	20,870,650
Net cash from operating activities	59,361,725	12,189,935
B) Cash flows from investing activities		
Investment in shares	(315,290)	(4,739,345)
Sale proceeds from shares	4,567,358	43,112,200
Purchase of fixed assets	(2,108,820)	(3,150)
Purchase of intangible assets	-	(131,350)
Purchase of fixed assets		
Proceeds from sale of fixed assets		
Net cash from investing activities	2,143,248	38,238,355
C) Cash flows from financing activities		
Net draw down/(payment) of short term loan	-	-
Net Cash from financing activities	-	-
D) Net increase in cash and cash equivalents (A+ B + C)	61,504,973	50,428,290
E) Cash and cash equivalents at beginning of the year	145,677,890	95,249,600
F) Cash and cash equivalents at end of the year (D+E)	207,182,863	145,677,890
Cash and cash equivalents at end of the year		
Cash in hand	26,205	6,904
Cash at Bank	207,156,658	145,670,986
	207,182,863	145,677,890
Net operating cash flow per share	0.27	0.06
Restatement of net operating cash flow per share:		
Net cash from operating activities	59,361,725	12,189,935
Number of outstanding shares (Current year's)	220,000,000	220,000,000

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


Chief Executive Officer
(Current Charge)


Director


Director

Dated: 23 June 2020
Dhaka


Chartered Accountants

IFIC Securities Limited

Notes to the Financial Statements

As at and for the year ended 31 December, 2019

Significant accounting policies and other material information:

1 Status of the reporting entity

1.1 Corporate history

IFIC Securities Limited was incorporated in Bangladesh and registered with Joint Stock Companies and Firms vide its registration number C-87904/10 on November 02, 2010 as a public limited company with an Authorized Capital of Tk. 3,000,000,000 divided into 300,000,000 ordinary shares of Tk.10 each. The registered office of the company is located at IFIC Tower, 61 Purana Paltan C/A, Dhaka.

1.2 Nature of business

The principal objectives of the company for which it was established are to carry on the business of stock brokers, dealers in relation to shares and securities dealing and other services as mentioned in the Memorandum and Articles of Association of the Company.

2.0 Basis of preparation

2.1 Statement of compliance

The financial statements of IFIC Securities Limited have been prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), Companies Act 1994 and other applicable laws in Bangladesh.

As required, IFIC Securities Limited also complies with the applicable provisions of the following major laws/statutes:

- Securities and Exchange Commission Act, 1993
- Securities and Exchange Rules, 1987
- Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules, 1996
- Income Tax Ordinance, 1984
- The Value Added Tax Act 1991
- Dhaka Stock Exchange Limited (DSE) Rules
- Central Depository Bangladesh Limited (CDBL) Rules
- Negotiable Instrument Act, 1881; and

Other applicable laws and regulations.

The Company has departed from the following contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank, which is the primary regulator of its parent, IFIC Bank Limited:

Investment in shares and securities

IFRS: As per requirements of IFRS 9: Financial Instruments, investment in shares and securities generally falls either under “at fair value through profit and loss account” or “at fair value through other comprehensive income” where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

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

Cash flow statement

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, cash flow is the mixture of direct and indirect methods.

2.2 Measurement bases used in preparing the financial statements

The elements of financial statements have been mostly measured on "Historical Cost" basis except the followings:

(i) Margin Loan to Client	Amortized Cost
(ii) Investment in Secondary Market	Lower of cost and fair value

2.3 Use of estimates and judgments

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

2.4 Accounting convention and basis:

These financial statements have been prepared under the historical cost convention and going concern basis in accordance with applicable International Accounting Standards in Bangladesh which does not vary from the requirements of the Companies Act 1994, and other laws and rules applicable in Bangladesh.

2.5 Functional and presentational currency and level of precision

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.6 Reporting period

The financial period of the Company covers from 1 January to 31 December.

2.7 Date of authorization

The financial statements were authorized by the Board of Directors on 23 June 2020 for publication.

2.8 Components of the financial statements

According to the International Accounting Standard (IAS) 1 as adopted by ICAB "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- i) Statement of financial position
- ii) Statement of profit or loss and other comprehensive income
- iii) Statement of changes in equity
- iv) Statement of cash flows
- v) Notes to the financial statements

3.0 Principal accounting policies

The accounting policies set out below have been applied in preparations of these financial statements.

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Items of Property, Plant and Equipment (PPE) are initially measured at cost. After initial recognition, an item of PPE is carried at cost less accumulated depreciation and impairment losses in compliance with the requirements of IAS-16: Property, Plant and Equipment.

3.1.2 Disposal of fixed assets

On disposal of property, plant and equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

3.1.3 Depreciation on property, plant and equipment

Depreciation is recognized in the comprehensive income on a written down value basis over the estimated useful life of each property, plant and equipment in accordance with the provisions of IAS 16: property, plant and equipment.

Rate of depreciation on property, plant and equipment considering the useful life of assets are as follows:

Sl no	Particulars of assets	Rate
1	Furniture & fixture	10%
2	Electric goods	20%
3	Computer & equipments	30%
4	Office renovation	20%
5	Other assets	40%

- 3.2 Accounts receivables**
Accounts receivables (DSE) are considered good and realizable. No provision or allowance to be made during the year.
- 3.3 Advance, deposits and prepayments**
Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.
- 3.4 Cash and cash equivalents**
Cash and cash equivalents include cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.
- 3.5 Other current assets**
Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the statement of financial position.
- 3.6 Other corporate debt, accounts payable, trade and other liabilities**
Liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier.
- 3.7 Income tax**
The company has to pay income tax on its total turnover as tax deducted at source and provision has been made accordingly as per Income Tax Ordinance 1984 under section 53BBB.
- 3.8 Provisions**
Provision is recognized on the statement of financial position date if, as a result of past events, the company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.
- 3.9 Revenue recognition**
Commission, interest, dividend etc. have been recognised as per IFRS 9 & IFRS 15 "Revenue".
- 3.10 Statement of cash flow**
Statement of Cash Flows is prepared in accordance with IAS-7 "Statement of cash flow".
- 3.11 Lease**
The Entity has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.
- Policy applicable from 1 January 2019**
At inception of a contract, the Entity assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Entity uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.
- As a lessee**
At commencement or on modification of a contract that contains a lease component, the Entity allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Entity has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.
- The Entity recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
- The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Entity by the end of the lease term or the cost of the right-of-use asset reflects that the Entity will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use

asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Entity's incremental borrowing rate. Generally, the Entity uses its incremental borrowing rate as the discount rate.

The Entity determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Entity's estimate of the amount expected to be payable under a residual value guarantee, if the Entity changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Entity presents right-of-use assets that do not meet the definition of investment property in 'Right of use asset (ROU)' and lease liabilities in 'Lease liabilities' in the statement of financial position.

Short term leases

The Entity has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases. The Entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.12 Management of capital

Capital consists of total equity attributable to the Shareholders. The Board of Directors monitors the level of capital. The company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. No changes were made in the objectives, policies or processes for managing capital during the period. The company is not subject to any externally imposed capital requirement.

3.13 Financial Risk Management

The company has exposure to the following risks from its use of financial instruments:

- Credit Risks
- Liquidity Risks
- Market Risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

The Management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Credit risk

Credit risk is the risk of a financial loss to the company if a customer to a margin loan fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

Management has a margin loan policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to whether its is positive or negative equity and possibility of recovering margin loan. Margin loan receivables are related to the company's customers. The exposure of the company to credit risk on accounts receivables is mainly influenced by the market value of the customers' shares portfolio. **Credit risk from this receivable is very minimal.** Credit risk does not arise in respect any other receivables.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Market Risk

Market risk is the risk that, changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

3.14 Risk and uncertainties for the use of estimates in preparing financial statements:

Preparation of financial statements in conformity with the International Accounting Standards (IAS) requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

3.15 Comparative amounts

Certain comparative amounts have been re-classified & rearranged to confirm with the current year's presentation.

In taka	31 Dec 2019	31 Dec 2018
4 Property, plant and equipments		
Furniture and fixture	1,682,227	1,866,739
Electric goods	1,006,624	772,780
Computer and equipments	858,495	477,721
Office renovation	1,415,814	897,550
Other assets	5,528	9,217
Right to use assets	38,464,854	-
	43,433,542	4,024,007
Details please refer to annexure A-1		
5 Intangible assets	161,825	231,179
Details please refer to annexure A-2		
6 Investments membership value		
Membership with DSE *	56,241,750	56,241,750
	56,241,750	56,241,750
Investment in shares are detail in annexure - B		
* This represents our original investment cost for DSE membership in exchange of which shares at a face value of Tk. 10 each have been allotted in favour of the company in October 2013 for DSE. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved demutualization scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 54,11,329 ordinary Shares at face value of Tk. 10 each against the membership of DSE. Out of the above DSE transferred 28,86,042 shares directly to the credit of the Beneficiary Owner's account of the company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act. 2013. As there is no active market for shares DSE, we have shown the value at original cost of our investment.		
7 Deferred tax assets / liabilities		
deferred tax on tangible assets		
Tax written down value	5,904,749	4,611,219
Accounting written down value	5,130,518	4,024,011
Temporary difference on written down value	(774,231)	(587,208)

In taka	31 Dec 2019	31 Dec 2018
Closing deferred tax (assets)/liabilities	(270,981)	(205,523)
Opening deferred tax (assets)/liabilities	(205,523)	120,768
Deferred tax (income)/expenses	(65,458)	(326,291)
Deferred tax- lease		
Right to use assets, WDV	38,464,854	-
Lease liabilities	34,349,814	-
Tax base	4,115,040	-
Deferred tax @ 35%, liabilities	1,440,264	-
Deferred tax (income)/expenses	1,374,806	(326,291)
Net deferred tax liabilities/ (assets)	1,169,283	
8 Margin loan to clients		
Opening balance	4,002,656,024	4,031,904,359
Add: interest charge during the year	52,534,798	43,440,706
Add: margin loan provided during the year	168,072,370	182,740,971
Less: margin loan adjusted during the year	(288,322,362)	(255,430,012)
	3,934,940,830	4,002,656,024
9 Advance deposit and prepayments		
Advance income tax	311,003,519	269,337,281
Advance for Nikunjo	850,000	850,000
Advance bank guarantee commission	-	2,369
Prepaid rent	-	-
Stamp & cartidage	2,478	500
Advance for car purchase	1,472,218	1,805,554
Advance for land phone	3,450	3,450
Advance payment to vendor	2,217,480	-
	315,549,145	271,999,154
9.1 Advance income tax		
Opening balance	269,337,281	206,833,962
Paid during the year	41,666,238	62,503,319
Adjustment during the year	-	-
	311,003,519	269,337,281
10 Investment		
Bangladesh Export Import Company Ltd.	10,744,785	10,744,785
Bashundhara Paper Mills Ltd.	-	172,960
SK Trims & Industries Ltd.	-	50,420
VFS Thread Dyeing Ltd.	-	35,190
M.L. Dyeing Ltd.	-	30,200
Esquire Knit Composit Ltd.	940,050	1,880,100
Silva Pharmaceuticals Ltd.	-	91,940
Kattali Textile Ltd.	-	100,640
Runner Automobile Ltd.	540,450	1,080,825
S.S. Steal Ltd.	-	134,920
ADN Telecom Ltd.	113,790	113,790
Silco Pharm Ltd.	36,480	-
Sea Pearl Ltd	37,300	-
Genex Infosys Ltd.	-	104,670
Coppertech Industries Ltd	47,420	-
	12,460,275	14,540,440

In taka		31 Dec 2019	31 Dec 2018	
Year 2014		12,423,893	12,423,893	
Year 2015		16,255,904	16,255,904	
Year 2016		17,569,284	17,569,284	
Year 2017		57,210,974	57,210,974	
Year 2018		20,427,296	-	
		230,390,812	209,963,516	
16	Clients payable			
	IFIC Bank Ltd	3,659	659	
	Others client	19,430,135	41,191,566	
		19,433,794	41,192,225	
17	General provision			
	Investment	3,260,090	-	
	Margin (Note-17.1)	231,296,839	231,296,839	
		234,556,929	231,296,839	
17.1	Margin Loan			
	Opening balance	231,296,839	224,296,839	
	Add: Provision made during the year	-	7,000,000	
		231,296,839	231,296,839	
18	Other liabilities			
	Withholding liabilities	Note-18.1	596,275	143,300
	Liabilities for expenses	Note-18.2	2,031,806	2,356,189
	Unrealized interest income	Note-18.3	1,500,842,810	1,500,842,810
	Sundry creditor		264,304	-
	Unclaimed		10,996	996
			1,503,746,191	1,503,343,295
18.1	Withholding liabilities			
	VAT payables		422,292	81,950
	Tax payable		173,983	61,350
			596,275	143,300
18.2	Liabilities for expenses			
	Mobile/ telephone allowance		2,875	2,875
	Other's bill payable		23,000	29,300
	Electricity		40,238	60,540
	WASA		4,000	-
	CDBL		124,597	107,628
	Audit & professional fees		258,750	230,000
	Office rent		-	517,500
	Printing & stationery		19,500	19,500
	Insurance		8,846	8,846
	Incentive bonus		1,550,000	1,380,000
			2,031,806	2,356,189
18.3	Unrealized interest income			
	Opening balance		1,500,842,810	1,509,512,218
	Less :Interest adjustment		-	(4,745,500)
	Less :Transferred to interest income		-	(3,923,908)
			1,500,842,810	1,500,842,810

In taka		31 Dec 2019	31 Dec 2018
19	Operating income		
	Brokerage commission	20,352,880	24,395,453
	Interest on margin loan	52,534,798	47,373,510
		72,887,678	71,768,963
20	Non-operating income:		
	Documentations charge	6,000	-
	Account opening fee	13,500	20,000
	BO maintenance	1,219,500	1,502,500
	Miscellaneous	18,823	24,385
	IPO income	8,870	14,970
	Interest on bank deposit	16,713	25,189
	Dividend income	3,025,918	7,489,828
	Capital gain (realized)	2,171,903	22,672,576
		6,481,227	31,749,448
21	Operating expenses		
	Laga	1,391,119	1,588,474
	CDBL	1,605,000	1,695,000
		2,996,119	3,283,474
22	Office & administrative expenses		
	Salary and allowances	Note-22.1	14,759,980
	Agm expenses		162,500
	Amortization		69,354
	Audit fee & professional fee		333,500
	Business development		3,500
	Cleaner's bill		54,200
	Crockeries		1,495
	Connectivity		411,358
	Conveyance		88,530
	Depreciation		3,447,671
	Director's remuneration		294,500
	Dse subscription		8,356
	Satellite bill		12,500
	Electricity		694,889
	Entertainment		290,546
	Gas & fuel		5,005
	Ipo bidding expenses		9,000
	Legal and professional fee		242,525
	Newspaper		9,510
	Office rent		3,840,217
	Postage & courier		9,425
	Printing stationery		135,140
	Regulatory		144,652
	Repair and maintenance		129,733
	Security guard		472,270
	Software maintenance		262,500
	Telephone bill		38,682
	Wasa		48,000
	Washing expenses		22,390
	Water bill		27,330
	Bank charges		36,434
	Bank guarantee charge		2,369
		26,068,061	25,298,851

In taka	31 Dec 2019	31 Dec 2018
22.1 Salary and allowances		
Basic salary	6,180,096	5,667,408
Conveyance allowance	382,320	368,640
Entertainment allowance	336,000	336,000
Bonus	1,213,812	1,171,966
Fuel allowance	202,920	202,920
House rent	2,805,468	2,607,432
Medical allowance	596,328	548,040
Car maintenance	333,336	277,782
Other salary benefit	336,000	336,000
Telephone and mobile bill	24,000	44,000
Car insurance	-	41,280
Leave fare assistance	682,800	682,800
Other salary benefit (office attendant)	7,400	11,968
Incentive bonus	1,550,000	1,380,000
Casual worker wages	109,500	109,500
	14,759,980	13,785,736
23 Financial expense		
Interest on lease liabilities	1,056,166	-
	1,056,166	-
24 Provisions		
Provision for investment	3,260,090	(6,884,350)
Provision for margin loan to clients	-	7,000,000
	3,260,090	115,650
25 Earning per share (EPS)		
Basic and diluted earnings per share		
Net profit after tax	22,691,094	54,719,431
No of shares	220,000,000	220,000,000
Earning per share (EPS)	0.10	0.25
26 Contingent liabilities		
Bank guarantee for dse member margin	-	100,000,000
Total	-	100,000,000
27 Number of employees		
Total number of employees of the Company as at 31 December 2019 where as follows:		
i) Remuneration up to Taka 36,000 per annum	-	-
ii) Remuneration above Taka 36,000 per annum	14	14
	14	14
28 Events after the reporting period		

Government of Bangladesh declared public holiday from 26th of March 2020 to 30th May 2020 due to outbreak of COVID- 19. Therefore, operation was closed down to follow the government instruction.

Significant revenue has been lost during this public holiday period.

IFIC Securities Limited

Schedule of Fixed Assets

as at 31 December 2019

Amount in BDT

Particulars	Cost				Rates	Depreciation			Written Down Value
	Opening	Addition	Disposal	Closing Balances		Opening Balances	For the Year	Closing Balances	
Furniture and fixture	4,289,123	2,402	-	4,291,525	10%	2,422,384	186,914	2,609,298	1,682,227
Electric goods	3,462,544	485,500	-	3,948,044	20%	2,689,764	251,656	2,941,420	1,006,624
Computer and equipments	4,383,860	748,700	-	5,132,560	30%	3,906,139	367,926	4,274,065	858,495
Office renovation	2,823,809	872,218	-	3,696,027	20%	1,926,259	353,954	2,280,213	1,415,814
Other assets	336,183	-	-	336,183	40%	326,966	3,687	330,655	5,528
Right to use assets	-	40,748,388	-	40,748,388	-	-	2,283,534	2,283,534	38,464,854
Total	15,295,519	42,857,208	-	58,152,727		11,271,512	3,447,671	14,719,185	43,433,542

Schedule of Intangible Assets

Amount in BDT

Particulars	Cost				Rates	Amortization			Written Down Value
	Opening	Addition	Disposal	Closing Balances		Opening Balances	For the Year	Closing Balances	
Windows license	108,090	-	-	108,090	30%	94,801	3,987	98,788	9,302
Sign up DSE	87,000	-	-	87,000	30%	79,513	2,246	81,759	5,241
Software	829,950	-	-	829,950	30%	623,418	61,960	685,378	144,572
Escan entry virus	45,000	-	-	45,000	30%	41,129	1,161	42,290	2,711
Total	1,070,040	-	-	1,070,040		838,861	69,354	908,215	161,825

IFIC Securities Limited

Statement of Investment in Shares

as at 31 December 2019

SL No.	Name of the company	Opening Balances			Buy during the Year			Sale during The Year			Closing Balance			Market Units Cost on 30.12.2019	Market value	Unrealized gain/ (loss)	
		No. of shares	Unit cost	Total cost	Bonus	No. of shares	Unit cost	Total cost	No. of shares	Unit cost	Total cost	No. of shares	Unit cost				Total cost
1	BEXIMCO	551,250	19.49	10,744,785	-	-	-	-	-	-	551,250	19.49	10,744,785	13.80	7,607,250	(3,137,535)	
2	Intraco Refueling Station Limited	266	-	-	-	-	-	266	-	-	-	-	-	-	-	-	
3	Bashundhara Paper Mills	2,162	80.00	172,960	-	-	-	2,162	80.00	172,960	-	-	-	-	-	-	
4	SK Trims & Industries Limited	5,546	9.09	50,420	-	-	-	5,546	9.09	50,420	-	-	-	-	-	-	
5	VFS Thread Dyeing Limited	4,222	8.33	35,190	-	-	-	4,222	8.33	35,190	-	-	-	-	-	-	
6	M.L. Dyeing Limited	4,228	7.14	30,200	-	-	-	4,228	7.14	30,200	-	-	-	-	-	-	
7	Silva Pharmaceuticals Limited	9,194	10.00	91,940	-	-	-	9,194	10.00	91,940	-	-	-	-	-	-	
8	Indo-Bangla Pharma Ltd.	294	-	-	-	-	-	294	-	-	-	-	-	-	-	-	
9	Kattali Textile Ltd	11,070	9.09	100,640	-	-	-	11,070	9.09	100,640	-	-	-	-	-	-	
10	Runner Automobile Ltd	14,411	75.00	1,080,825	360	-	-	7,205	75.00	540,375	7,566	71.43	540,450	59.50	450,177	(90,273)	
11	SS Steel Ltd	13,492	10.00	134,920	-	-	-	13,492	10.00	134,920	-	-	-	-	-	-	
12	Esquire Knit Composit Ltd	41,780	45.00	1,880,100	-	-	-	20,890	45.00	940,050	20,890	45.00	940,050	28.30	591,187	(348,863)	
13	ADN Telecom	3,793	30.00	113,790	-	-	-	-	-	-	3,793	30.00	113,790	30.00	113,790	-	
14	Coppertech Industries Ltd.	-	-	-	237	9.483	10.00	94,830	4,741	10.00	47,410	4,979	9.52	47,420	23.50	117,007	69,587
15	Sea Pearl Ltd.	-	-	-	186	7.459	10.00	74,590	3,729	-	37,290	3,916	9.53	37,300	41.30	161,731	124,431
16	Silco Pharma Ltd	-	-	-	729	14.587	10.00	145,870	10,939	10.00	109,390	4,377	10.00	36,480	30.30	132,623	96,143
17	Genex Infosys Ltd	10,467	10.00	104,670	392	-	-	10,467	10.00	104,670	392	-	-	67.40	26,421	26,421	
	Total	672,175		14,540,440	1,904		315,290	108,445		2,395,455	597,163		12,460,275		9,200,185	(3,260,090)	

IFIC Securities Ltd.
Required provision for Margin Loan to Client
as at and for the year ended 31 December 2019

Amount in BDT							
Asset Value	Margin loan	Negative equity	Suspense amount	Base for provision	Required provision (20%)	Opening balance	Provision made during the year
1,358,818,992	3,761,841,965	2,403,022,973	1,500,842,810	902,180,163	180,436,033	231,296,839	-

IFIC Securities Limited

As at and for the year ended 31 December 2019

Leases

See accounting policy in Note 3.11

A. Leases as lessee (IFRS 16)

IFIC Securities Limited has leased two commercial office space in Motijheel and Uttara measuring 3,239 and 750 square feet from Central Insurance Company Limited and Macstet under operating lease respectively. Lease period covers 10 years for Motijheel and 5 years for Uttara, with an option to renew for further on expiry of present period.. The details of leased property is as follows:

Demised property	Address	Effective date of agreement	Expiry date of agreement	Area (Sq. F)
Commercial Office space	CIC Tower, Plot # 7-8, Motijheel C/A, Dhaka - 1000.	22-Aug-2019	21-Aug-2029	3,239
Commercial Office space	Uttara Tower, Plot # 1, Jasimuddin Avenue, Sector # 3, Uttara C/A, Dhaka - 1230.	1-Jul-2018	30-Jun-2023	750

The company provides advance to both lessors which are adjustable within 25 months and 60 months for CIC tower and Uttara Tower respectively. Advance has been adjusted using substance over form irrespective of the clause included in the lease agreement.

The Company is restricted from entering into any sublease arrangements. Previously this lease was classified as operating lease under IAS 17. Information about lease for which the entity is a lessee is presented below.

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as Right-of-use assets.

<i>In taka</i>	Office space	Total
2019		
Balance at 1 January	-	-
Addition during the year	40,748,388	40,748,388
Depreciation charge for the years	(2,283,534)	(2,283,534)
Balance at 31 December	38,464,854	38,464,854
(ii) Amount recognised in profit and loss		
2019-Leases under IFRS 16		
Interest on lease liabilities	1,056,166	1,056,166
2018-Operating leases under IAS 17		
Lease/ rent expenses	2,524,940	2,524,940
(iii) Amount recognised in statement of cash flow		
<i>In Taka</i>		2019
Total cash outflow for leases	1,426,172	1,426,172

B. Leases as lessor

IFIC Securities Limited did not provide any lease facility to other entity.

IFIC Securities Limited

List of related party

As at 31 December 2019

Name of party	Relationship	Nature of transaction	Opening balance	Debit	Credit	Closing balance
IFIC Bank Ltd.	Parent company	Current & SND Account of IFIC Securities	145,670,986	721,752,937	660,267,265	207,156,657
IFIC Bank Ltd.	Parent company	BO account code#1111 & 2323	659	4,000	1,000	3,659
BEXIMCO Ltd	Shareholder of parent company	Investment in share	10,744,785	-	-	10,744,785
Director	Director	Director remuneration	-	294,500	-	-

IFIC Money Transfer (UK) Limited

Report of the Directors

for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

Mr Jalal Ahmed

Mr Anwaruzzaman Chowdhury

Mr Mohammad Shah Alam Sarwar

Mr A R M Nazmus Sakib

Mrs Quamrun Naher Ahmed

Ms Rabeya Jamali

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Ahmed & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



Mr Jalal Ahmed - Chairman

13 February 2020

Report of the Independent Auditors to the Members of **IFIC Money Transfer (UK) Limited**

Opinion

We have audited the financial statements of IFIC MONEY TRANSFER (UK) LIMITED (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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 (UK) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tofail Ahmed M.Com, FCA , CTA (Senior Statutory Auditor)

for and on behalf of Ahmed & Co
284 Station Road
Harrow
Middlesex
HA1 2EA

13 February 2020

IFIC Money Transfer (UK) Limited

Income Statement

for the year ended 31 December 2019

Particulars	Note	2019		2018	
		GBP	BDT	GBP	BDT
Turnover		364,594	39,334,509	248,603	27,619,061
Administrative expenses		320,960	34,627,021	272,059	30,225,002
Operating Loss and Loss Before Taxation	4	43,634	4,707,488	(23,456)	(2,605,941)
Tax on (loss)/profit		-	-	-	-
Loss for the financial year		43,634	4,707,488	(23,456)	(2,605,941)

IFIC Money Transfer (UK) Limited

Balance Sheet

31 December 2019

Particulars	Note	31 December 2019		31 December 2018	
		GBP	BDT	GBP	BDT
Fixed Assets					
Intangible assets	5	7,500	832,710	10,500	1,112,993
Tangible assets	6	16,254	1,804,649	23,754	2,517,907
		23,754	2,637,359	34,254	3,630,900
Current Assets					
Debtors	7	15,987	1,775,005	5,750	609,496
Cash in hand		197,179	21,892,390	310,732	32,937,374
		213,166	23,667,395	316,482	33,546,870
Creditors					
Amounts falling due within one year	8	156,704	17,398,532	314,154	33,300,104
Net Current Assets		56,462	6,268,863	2,328	246,766
Total Assets Less Current Liabilities		80,216	8,906,222	36,582	3,877,666
Capital And Reserves					
Called up share capital		300,000	33,308,400	300,000	31,799,790
Translation reserve			1,829,993		3,017,535
Retained earnings		(219,784)	(26,232,171)	(263,418)	(30,939,659)
Shareholders' Funds		80,216	8,906,222	36,582	3,877,666

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors on 13 February 2020 and were signed on its behalf by:


Jalal Ahmed
 Chairman

IFIC Money Transfer (UK) Limited

Notes to the Financial Statements

for the Year Ended 31 December 2019

1. Statutory Information

IFIC MONEY TRANSFER (UK) LIMITED is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting Policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of nil years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	-	10% on cost
Plant and machinery etc	-	33% on cost and 15% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. Employees And Directors

The average monthly number of employees during the year was 4 (2017 - 4).

4. Operating Loss

The operating loss is stated after charging:

Particulars	2019		2018	
	GBP	BDT	GBP	BDT
Depreciation - owned assets	7,500	809,143	15,984	1,775,778
Computer software amortisation	3,000	323,657	3,000	333,292

5. Intangible Fixed Assets

Particulars	Computer software	
	GBP	BDT
Cost		
At 1 January 2019	15,000	1,665,420
Additions	-	-
At 31 December 2019	15,000	1,665,420
Amortisation		
At 1 January 2019	4,500	499,626
Charge for year	3,000	333,084
At 31 December 2019	7,500	832,710
Net Book Value		
At 31 December 2019	7,500	832,710
At 31 December 2018	10,500	1,112,993

6. Tangible Fixed Assets

	Land and buildings		Plant and machinery		Total	
	GBP	BDT	GBP	BDT	GBP	BDT
Cost						
At 1 January 2019	75,006	8,327,766	64,279	7,136,769	139,285	15,464,535
Additions	-	-	-	-	-	-
At 31 December 2019	75,006	8,327,766	64,279	7,136,769	139,285	15,464,535
Depreciation						
At 1 January 2019	51,252	5,690,407	64,279	7,136,769	115,531	12,827,176
Charge for year	7,500	832,710	-	-	7,500	832,710
At 31 December 2019	58,752	6,523,117	64,279	7,136,769	123,031	13,659,886
Net Book Value						
At 31 December 2019	16,254	1,804,649	-	-	16,254	1,804,649
At 31 December 2018	23,754	2,517,907	-	-	23,754	2,517,907

Particulars	2019		2018	
	GBP	BDT	GBP	BDT

7 Debtors: Amounts Falling Due Within One Year

Other debtors	15,987	1,775,005	5,750	609,496
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8 Creditors: Amounts Falling Due Within One Year

Trade creditors	86,396	9,592,375	303,228	32,141,956
Taxation and social security	-	-	-	-
Other creditors	70,308	7,806,157	10,926	1,158,148
	156,704	17,398,532	314,154	33,300,104

9 APB Ethical Standard - Provisions Available for Small Entities

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

10 Ultimate Controlling Party

The company is fully owned and controlled by IFIC Bank Limited, a company incorporated in Bangladesh.

IFIC Money Transfer (UK) Limited

Profit and Loss Account

for the Year Ended 31 December 2019

Particulars	2019		2018	
	GBP	BDT	GBP	BDT
Commission receivable	364,594	39,334,509	248,603	27,619,061
Establishment costs				
Rent	58,873	6,351,560	46,951	5,216,126
Rates and water	24,367	2,628,853	19,391	2,154,286
Insurance	1,748	188,584	1,062	117,985
Light and heat	1,754	189,232	2,393	265,856
	86,742	9,358,229	69,797	7,754,254
	277,852	29,976,281	178,806	19,864,807
Administrative expenses				
Wages	85,870	9,264,152	70,745	7,859,574
Social security	3,628	391,410	1,847	205,197
Telephone	1,764	190,311	2,043	226,972
Printing, postage & stationery	2,010	216,850	171	18,998
Motor and travelling	2,295	247,598	3,111	345,623
Subscription	802	86,524	-	-
IT costs	12,102	1,305,634	14,503	1,611,243
Repairs and renewals	1,442	155,571	977	108,542
Cleaning	1,478	159,455	1,415	157,203
Sundry expenses	1,711	184,593	1,110	123,318
Legal fees	-	-	100	11,110
Compliance costs	6,587	710,644	2,960	328,848
Other professional fees	-	-	-	-
Auditors' remuneration	2,400	258,926	2,400	266,633
Auditors' remuneration for non audit work	4,800	517,852	12,815	1,423,711
	126,889	13,689,519	114,197	12,686,971
	150,963	16,286,762	64,609	7,177,837
Selling and marketing costs				
Advertising	750	80,914	-	-
Promotions and exhibitions	-	-	717	79,657
	750	80,914	717	79,657
	150,213	16,205,847	63,892	7,098,180

Particulars	2019		2018	
	GBP	BDT	GBP	BDT
Finance costs				
Bank charges	94,360	10,180,103	67,347	7,482,065
Credit card	1,718	185,348	1,017	112,986
	96,078	10,365,450	68,364	7,595,051
	54,135	5,840,397	(4,472)	(496,871)
Depreciation				
Computer software	3,000	323,657	3,000	333,292
Short leasehold	7,501	809,251	7,501	833,340
Plant and machinery	-	-	8,483	942,438
	10,501	1,132,909	18,984	2,109,070
Net (Loss)/Profit	43,634	4,707,488	(23,456)	(2,605,941)

This page does not form part of the statutory financial statements



**IMPORTANT
EVENTS**





IFIC Bank celebrated its 43rd Anniversary on 8 October 2019



IFIC Bank organized an Art Festival for the children of its employees



Launching of different banking solutions that includes FB OPICS for Treasury Operations, FB ALM, FB Corporate Channel & FTI-WLC for Trade Portal supplied by Finastra.



➤ Entrepreneurs awarded 'IFIC- Samakal Business Award-2018' jointly hosted by IFIC Bank Limited and the Daily Samakal to recognize their special contribution to country's industries and commerce.



➤ Real Estate Marketplace Bproperty.com Ltd. and IFIC inked a MoU to extend credit facility under IFIC Amar Bari.



➤ Kids playing at the program organized for welcoming the parents of new-born children.



IFIC observed National Mourning Day with due respect and solemnity marking the 44th death anniversary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman.



A MoU signed between Petrobangla and IFIC for making payment of bill for LNG terminal fee in foreign currency.

IFIC launched 'IFIC Shohoj Account'.



IFIC and BANCO Finance inked an agreement for Rights Share Issue Management

IFIC organized a program for welcoming the parents of new-born children.



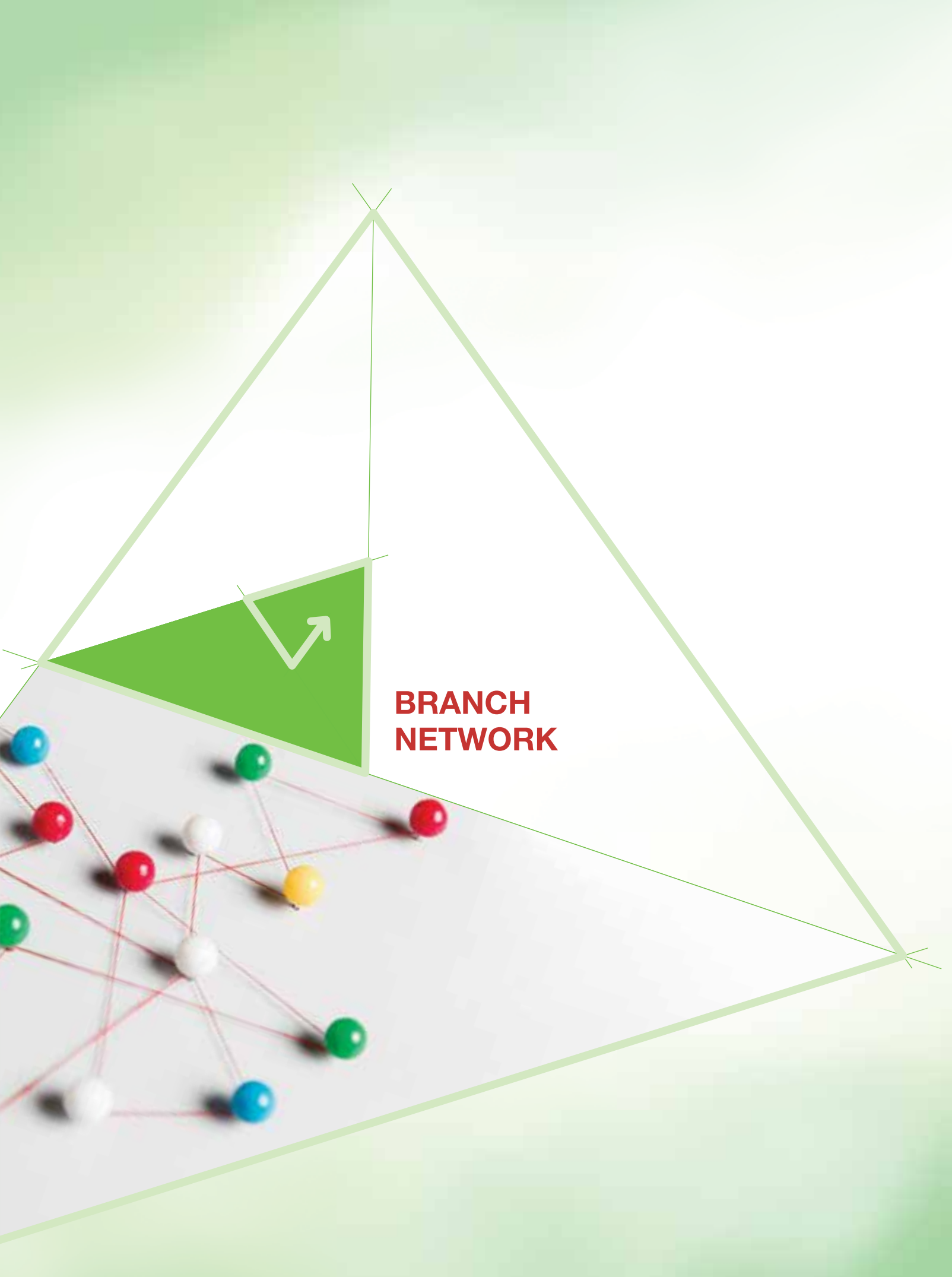
IFIC celebrated the International Women's Day.



Handing over a cheque for Tk. 32 lac to Touch Fashion in the SME Fair organized by Bangladesh Bank.



IFIC organized Pitha Utshab for its corporate clients and well-wishers at Gulshan Branch premises.



**BRANCH
NETWORK**

Branch Network of IFIC Bank Limited

SI No	Name of Branch/ Office	Name of Division	Name of District	Branch Code	Address of the Branch premises
1	Aganagar Branch	Dhaka	Dhaka	1219	"Babul Tower", Bridge Road, Kadamtali Union Parishad- Aganagar, P. O.- Keraniganj P. S.- South Keraniganj, Dist. – Dhaka
2	Arshinagar Branch	Dhaka	Dhaka	1234	Arshinagar, Village – Modher Char Union – Shakta Union Parishad, P. O. – Shamla P. S. – Keraniganj Model, Dist. – Dhaka
3	Ashulia Branch	Dhaka	Dhaka	1197	"Rifat Square Plaza", Village – Jamgora, Union – Yarpur, P. O.- Gazir Chat, P. S. - Ashulia, Upazila – Savar, Dist. – Dhaka
4	Bajitpur Branch	Dhaka	Kishoreganj	1112	Holding No. 215, Bajitpur Bazar P. O. & P. S.- Bajitpur, Dist.- Kishoreganj
5	Banani Branch	Dhaka	Dhaka	1096	"Glowing Stone", House No. 54 Road No. 11, Block-C, Banani P. S.- Banani, Dist.- Dhaka
6	Banasree Branch	Dhaka	Dhaka	1245	Holding No. 36, Road No. 2, Block - C, P. S.- Rampura, Dhaka North City Corporation, Dist. – Dhaka
7	Bandar Branch	Dhaka	Narayanganj	1228	"Haji Motaleb Plaza", Holding No. 3, Ward No. 22, S. S. Shah Road, P. S. - Bandar, Dist. - Narayanganj
8	Bangshal Branch	Dhaka	Dhaka	1011	Holding No.29/1, Ward No.4, Nazira Bazar Lane (North South Road), P. S.- Bangshal, Dist.- Dhaka
9	Bashundhara Branch	Dhaka	Dhaka	1070	Ward No.17, Plot No. 160, Block - F, Road No. 8, P. S.- Vatar, Bashundhara R/A, Dist.- Dhaka
10	Bhawal Mirzapur Branch	Dhaka	Gazipur	1239	"Mannan Plaza", Bhawal Mirzapur, Union - Mirzapur, P. O.- Mirzapur Bazar, Upazila - Gazipur Sadar Dist.- Gazipur
11	Bhuigar Branch	Dhaka	Narayanganj	1235	"Maa Fatema Tower", Village - Bhuigar, Union - Kutubpur, P. O. – Bhuigar Bazar, P. S. – Fatullah Dist. - Narayanganj
12	Board Bazar Branch	Dhaka	Gazipur	4067	"Jalal Shopping Complex", Holding No.1215/1, Kalmeshwar, Board Bazar Gazipur City Corporation P. S. - Gacha, Dist.- Gazipur
13	Chandra SME/Krishi Branch	Dhaka	Gazipur	1205	"Subarna Ibrahim General Hospital" Ward No. 8, Village – Bhataria (Chandra) Union Parisad – Atabahar, P. O.– Boroipara P. S.- Kaliakoir, Dist. – Gazipur
14	Cherag Ali Branch	Dhaka	Gazipur	1237	"Boksh Tower", Holding No. 16, Ward No. 54, Cherag Ali, Nishat Nagar, Tongi, Dist.- Gazipur
15	Dania Branch	Dhaka	Dhaka	1193	"Al-Madina Shopping Complex", Gobindapur Bazar, P. O.- Dania, Union Parishad – Dania P. S. - Jatrabari, Dist.- Dhaka
16	Darus Salam Road Branch	Dhaka	Dhaka	1232	Holding No. 17, Ward No. 12, Darus Salam Road, Rehabilitation Zone No.1, Mirpur-1, P. S. – Mirpur Model, Dist.- Dhaka
17	Dhamrai Branch	Dhaka	Dhaka	1178	"Haji Monir Plaza", Ward No. 3, P. S. & Pouroshova - Dhamrai, Dist. – Dhaka
18	Dhanmondi Branch	Dhaka	Dhaka	1006	"Royal Plaza", Holding No. 8/A, Plot No. 24(old), 8(new), Road No. 4, Dhanmondi, P. S.- Dhanmondi, Dist.- Dhaka
19	Dholaikhal Branch	Dhaka	Dhaka	1211	"Al-Noor Steel Market", Ward No. 38 25 Goalghat Lane, Dholaikhal New Road, Dhaka South City Corporation, P. S.- Wari, Dist. – Dhaka

SI No	Name of Branch/ Office	Name of Division	Name of District	Branch Code	Address of the Branch premises
20	Elephant Road Branch	Dhaka	Dhaka	1014	Holding No. 73/1, Elephant Road, P. S.- New Market, Dist. - Dhaka
21	Faridpur Branch	Dhaka	Faridpur	1023	"Razzaque Plaza", Holding No. 118, Thana Road, P. S.- Faridpur Sadar, Dist. – Faridpur
22	Federation Branch	Dhaka	Dhaka	1008	"FBCCI Building", Holding No. 60, Motijheel Commercial Area, P. S.- Motijheel, Dist.- Dhaka
23	Gabtolli Bagbari Branch	Dhaka	Dhaka	1207	Holding No- 259, Ward No. 9, Bagbari, Mirpur (Gabtoli), P. S. – Darus Salam, Dist. – Dhaka
24	Garibe Newaz Avenue Branch	Dhaka	Dhaka	1217	"Plaza-33" (1 st Floor), Holding No. 33, Garibe Newaz Avenue, Sector - 13, Uttara, Dist.- Dhaka
25	Gazipur Chowrasta Branch	Dhaka	Gazipur	1225	"Bagdad Tanzania Tower" Holding No. 01/1, Ward No.16, Block - B, Outpara, Gazipur Chowrasta, Gazipur Sadar, Dist.- Gazipur
26	Ghorasal Branch	Dhaka	Narsingdi	1109	Ward No. 7, Plot No. 394/2258, Ghorasal Bazar, P. S. – Palash, Pouroshova – Ghorasal, Dist. - Narsingdi
27	Goalanda Branch	Dhaka	Rajbari	1248	"Podder Market", Holding No. 320/1, Ward No. 04, Goalanda Bazar, P. S. & Upazila – Goalandaghat, Dist. – Rajbari
28	Gulshan Branch	Dhaka	Dhaka	1002	Holding No. 109, Ward No. 19, Gulshan Avenue, P. S.- Gulshan, Dist.- Dhaka
29	Gulshan-Tejgaon Link Road Branch	Dhaka	Dhaka	1203	"Impetus Center" Holding No.242/B, Ward No. 24, Gulshan-Tejgaon Link Road, Tejgaon, Dist.- Dhaka
30	Hasnabad Branch	Dhaka	Narsingdi	1218	Hasnabad Bazar, Raipura, Narsingdi Union Parishad - Amirganj P. S. - Raipura, Dist. – Narsingdi
31	Isapura Bazar Branch	Dhaka	Narayanganj	1230	Isapura Bazar, Mouza – Yousufganj Union – 1 No. Ruppaganj Union Parishad, P. O.– Pashi Bazar P. S.– Ruppaganj Dist. – Narayanganj
32	Islampur Branch	Dhaka	Dhaka	1005	"Paradise Bhaban" Holding No. 104, Ward No. 36, Islampur Road P. S.- Kotwali, Dist.- Dhaka
33	Kapashia Branch	Dhaka	Gazipur	1240	"Sarkar Plaza", Village: Pabur, Union: Kapasia, P. O.- Pabur, Upazila - Kapasia, Dist.- Gazipur
34	Karatia Branch	Dhaka	Tangail	1231	Holding No. 586, Ward No. 1, Karatia Bazar, 4 No. Karatia Union, P. O.- Karatia, P. S & Upazila - Tangail Sadar, Dist.- Tangail
35	Kawran Bazar Branch	Dhaka	Dhaka	1017	Holding No. 3, Kawran Bazar C/A, Dist.- Dhaka
36	Keranigonj Branch	Dhaka	Dhaka	1195	"Bikrampur Plaza", Shahid Delwar Hossain Road, P. O. & Union Parishad – Purba Aganagar, P. S. & Upazilla – Keraniganj Model, Dist. - Dhaka
37	Khilgaon Branch	Dhaka	Dhaka	1249	Holding No. 290/7/A, Ward No. 1, P. S.- Khilgaon, Dhaka South City Corporation, Khilgaon, Dist.- Dhaka
38	Kishoreganj Branch	Dhaka	Kishoreganj	1251	"M. M. Plaza" (First floor), Holding No. 98, Isha Khan Road, P. O.- Kishoreganj, P. S.- Kishoreganj Model, Dist.- Kishoreganj
39	Konabari Branch	Dhaka	Gazipur	1121	"Konabari Plaza", Konabari, P. O. – Nilnagar, Gazipur Sadar, Dist. – Gazipur
40	Konapara Branch	Dhaka	Dhaka	1208	Ward No. 6, Konapara, Union Parishad – Matuail, P. S. – Demra, Dist. – Dhaka
41	Lalmatia Branch	Dhaka	Dhaka	1025	House No. 405E, Road No. 27 (Old) 16 (New), Dhanmondi R/A, Dist.- Dhaka

SI No	Name of Branch/ Office	Name of Division	Name of District	Branch Code	Address of the Branch premises
42	Local Office	Dhaka	Dhaka	1238	"Islam Chamber" (Old) 125/A, Motijheel C/A, (New) 4, Bir Uttam Shahid Ashfaqus Samad Sarak, P. S.- Motijheel, Dist.- Dhaka
43	Madhabdi Branch	Dhaka	Narsingdi	1118	"Mitali Building", Holding No. 35, Madhabdi Bazar, Dist.- Narsingdi
44	Malibagh Branch	Dhaka	Dhaka	1019	Holding No. 1, Malibagh Chowdhurypara, DIT Road, P. S.- Rampura, Dist.- Dhaka
45	Manikgonj Branch	Dhaka	Manikganj	1206	"Rudranill Plaza", Holding No. 134, Shahid Rafique Sarak, Manikganj Pouroshava, P. S. – Manikganj Sadar, Dist. – Manikganj
46	Mawna Branch	Dhaka	Gazipur	1226	"Kitab Ali Plaza", Mawna Chowrasta, 4 No. Telihati Union Parishad, Village – Mulaid, P. O. – Tengra, P. S. & Upazila – Sreepur, Dist. – Gazipur
47	Meghola Branch	Dhaka	Dhaka	1213	"Afsar Plaza" Meghola Bazar, P. O.- Meghola, Union Parishad – Narisha, P. S. - Dohar, Dist.- Dhaka
48	Mirpur Branch	Dhaka	Dhaka	1013	"Azaz Tower", Holding No. 145, Ward No. 14 Begum Rokeya Sarani, Senpara Parbata P. S. – Mirpur Model, Dist.– Dhaka
49	Mohakhali Branch	Dhaka	Dhaka	1094	"Siddique Tower", Holding No. 49, Ward No. 20, A. K. Khandaker Sarak, P. S.- Gulshan, Dist.- Dhaka
50	Mohammadpur Branch	Dhaka	Dhaka	1201	"Ring Tower", Mohammadpur Housing Estate Block - F, Plot No.16/B, Probal Housing, Ring Road P. S. - Adabor, Dist.- Dhaka
51	Moulvi Bazar (Dhaka) Branch	Dhaka	Dhaka	1004	"Haji Jane Alam Market", Holding No. 6/1, Mokim Katra Road, P.S.- Lalbagh, Dist.- Dhaka
52	Muktarpur Branch	Dhaka	Munshiganj	1115	Muktarpur, Union - Panchasar, P. S. - Munshiganj Sadar, Dist. - Munshiganj
53	Narayanganj Branch	Dhaka	Narayanganj	1003	"Jahan Super Market", Holding No. 66/1, Bangabandhu Road, P. S.- Narayanganj Sadar Dist.- Narayanganj
54	Narsingdi Branch	Dhaka	Narsingdi	1110	"Nayantara Plaza", Holding No-137/1, C & B Road, P. S. & Upazila - Narsingdi Sadar, District- Narsingdi
55	Nawabgonj Branch	Dhaka	Dhaka	1175	"Nawabgonj Adhunik Banijjik Biponi", Union Parisad – Kolakopa, P. S. & Upazilla – Nawabgonj, Dist. – Dhaka
56	Nawabpur Road Branch	Dhaka	Dhaka	1029	"Barek Plaza", Holding No. 63, Ward No. 38 (Old-3), Nawabpur Road, P. S. – Sutrapur, Dist.- Dhaka
57	Naya Paltan Branch	Dhaka	Dhaka	1020	Holding No. 40/1-D, Inner Circular (VIP) Road P. S.- Paltan Model, Dist.- Dhaka
58	Netaiganj Branch	Dhaka	Narayanganj	1016	Holding No. 28, R. K. Das Road, P. S.- Narayanganj Sadar, Dist.- Narayanganj
59	North Brook Hall Road Branch	Dhaka	Dhaka	1028	"Shamsur Rahman Plaza", Holding No. 58-60, North Brook Hall Road, Banglabazar, P. S.- Sutrapur, Dist.- Dhaka
60	Pallabi Branch	Dhaka	Dhaka	1027	Kashem Chamber, Plot No.11, 3 Main Road, Section - 7, Pallabi, Mirpur, Dist.- Dhaka
61	Panchaboti Branch	Dhaka	Narayanganj	1173	"Gafur Super Complex", Panchaboti Moor, Village - Hariharpara, Union Parisad & P. O.- Enayetnagar, P. S.- Fatullah, Dist. – Narayanganj
62	Panchdona Branch	Dhaka	Narsingdi	1233	"Mozammel Haque Super Market", Panchdona Bazar, Union – Meherpara Union Parishad, P. S. – Narsingdi Sadar, Dist. – Narsingdi

SI No	Name of Branch/ Office	Name of Division	Name of District	Branch Code	Address of the Branch premises
63	Principal Branch	Dhaka	Dhaka	1001	"IFIC Tower", Holding No. 61, Purana Paltan, P. S.- Paltan Model, Dist.- Dhaka
64	Pragati Sarani Branch	Dhaka	Dhaka	1072	"AJ Height's Building", Holding No. Cha-72/1/D, Pragati Sarani, Uttar Badda, North City Corporation, P. S. – Badda, Dist.- Dhaka
65	Rupganj Branch	Dhaka	Narayanganj	1198	"Manik Villa" Village - Tarabo, P. O.- Tarabo Bazar, P. S.- Rupganj, Dist.- Narayanganj
66	Savar Bazar Branch	Dhaka	Dhaka	1171	Holding No. D-74, Ward No. 4, Savar Bazar, Savar, Dist.- Dhaka
67	Shafipur Branch	Dhaka	Gazipur	1244	"Jahanara Aziz Tower", Village - Shafipur, 4 No. Mouchak Union, P. O.- Shafipur, P. S. - Kaliakoir, Dist.- Gazipur
68	Shantinagar Branch	Dhaka	Dhaka	1007	"Ahmed Mansion", Holding No. 24, Shantinagar (Chamelibag), P. S. – Paltan Model, Dist.- Dhaka
69	Shariatpur Branch	Dhaka	Shariatpur	1092	Holding No. 469, Sadar Road, P. S.- Palong, Pouroshova - Shariatpur, Dist.- Shariatpur
70	Shibu Market Branch	Dhaka	Narayanganj	1224	'Hazi Nurun Nesa Plaza', Katherpool Chowrasta, Village - Kutubail, Union Parisad, P. O. & P. S. – Fatullah, Dist. - Narayanganj
71	Stock Exchange Branch	Dhaka	Dhaka	1090	Plot No.16, Motijheel Commercial Area, South City Corporation, P. S.- Motijheel, Dist.- Dhaka
72	Takerhat Branch	Dhaka	Madaripur	1126	Sufi Janab Ali Road (Lasker Market), Takerhat, Union Parishad & P. O.- Khalia, P. S.- Rajoir, Dist.- Madaripur
73	Tan Bazar Branch	Dhaka	Narayanganj	1091	"Amin Market", Holding No. 7, S. M. Maleh Road, Tanbazar, P. S. & Pourashova – Narayanganj Sadar, Dist.- Narayanganj
74	Tangail Branch	Dhaka	Tangail	1076	"Laso Plaza", Holding No. 59, 59/1, 59/2 & 59/3, Khalpar Road, P. S.- Tangail Sadar, Dist.- Tangail
75	Tongi SME/Krishi Branch	Dhaka	Gazipur	1174	Holding No. 29, Ward No. 57, Tongi Bazar Road, P. S.- Tongi, Dist. – Gazipur
76	Uttara Branch	Dhaka	Dhaka	1024	"ABC Heritage", 02 & 04, Jasimuddin Avenue, Sector – 03, Uttara, Dist.- Dhaka
77	Zirani Bazar Branch	Dhaka	Dhaka	1250	"Taheer Plaza" (First floor), College Road, Village - Tenguri, Union - Shimulia, P. O.- BKSP, P. S.- Ashulia, Dist.- Dhaka
78	Agrabad Branch	Chattogram	Chattogram	2030	"Suraiya Mansion", Holding No. 30, Agrabad C/A, Dist.- Chattogram
79	Akhaura Branch	Chattogram	Brahmanbaria	2250	"Shahjadi Complex" Holding No. 68, P. S. & Pouroshava - Akhaura, Dist.- Brahmanbaria
80	Alankar More Branch	Chattogram	Chattogram	2056	Aulankar More, Ward No.10, P. S.- Pahartoli, Chittagong City Corporation, Dist.- Chattogram
81	Anwara Branch	Chattogram	Chattogram	2236	"Amin Complex", Village – Chatari, Choumuhani Bazar, Union – 8 No. Chatari Union Parishad, P. O. – Bairag, P. S. – Anwara, Dist. – Chattogram
82	Ashugonj Branch	Chattogram	Brahmanbaria	2155	"Sheria Sayed Tower", Holding No. 336/1, Post office Road, Ashuganj Bazar, P. S. & Upazilla - Ashuganj, Dist. – Brahmanbaria
83	Bandartila Branch	Chattogram	Chattogram	2220	"Noor Shopping Complex", Holding No. 564/802, Ward No. 39, M. A. Aziz Road, South Haliashahar, P. S.- CEPZ, Dist. – Chattogram
84	Brahmanbaria Branch	Chattogram	Brahmanbaria	2034	Municipal Holding No. 475/476, Court Road, P. S.- Brahmanbaria Sadar, Dist. – Brahmanbaria
85	CDA Avenue Branch	Chattogram	Chattogram	2054	1005/2/1872 CDA Avenue, East Nasirabad, P. S. – Panchlaish, District – Chattogram

SI No	Name of Branch/ Office	Name of Division	Name of District	Branch Code	Address of the Branch premises
86	Chandina Branch	Chattogram	Cumilla	5157	"Aziz Plaza", Chandina Bazar, village – Nabiabad, P. O. & P. S. – Chandina, Pouroshova – Chandina, Dist. – Cumilla
87	Chandraganj Branch	Chattogram	Lakshmipur	2222	"Noor Shopping Complex", Village - Dehopara, Union Parishad - 10 No. Chandraganj, P. O.- Chandraganj, P. S. & Upazila- Lakshmipur Sadar, Dist.- Lakshmipur
88	Chawk Bazar Branch	Chattogram	Chattogram	2040	Shahzada Market, Holding No. 68, College Road, Chawk Bazar, Dist.- Chattogram
89	Choumuhani Branch	Chattogram	Noakhali	2050	"Poura Super Market ", Nurul Haque Sarak (D. B. Road), Choumuhani Pourashava, P. S.- Begumganj, Dist. – Noakhali
90	Comilla Branch	Chattogram	Cumilla	2035	Holding No- 190/193, Chatipatty, Rajgonj Crossing, P. S.- Cumilla Sadar, Dist.- Cumilla
91	Companiganj Branch	Chattogram	Cumilla	2148	"Brothers Plaza" Village - Uttar Trisha, Union - 15 No. West Nabipur, P. O.- Companiganj, P. S.- Murad Nagar, Dist.- Cumilla
92	Cox's Bazar Branch	Chattogram	Cox's Bazar	2044	"Ali Arcade", Municipal Holding No. 158, Main Road, P. S. – Cox's Bazar, Dist. – Cox's Bazar
93	Fatikchari Branch	Chattogram	Chattogram	2152	"T. K. Market", Bibirhat, Thana Gate, Fatikchari Pourashava, P. S.- Fatikchari, Dist.- Chattogram
94	Feni Branch	Chattogram	Feni	2041	"Sultan Orchid", Holding No. 99, Ward No. 17, Islampur Road, P. S.- Feni Model, Dist.- Feni
95	Gouripur Bazar Branch	Chattogram	Cumilla	2210	"Suruzzaman Tower", Gouripur Bazar, Union Parishad & P. O. – Gouripur, P. S. & Upazilla – Daudkandi, Dist.- Cumilla
96	Hathazari Branch	Chattogram	Chattogram	2137	"Sheikh Market", Holding No.- 5/1, Village -Moddah Burischar, P. O.- Nur Ali Bari, P. S. & Upazilla- Hathazari, Dist.-Chattogram
97	Kachua Branch	Chattogram	Chandpur	2246	"Mesbahuddin Khan Sadan", Ward No. 5, Hospital Road, Palashpur, P. S.- Kachua, Dist.- Chandpur
98	Khatunganj Branch	Chattogram	Chattogram	2031	249/250, Municipal Holding No. 253-1/242, Khatunganj Road, P. S. – Kotwali, Dist.- Chattogram
99	Laldighi Branch	Chattogram	Chattogram	2036	"Jamal Complex", Holding No. 8, Ward No. 32, Laldighirpar, (East) Andorkilla ward, Chattogram City Corporation, P. S.- Kotwali, Dist.- Chattogram
100	Madam Bibir Hat Branch	Chattogram	Chattogram	2153	Madam Bibir Hat, Bhatiary, P. S.– Sitakundu, District – Chattogram
101	Miah Bazar Branch	Chattogram	Cumilla	2214	"Wahab Market", Village – Jogomohonpur, Union – Ujirpur, P. O.- Miah Bazar, P. S.- Chowddagram, Dist.- Cumilla
102	Moynamoti Branch	Chattogram	Cumilla	2247	"Moynamoti Sena Kalyan Market", Cumilla Cantonment, 2 No. Uttar Durgapur Union, P. O. – Cantonment, P. S.- Cumilla Model Thana, Dist.- Cumilla
103	Noju Miah Hat Branch	Chattogram	Chattogram	2132	"Sheikh Market", Holding No. 5/1, Village – Moddah Burischar, Union – 15 No. Burischar, P. O.- Nur Ali Bari, P. S. & Upazilla - Hathazari, Dist.- Chattogram
104	Panchlaish Branch	Chattogram	Chattogram	2241	"Hill Crest", Holding No. 24/35, Ward No. 8, Hathazari Road, Katalgonj, P. S.- Panchlaish, Dist.- Chattogram
105	Rangamati Branch	Chattogram	Rangamati	2204	Kotowali Bazar, Fund Plot No. 122 (Mutated Plot No.122/2) Rangamati Pourashava, P. S.- Kotowali, Dist.- Rangamati Hill Tract
106	Shah Amanat Market Branch	Chattogram	Chattogram	2042	Holding No. 624/A, Shah Amanat Municipal Super Market, Jubilee Road, P. S.- Kotwali, Dist.- Chattogram

SI No	Name of Branch/ Office	Name of Division	Name of District	Branch Code	Address of the Branch premises
107	Sk. Mujib Road Branch	Chattogram	Chattogram	2045	"Ajmal Arcade", Holding No. 1806, Ward No. 24, Sk. Mujib Road, Uttar Agrabad, Dist.- Chattogram
108	Amberkhana Branch	Sylhet	Sylhet	3139	"Point View Shopping Center", Holding No. 0841-00, Sunamganj Road, Amberkhana, Dist.- Sylhet
109	Beani Bazar Branch	Sylhet	Sylhet	3138	"Zaman Square", Main Road, Beani Bazar, P. S. – Beani Bazar, Dist.- Sylhet
110	Goala Bazar Branch	Sylhet	Sylhet	3151	"Hajee Nasibullah Market", Village & P.O.- Goala Bazar, Union – Goala Bazar, P. S.- Osmaninagar, Upazilla – Balaganj, Dist. – Sylhet
111	Habiganj Branch	Sylhet	Habiganj	3216	"Sankar City", Holding No. 3430, R. K. Mission Road, P. O.– Habiganj, P. S.- Habiganj, Dist.- Habiganj
112	Juri Branch	Sylhet	Moulvi Bazar	3251	"Kiran Square", Kaminiganj Bazar, 5 No. Jayfarnagar Union Parishad, P. O. & P. S.- Juri, Dist. – Moulvi Bazar
113	Madhabpur Branch	Sylhet	Habiganj	3242	"City Center", Holding No. 113, Ward No. 7, Madhabpur Bazar, P. S.- Madhabpur, Dist.- Habiganj
114	Moulvi Bazar (Dist.) Branch	Sylhet	Moulvi Bazar	3046	"Shera Town Plaza", Municipality Holding No. 69/1, M. Saifur Rahman Road, Paschim Bazar, P. S.- Moulvi Bazar, Dist. - Moulvi Bazar
115	Sreemongal Branch	Sylhet	Moulvi Bazar	3047	Holding No. 0183 (New), 0177 (Old), Moulvi Bazar Road, P. S.- Sreemongal, Dist.- Moulvi Bazar
116	Subid Bazar Branch	Sylhet	Sylhet	3043	"Hannan Shopping Center", Holding No.0956-00, Subid Bazar, P. S.- Kotwali, Dist.- Sylhet
117	Sylhet Branch	Sylhet	Sylhet	3033	Municipal Holding No. 963, Laldighirpar, P. O. & P. S.- Sylhet Sadar, Dist.- Sylhet
118	Uposhohor Branch	Sylhet	Sylhet	3049	"Nosir Mansion", Ward No. 23, Mendibagh C/A, P. S.- Sylhet Sadar, Dist.- Sylhet
119	Bagerhat Branch	Khulna	Bagerhat	4212	Holding No. 56, Ward No. 5, Sadonar More, Kazi Nazrul Islam Road, P. S. - Bagerhat Sadar, Dist.- Bagerhat
120	Benapole Branch	khulna	Jashore	4166	"Bandar Complex" Holding No. 369, Ward No. 7, C & F Association Lane, P. S. – Benapole Port, Upazilla – Sharsha, Dist. – Jashore
121	Boro Bazar Branch	khulna	Khulna	4067	"Khalil Mansion", Holding No. 42, 43 & 44 Vairab Stand Road, Dist.- Khulna
122	Jessore Branch	khulna	Jashore	4061	Holding No. 17 (New 398), Netaji Subash Chandra (N. S. C.) Road, P. S.- Kotwali, Dist.- Jashore
123	Kaligonj Branch	khulna	Jhenaidah	4168	"Sheikh Super Market", Holding No.0369-00, Nimtala Boro Bazar, P. S. & Pouroshava – Kaligonj, Dist. – Jhenaidah
124	Khulna Branch	khulna	Khulna	4060	"Fatema Building", Holding No. 81, Lower Jashore Road, P. S.- Khulna Sadar, Khulna City Corporation, Dist.- Khulna
125	Kushtia Branch	khulna	Kushtia	4062	"Abdul Hamid Market", Holding No-1, Arua Para by Lane, N. S. Road, P. O. & P. S. - Kushtia Sadar, Dist.- Kushtia
126	Noapara Branch	khulna	Jashore	4163	Holding No. 647, Dhaka - Khulna Highway, Noapara Bazar, P. S. & Upazilla - Abhoynagar, Dist.- Jashore
127	Poradah Branch	khulna	Kushtia	4169	"Khan Super Market", Village - Khatada, P. O.- Poradah, P. S. & Upazilla – Mirpur, Dist.- Kushtia
128	Satkhira Branch	Khulna	Satkhira	4065	"Mojahar Ali Complex", Shahid Kazal Sarani, Kaligonj Sarak, Palashpole, P. O. & P. S.- Satkhira, Dist.- Satkhira
129	Sonadanga Branch	khulna	Khulna	4223	"Kohinoor Tower", Holding No. A-12, Ward No. 18, KDA Majid Sarani, P. S. – Sonadanga, Dist. – Khulna

SI No	Name of Branch/ Office	Name of Division	Name of District	Branch Code	Address of the Branch premises
130	Baneshwar Branch	Rajshahi	Rajshahi	6187	Baneshwar Islamia High School Market, Baneshwar Union Parishad P. S.- Puthia, Dist.- Rajshahi
131	Belkuchi Branch	Rajshahi	Sirajganj	6188	"Bhuiyan Plaza", Village – Shernagar, P. O.- Shernagar, P. S. & Pouroshova – Belkuchi, Dist. – Sirajganj
132	Bogra Branch	Rajshahi	Bogura	6082	"Madhu Metro Tower", Municipal Holding No. 56/64, Satmatha, Kazi Nazrul Islam Sarak, P. S. – Bogura Sadar, Dist.- Bogura
133	Chapai Nawabganj Branch	Rajshahi	Chapai Nawabganj	6086	Holding No. 21, Daudpur Madrasha Road, Puratan Bazar, Dist.- Chapai Nawabganj
134	Joypurhat Branch	Rajshahi	Joypurhat	6058	Joypurhat Sadar Road, P. S. & Pouroshova - Joypurhat Sadar, Dist. – Joypurhat
135	Kashinathpur SME/Krishi Branch	Rajshahi	Pabna	6189	"Hazi N. Zaman Shopping Complex", Horidebpur, Union Parishad- Jatshakini, P. O.- Kashinathpur, P. S.- Aminpur, Dist.- Pabna
136	Naogaon Branch	Rajshahi	Naogaon	6085	Holding No. 263, Main Road, P. S.– Naogaon Sadar, Dist.- Naogaon
137	Pabna Branch	Rajshahi	Pabna	6084	"Chamber Bhaban", Municipal Holding No.845/669, Benia Potty (Sona Potty), P. S.- Pabna Sadar, Dist. – Pabna
138	Rajshahi Branch	Rajshahi	Rajshahi	6080	Municipality Holding No.- 105 & 106, present Holding No. 96, Shaheb Bazar, Ghoramara, P. S.- Boalia, Dist.- Rajshahi
139	Taherpur Branch	Rajshahi	Rajshahi	6215	"Mridha Plaza", Holding No. 1653, 3, Main Road, Taherpur, P. S. - Bagmara, Dist. – Rajshahi
140	Biról Bazar Branch	Rangpur	Dinajpur	6209	Ward No. 7, Biról Bazar, Union Parishad, P. O., P. S. & Upazilla – Biról, Dist.- Dinajpur
141	Dinajpur Branch	Rangpur	Dinajpur	6083	Municipal Holding Nos. 534/506, Maldhapatty, P. S.– Dinajpur Sadar, Dist.- Dinajpur
142	Rangpur Branch	Rangpur	Rangpur	6081	"Sarker Super Market", Holding No. 41 & 42, Dewan Bari Road, Betpatty, P. S.- Rangpur Sadar, Dist.- Rangpur.
143	Shetabganj Branch	Rangpur	Dinajpur	6179	Holding No. 521, Ward No. 3, School Road, P. S. – Bochagonj, Pourashova - Shetabganj, Dist.- Dinajpur
144	Jamalpur Branch	Mymensingh	Jamalpur	1229	"Nahar Gold Plaza" Holding No. 1024, Medical Road, Pouroshova & P. S.- Jamalpur Sadar, Dist.- Jamalpur
145	Mymensingh Branch	Mymensingh	Mymensingh	1022	Holding No. 52, Choto Bazar, P. S.- Mymensingh Sadar, Dist.- Mymensingh
146	Seed Store Bazar Branch	Mymensingh	Mymensingh	1221	"Mahesa Plaza", Seed Store Bazar, P. O.- Habirbari, Union Parishad - 10 No. Habirbari Union, P. S.- Bhaluka, Dist. – Mymensingh
147	Sherpur Branch	Mymensingh	Sherpur	1227	"Ameen Plaza" Holding No. 18, Kharampur Road, P. S.– Sherpur Sadar, Dist. - Sherpur
148	Barisal Branch	Barishal	Barishal	5064	"Ali Archade", Hotel Ali International, 95, Municipal Holding No. 0071-000, Sadar Road, P. S.- Barishal Sadar, Dist.- Barishal
149	Bhola Branch	Barishal	Bhola	5202	"M. R. Plaza", Holding No. 0386-02, 0400-08, Sadar Road, P. S.- Bhola, Pouroshova – Bhola, Dist. – Bhola
150	Jhalakathi Branch	Barishal	Jhalakathi	5243	"Sayed Tower", Holding No. 57, Doctor Pattri Road, Jhalakathi Pouroshova, P. S.- Jhalakathi Sadar Dist.- Jhalakathi

Information updated upto June 2020

Uposhakha Network of IFIC Bank Limited

SI No	Name of Uposhakha	Reporting Branch	Name of Division	Name of District	Uposhakha Code	Address of the Uposhakha premises
1	Abdullahpur	Aganagar	Dhaka	Dhaka	8090	Abdullahpur Bus Stand, Union: Teghoria, Thana: South Keranigonj, Dhaka
2	Abdullahpur Bus Stand	Garibe Newaz	Dhaka	Dhaka	7515	Building Name: Prottasha, Holding No: 8/A, Road No: 7/D Dhaka-Mymensingh Highway, Ward No: 01, Sector-9, Dhaka North City Corporation, Thana- Uttara West, District- Dhaka
3	Abul Hasnat Road	Bangshal	Dhaka	Dhaka	7095	47/1 Abul Hasnat Road, Ward No: 28, Dhaka South City Corporation, Thana: Bangshal, District: Dhaka.
4	Amraid Bazar	Kapasia	Dhaka	Gazipur	8245	Kajol Plaza, Village/ Area: Amraid, Mouza: Kapasia, Union/Upazilla: Kapasia, District: Gazipur
5	Amulia Staff Quarter	Rupgonj	Dhaka	Dhaka	8045	Hazi M. A. Gafur Square Shopping Mall, Demra Rampura Road, Ward No # 69, DSCC, Demra, Dhaka
6	Asad Gate	Lalmatia	Dhaka	Dhaka	7245	Holding No-01, Road Name- Mirpur Road, Ward No-32, Dhaka South City Corporation, Dhaka
7	Azimpur	Elephant Road	Dhaka	Dhaka	7136	Salma Tower, House No.30, 30/1, Lolit Mohon Das Lane, BDR Gate- 01, Ward No-23, Dhaka South City Corporation, Azimpur, Dhaka
8	Badamtoli	Islampur	Dhaka	Dhaka	7031	Holding No. 3/5, Ishwar Chandra Ghosh Road, Ward-32, P.S. Kotwali, DSCC, Dhaka-1100
9	Baipail	Ashulia	Dhaka	Dhaka	8035	Building Name (If any): Bismillah Ajmery Plaza, Village/ Area: Baipail, Daag No: SA-191, Khatiyon No: SA-12974, Moujar Name: Baipail, Union: Dhamsona, Upazilla: Savar, Dist: Dhaka.
10	Bamuil	Konapara	Dhaka	Dhaka	7491	House Name: Basir Plaza, 1st floor, House No. 29, Road: Bamuil Bazar Road, Ward: 66, Demra, DSCC, Dhaka.
11	Banani Bazar	Banani	Dhaka	Dhaka	7395	Hotel Sweet Dream, Holding No: 60, Road Name: Kemal Ataturk Avenue, Ward No: 19, Dhaka North City Corporation, Thana: Banani, District: Dhaka
12	Bangla Bazar	Bhawal Mirzapur	Dhaka	Gazipur	8235	Mosharaf Tower, Holding No: 979, Road Name: Rajendrapur-Mirzapur Road, Ward No: 22, Gazipur City Corporation, Thana: Gazipur Sadar, District: Gazipur
13	Banti Bazar	Madahbdi	Dhaka	Narayanganj	7925	Aysha Samad Shoping Complex, Dag No-S.A-420, R.S- 566, Khatian- S.A-204, Hal- 61, Mouza- Keshrabo, Ward-04, Union- Dhuptara, Thana- Araihasar, Dist.-Narayanganj
14	Baroipara	Chandra SME/ Krishi	Dhaka	Dhaka	8061	Building Name: A. H. Tower (Ground floor), Holding No: 1721, Road Name: Baroipara Jalsuka Road, Ward No: 09, Upazilla: Ashulia, District: Dhaka
15	Bhanga Rastar More	Faridpur	Dhaka	Faridpur	7840	R.P Tower, Holding No-17/93, Hazratola Road, Ward No-2, Thana- Kotowali, Faridpur Pourosova, Faridpur
16	Bhatara	Bashundhara	Dhaka	Dhaka	7316	Building Name (If any): Hazi Abdur Rashid Super Market, Holding No: N/A, Road Name: Apollo Ring Road, Road No: N/A, Ward No: 40, City Corp.: DNCC, Thana: Bhatara, District: Dhaka.
17	Bijoynagar	Naya Paltan	Dhaka	Dhaka	7200	Building Name (If any): N/A, Holding No: 205/1, Road Name: Shaheed Syed Nazrul Islam Sarani, Road No: N/A, Ward No: 20, City Corp.: DNCC, P.S: Shahbagh, District: Dhaka.

SI No	Name of Uposhakha	Reporting Branch	Name of Division	Name of District	Uposhakha Code	Address of the Uposhakha premises
18	Borobagh	Mirpur	Dhaka	Dhaka	7112	Holding No: 15/5 & 15/7, 60 Feet Road, Ward No: 13, Dhaka North City Corporation, Thana: Mirpur, District: Dhaka
19	Chakrabarti Bazar	Chandra SME	Dhaka	Gazipur	8062	Building Name (If any): Dewan Complex, Holding No: 304, Road Name: BEXIMCO Road (Chakroborti), Road No: N/A, Ward No: 02, City Corp. / Pourashava: Gazipur City Corporation, Upazilla: Kashimpur Metro, District: Gazipur.
20	Chandra	Chandra SME/ Krishi	Dhaka	Gazipur	8060	MOMOTA SUPER MARKET, Holding No. 86/2, Block-H, Ward-7, Kaliakoir Pourshava, Chandra Palli Bidyut, Sattar Road, Thana: Kaliakoir, District: Gazipur
21	Delpara Bazar	Bhuigar	Dhaka	Narayanganj	8216	Modina Mension, Village: Delpara, Dag No: RS-3980, Khatian No: RS-906, Mouza: Delpara, Union: Kutubpur, District: Narayanganj
22	Dhaka Uddan	Mohammadpur	Dhaka	Dhaka	7435	Holding No: 54, Haji Dil Mohammad Avenue, Ward No-33, Dhaka North City Corporation, Thana- Mohammadpur, District- Dhaka
23	Dilu Road	Kawran Bazar	Dhaka	Dhaka	7155	29, Dilu Road, Moghbazar, Dhaka
24	Gausul Azam Avenue	Uttara	Dhaka	Dhaka	7220	Building Name: Ismail Mansion, Holding No:76, Road Name: Gausul Azam Avenue, Ward No: 51, Sector: Uttara13, City Corporation: DNCC, Dhaka
25	Genda	Savar Bazar	Dhaka	Dhaka	7955	Khan Villa, Holding No: 09, Tara Miah Road, Ward No-09, Pourashava- Savar, Thana- Savar, District: Dhaka
26	Gendaria	Nawabpur Road	Dhaka	Dhaka	7300	Rahmatullah Monjil, Holding No: 18/1/Ka, Narinda New Road, Ward No: 44, Dhaka South City Corporation, Thana: Gendaria, District: Dhaka
27	Ghior Bazar	Manikganj Branch	Dhaka	Manikganj	8070	Zilla Parishad Commercial Complex, Village: Ghior, R.S Khatina No. 05, Khatian No.: R.S.Plot No- 718, 719 & 723, Mouza Name: Ghior, Union: Ghior, Thana: Ghior, District: Manikganj
28	Hatirpool	Elephant Road	Dhaka	Dhaka	7135	Atlantic Wazuddin Tower, Holding NO-168, Kudrat e Huda Road, Ward no.18, PS- New Market, Dhaka South City Corporation, Dhaka
29	Hemayetpur	Gabtolli Bagbari	Dhaka	Dhaka	7475	Madani Super Market, Hemayetpur Bus Stand Road, Tetuljhora Union, Savar, Dhaka
30	Ittefaq Moor	Stock Exchange	Dhaka	Dhaka	7355	Motaleb Mansion, Holding No: 02, RK Mission road, Ward No: 39, Dhaka South City Corporation, Thana: Wari, Dhaka
31	Jhalkuri	Bhuighar	Dhaka	Narayanganj	8215	Moon Super Market, Road Name: Jhalkuri Dualpar Road, Ward No: 09, Narayanganj City Corporation, Thana: Siddhirganj, District: Narayanganj
32	Kachukhet	Mirpur	Dhaka	Dhaka	7111	S.M. Nazrul Islam Tower, Holding No: 199/3/A, Kachukhet Main Road, Thana: Dhaka Cantonment, District: Dhaka
33	Kalma	Savar Bazar	Dhaka	Dhaka	7956	Jahangir Super Market, Village: Kalma-2, Akupara, Union: Ashulia, District: Dhaka
34	Kamrangir Char	Islampur	Dhaka	Dhaka	7030	Shah Alam Super Market, Holding No: 131, Takerhat Main Road, Ward No: 55, Dhaka South City Corporation, Thana: Kamrangirchar, Dhaka.
35	Karimpur	Narsingdi	Dhaka	Narsingdi	7896	Mono & Sons; Tower Village/Area: Karimpur, Mouza: Karimpur Union: Karimpur, Thana: Narsingdi Sadar, District: Narsingdi

SI No	Name of Uposhakha	Reporting Branch	Name of Division	Name of District	Uposhakha Code	Address of the Uposhakha premises
36	Kashimpur	Konabari	Dhaka	Gazipur	7935	Ruhul Amin Plaza, Konabari-Kashimpur Road, Ward No: 06, Gazipur City Corporation, Thana: Kashimpur, District: Gazipur
37	Khejurbag	Keraniganj	Dhaka	Dhaka	8025	Nur Hosen Market, Village: Khejurbagh Satpakhi, Dag No: R.S. 302, Khatian No: R.S. 411, Mouza : Mirerbagh, Union : Shuvaddy, PS: Keraniganj, District : Dhaka
38	Kuril Chowrasta	Bashundhara	Dhaka	Dhaka	7315	House Name- Noor Manson, House No-Ka 57/3, Pragati Sarani Road, Ward no-17, PS- Vatara, Dhaka North City Corporation, Dhaka
39	Madartek	Khilgaon	Dhaka	Dhaka	7581	Bandhon Tower, Holding No: 97/A/1, Basabo Madartek Road, Ward No: 27, Dhaka South City Corporation, Thana: Sabujbag, District: Dhaka
40	Maddho Paikpara	Gabtol Bagbari	Dhaka	Dhaka	7476	Holding No. 81, Kalyanpur - Paikpara Main Road, Ward No. 11, Dhaka South City Corporation, Thana: Mirpur Model Thana, District: Dhaka
41	Madhya Pirerbag	Darus Salam Road	Dhaka	Dhaka	7530	267/1-A, Madhya Pirerbag, Mirpur-02 (60 feet road), Dhaka
42	Matuail	Dania	Dhaka	Dhaka	7417	Abdul Aziz Plaza, Holding No-78, Road No-01, Haji Badsha Mia Road, Ward No- 65, Dhaka South City Corporation, Thana-Demra, Dhaka
43	Mazar Road	Darus Salam Road	Dhaka	Dhaka	7531	1/A/1, 2nd colony, Mazar Road, Ward No # 10, Mirpur-1, Dhaka-1216
44	Midford Road	Islampur	Dhaka	Dhaka	7033	Building Name: Hazi Abdul Rasul & Sons, Holding No: 10, Biren Bose Street, Road No: N/A, Ward No: 30, Thana-Chawkbazar, Dhaka South City Corporation, District:Dhaka
45	Mirpur DOHS	Pallabi	Dhaka	Dhaka	7265	Building Name (if any): Mirpur DOHS Shopping Complex, Holding No: (shop no. 32), Road Name: Mirpur DOHS Link Road, Road No: 09, Ward No: 02, City Corp./ Pourashava: N/A (Dhaka Cantonment Board), Upazilla: Pallabi, District: Dhaka
46	Mirpur Sher-E-Bangla Stadium	Mirpur	Dhaka	Dhaka	7110	Building Name: N/A, Holding No: 39, Road Name: N/A, Road No: 07, Block- H, Ward No: 07, Dhaka North City Corporation, Upazila/ Thana: Mirpur, District: Dhaka
47	Moghbazar	Shantinagar	Dhaka	Dhaka	7066	Noor Vandari Benvinato, Holding No: 217, Outer Circular Road, Ward No: 35, Dhaka North City Corporation, Thana: Hatirjheel, District: Dhaka
48	Monipuripara	Lalmatia	Dhaka	Dhaka	7246	Afza Tower, Holding No: 27/F , Sangsad Bhaban Avenue, Ward No: 27, Dhaka South City Corporation, Thana: Tejgaon District: Dhaka
49	Monohordi	Narsingdi	Dhaka	Narsingdi	7895	Building Name:R.M. Plaza, Holding No: 96, Road No:N/A, Road No: Bypass Road, Ward No: 7, Pourosova- Monohordi, Thana : Monohordi, District: Narsingdi.
50	Mouchak	Shantinagar	Dhaka	Dhaka	7065	Mohsin Khan Tower, Holding No#98, Ward No# 19, DSCC, Siddheswari, Dhaka-1217
51	Nabiganj	Bandar	Dhaka	Narayanganj	8155	Building Name (if any): Mohiuddin Villa, Holding No: 2, Road Name: T. Hossain Road, Road No: N/A, Ward No: 24, Coty Corp.: Narayanganj City Corporation, Thana: Bandar, District: Narayanganj
52	Nayarhat Bazar	Dhamrai SME/ Krishi	Dhaka	Dhaka	8015	Farhad Market, Dag No- SA-114,116, Khatian No-RS-45,Village- Nayarhat, Mouza- Bagdhania, Union- Pathalia, Thana-Ashulia, Dhaka

SI No	Name of Uposhakha	Reporting Branch	Name of Division	Name of District	Uposhakha Code	Address of the Uposhakha premises
53	Pallabi Phase - II	Pallabi	Dhaka	Dhaka	7266	Holding No: 02, Eastern Housing Main Road, Ward No: 06, Dhaka North City Corporation, Thana: Rupnagar District: Dhaka
54	Paltan	Naya Paltan	Dhaka	Dhaka	7201	Building Name: Z S Bhaban, Holding No. 15/1 Bijoyanagar, Road Name: Box Culvert Road, Ward: 13, City Corporation: DSCC, Thana: Paltan, District: Dhaka
55	Panthapath	Kawran Bazar	Dhaka	Dhaka	7156	Ena ShakurEmarat, Holding No#19/1, 19/3, Panthapath Road, Tejgaon, Dhaka
56	Pathrail	Tangail	Dhaka	Tangail	7855	Alim Plaza (1 st floor), Holding No-158, ward No-02, Delduar Main Road, Dag No- BS-19, SA-14, Khatian- 939, Mouza- Pathrail, Union- Pathrail, PS- Delduar, Dist.-Tangail
57	Radhaganj	Hasnabad	Dhaka	Narsingdi	8085	Building Name (If any): Khaleque Market, Village- Sherpur, Daag No. C.S. & S.A. -1174 & 1569, R.S-11403 & 5756, Khatian No. 86 & 88, S.A. 187 & 192, R.S. 59&96, Mouza-Adiabab,Union- Adiabab, District: Narsingdi
58	Rayerbagh	Dania	Dhaka	Dhaka	7416	Nurjahan Tower, House -33, Plot-1728, Kadamtola, Meraj Nagar, Kadamtoli, Dhaka
59	Rony Market	Islampur	Dhaka	Dhaka	7032	Aysha Shopping Mall, Holding No: 1200, Rasulpur Main Road, Ward No: 56, Dhaka South City Corporation, Thana: Kamrangirchar District: Dhaka
60	Sanarpar	Konapara	Dhaka	Narayanganj	7492	Mim Tower, Holding No- 206, Road No- 03, Maddhya Sanarpar, Ward- 03, PS- Siddhirganj, PO- Sanarpar,Narayanganj City Corporation, Narayanganj
61	Sarulia	Konapara	Dhaka	Dhaka	7490	Building Name: Shamsul Huq Super Market, Holding No: 498, Road Name: Sarulia Bazar Road, Road No. 1145, Ward No: 68, City Corporation: DSCC, Thana: Demra, District: Dhaka
62	Sat Masjid Road	Mohammadpur	Dhaka	Dhaka	7436	Plot No-Gha, Block- E, Sat Masjid Road, Ward No-31, Dhaka North City Corporation, Union-Mohammadpur, District- Dhaka
63	Sataish	Board Bazar	Dhaka	Gazipur	8000	Bahar Plaza, Holding No: 52, Road Name: Sataish Road, Ward No: 51, Gazipur City corporation, Thana: Tongi Poschim, District: Gazipur
64	Satarkul	Pragati Sarani	Dhaka	Dhaka	7355	A.R. Villa, Holding No: 14, Satarkul Road, Ward No: 42, Dhaka North City Corporation, Thana: Badda, District: Dhaka
65	Shimultoli	Gazipur Chowrasta	Dhaka	Gazipur	8115	437/4 "Razu Complex", Shimultoli, Joydebpur, Gazipur Sadar, Gazipur
66	Shreenagar	Meghola Bazar	Dhaka	Munshiganj	8080	Building Name (If any): Mridha Super Market, Daag No. 892, Khatian No. 2511, Road Name: Bhagyakul Road, Mouza- Shreenagar, Ward: 04, Union: Shreenagar, District: Munshiganj
67	South Banasree	Banasree	Dhaka	Dhaka	7560	Johir Bhaban, Holding No.- K/18, Main Road (South Banasree) Ward No.- 26, Dhaka South City Corporation, Thana: Khilgaon, Dhaka
68	Taltola	Khilgaon	Dhaka	Dhaka	7580	Holding No: 730/12 (Block-C), Road Name: Shaheed Baki Road, Ward No: 01, Dhaka South City Corporation, Thana: Khilgaon, District: Dhaka

SI No	Name of Uposhakha	Reporting Branch	Name of Division	Name of District	Uposhakha Code	Address of the Uposhakha premises
69	Tushardhara	Dania	Dhaka	Dhaka	7415	Bishal Center, Tushardhara Zero Point, Tushardhara R/A, Matuail, Kadamtoli, Dhaka-1362
70	WAPDA Road	Malibagh	Dhaka	Dhaka	7180	Building Name (If any): Ara Complex, Holding No: 56, Road Name: Wapda Road, Road No: N/A, Ward No: 22, Dokkhin City Corporation, Upazilla: Hatirjheel (Old Thana- Rampura), District: Dhaka
71	Wari	Stock Exchange	Dhaka	Dhaka	7505	18/C Rankin Street, Wari, PS: Wari, Ward # 41, DSCC, Dhaka-1203
72	Zigatola	Dhanmondi	Dhaka	Dhaka	7045	Holding No#21/4/A, Zigatola Main road, Ward No # 14, DSCC, Dhanmondi, Dhaka-1000
73	Zirabo	Ashulia	Dhaka	Dhaka	8036	Building Name (If any): Razzak Commercial Complex, Village/ Area: Zirabo, Daag No: CS-72, SA-73 RS- 127,128 , Khatiyon No: SA 66,42 RS- 92,125 , Moujar Name: Zirabo, Union/ Upazilla: Yearpur Union, Thana: Ashulia District- Dhaka.
74	Academy Road	Feni	Chattogram	Feni	8520	Building Name (If any): Bondhon Rajprasad, Holding No: 51, Road Name: Academy Road, Road No: N/A, Ward No: 03, Pourashava.: Feni, Thana: Feni Sadar, District: Feni
75	Airport Road	Bandartila	Chattogram	Chattogram	8845	Haji Jafar Center, Holding No: 62, Bijoy Nagar Road, Road No: 02, Ward No: 41, Chattogram City Corporation, Thana: Patenga, District: Chattogram
76	Baghmara Bazar	Cumilla	Chattogram	Cumilla	8503	Global Tower, Village/Area: Baghmara Bazar, Ialmi, Mouza: Uttar Oshanthala, Union: 7 No. Baghmara , District: Cumilla
77	Burichang	Cumilla	Chattogram	Cumilla	8502	Burichang Tower, Vill/Area: Burichang, Mouza: Uttar Bijoypur, Union: Burichang, Upazilla: Burichang, District: Cumilla
78	Debidwar	Companiganj	Chattogram	Cumilla	8550	Shopnil Tower, Holding no. 253 , New Market Road, Word no.05, Devidwar Municipality, Devidwar, Cumilla
79	Hajiganj Bazar	Kachua	Chattogram	Chandpur	8611	Haji Mansion, Holding No: 389, Kapuria Patti Road, Ward No: 06, Pourashava: Hajiganj, Thana: Hajiganj, District: Chandpur
80	Halishahor	Alankar More	Chattogram	Chattogram	8835	House # 5/A, Lane-2, Rd No.-2, Block-G, Halishahor Housing Estate, Chattogram
81	Homna Bazar	Gouripur	Chattogram	Cumilla	8570	Shila Moni Shopping Mall, Holding No: 742, Road Name: Thana Road, Road No: N/A, Ward No: 04, Pourashava.: Homna, Thana: Homna, District: Cumilla
82	Kachua Bazar	Kachua	Chattogram	Chandpur	8610	Janata Super Market, Holding No: 317, Road Name: Kachua Bazar Main Road, Ward No: 08, Pourashava: Kachua, Upozila: Kachua, District: Chandpur
83	Kashinagar	Miah Bazar	Chattogram	Cumilla	8586	Building Name: Siddik Rahman Shopping Complex, Village: Ramchandrapur, Daag No.BS-485, Khatian No. BS-291, Mouza- Jatrapur, Union: 1, Kashinagar Union Parishad, District: Cumilla
84	Lal Khan Bazar	CDA Avenue	Chattogram	Chattogram	8820	Sani Tower, 24 M M Ali Road, Lal Khan Bazar, Chattogram.
85	Majdee	Choumuhani	Chattogram	Noakhali	8535	Noakhali Pouro Super Market, Majdee Main Road, Ward No. – 05, Majdee Pouroshova, Thana: Sudharam, Noakhali

SI No	Name of Uposhakha	Reporting Branch	Name of Division	Name of District	Uposhakha Code	Address of the Uposhakha premises
86	Nalghar	Miah Bazar	Chattogram	Cumilla	8587	Building Name: Abdul Barek Shopping Complex, Village: Purba Battagram, Khatian:RS-411, BS-128, Dag:BS-1578, RS- 970 Mouza- Nalghor, Union: Nalghor, Thana: Chouddagram District: Cumilla
87	Paaduar Bazar	Cumilla	Chattogram	Cumilla	8501	Kamal Mansion, Holding No- 0034, Paaduar Bazar, Laksam Road, Ward – 22, Cumilla City Corporation, Cumilla
88	Racecourse	Cumilla	Chattogram	Cumilla	8500	Rokeya Tower,Holding No-459/395, Shasongacha Road, Ward No-9, Thana- Adarshnagar, Cumilla City Corporation, Cumilla
89	Sorail Upzilla	Brahmanbaria	Chattogram	Brahmanbaria	0001	Sorail Tower, P.O -Sorail, P.S-Sorail Dist. - Brahmanbaria
90	Suagonj Bazar	Miah Bazar	Chattogram	Cumilla	8585	Building Name: Abdul Bari Shopping Complex, Village: Purba Battagram. Daag No. BS-369, Khatian No. BS-56, Mouza- Purba Battagram, Union: 5, Paschim Jorkanon, Thana- Sadar Dakkhin, District: Cumilla
91	Bhawaniganj	Taherpur	Rajshahi	Rajshahi	0940	Bhawaniganj New Market, Bhawaniganj, Baghmara, Rajshahi
92	Charghat	Baneswar	Rajshahi	Rajshahi	0910	Vill: Charghat Bazar, Mouza- Charghat, Union/ Upizilla: Charghat, District: Rajshahi
93	Panchbibi	Joypurhat	Rajshahi	Joypurhat	0850	Domdoma Super Market, Holding No: 27-30, Joypurhat-Hilli Road, Ward No: 5, Pourashava: Panchbibi, Thana: Panchbibi, District: Joypurhat
94	Sherpur Road Colony	Bogra	Rajshahi	Bogura	0870	Building Name-Yeasin Tower, Hoding No-1529, Road Name- Sherpur Road, Ward No-12, Pourashava- Bogura Sadar,Thana - Bogura Sadar, Dist-Bogura
95	Sherpur Upozilla	Bogura	Rajshahi	Bogura	0871	Mizan Tower, Holding No: 2376(1), Hatkhola Road, Ward No: 08 Pourashava: Sherpur, Thana: Sherpur, District: Bogura
96	Chunarughat	Habiganj	Sylhet	Habiganj	0327	Nironjon City Market, Holding No: 095/00, Road Name: Moddho Bazar Road, Ward No: 05, Pourashava: Chunarughat, Upazilla: Chunarughat, District: Habiganj
97	Court Station Road	Habiganj	Sylhet	Habiganj	0328	Alif Atraf Center, Holding No: 6463-6464, Court Station Road, Ward No: 09, Habiganj Pourashava, Upazilla: Habiganj Sadar, District: Habiganj
98	Kadamtoli	Sylhet	Sylhet	Sylhet	0250	Ekanto Neketon, Shornoshika – 156/157, Kadamtali, Sylhet Sadar, Sylhet
99	Olipur Highway	Habiganj	Sylhet	Habiganj	0326	Sardar Complex, Village-Olipur, Dag No-163, Khatian No- 133, Mouja- Olipur, Union- 11 No-Brahamandura, Shaestaganj, Hobiganj
100	Shahestaganj Bazar	Habiganj	Sylhet	Habiganj	0325	Holding No-0324-00, Daudnagar Bazar, Shahestaganj Pourashava, Habiganj Sadar, Habiganj

Note : The 100th Uposhakha i.e. Banani Bazar Uposhakha (reporting branch- Banani) was inaugurated on 23rd July 2020

Branch Network of Nepal Bangladesh Bank Limited, Nepal

Head Office : Kamaldi, Khathmandu

SWIFT : NPBBNPKA

Branches Inside Valley

SL No.	Name of Branch	Address	Telephone Number
1	Corporate Branch	District: Kathmandu Municipality: Kathmandu	Phone # 01-4233780/81/82/83/84/85
2	Newroad Branch	District: Kathmandu Municipality: Kathmandu	Phone # 01-4241368/4224477
3	Bhaisepati Branch	District: Lalitpur Municipality: Lalitpur	Phone # 01-5590028
4	Main Branch	District: Kathmandu Municipality: Kathmandu	Phone # 01-4780770/4781195
5	Kalimati Branch	District: Kathmandu Municipality: Kathmandu	Phone # 01-4277298
6	Kapan Branch	District: Kathmandu Municipality: Budanilkantha	Phone # 01-4823335
7	Lalitpur Branch	District: Lalitpur Municipality: Lalitpur	Phone # 01-5008721/5554011
8	Bhaktapur Branch	District: Bhaktapur Municipality: Suryabinayak	Phone # 01-6613170
9	Balaju Branch	District: Kathmandu Municipality: Kathmandu	Phone # 01-4383768/4384170
10	Jorpati Branch	District: Kathmandu Municipality: Gokarneshwor	Phone # 01-4910997/4910828
11	Sanepa	District: Lalitpur Metropolitian: Lalitpur	Phone # 01-5546010/11
12	Kirtipur Branch	District: Kathmandu Municipality: Kirtipur	Phone # 01-5195123/5195348
13	Imadole Branch	Distict: Lalitpur Municipality: Lalitpur	Phone # 01-5204202
14	Maharajgunj Branch	District: Kathmandu Municipality: Kathmandu Metro	Phone # 01-4376565
15	Chabahil Branch	District: Kathmandu Municipality: Kathmandu Metro	Phone # 01-4482692
16	Koteshwor Banch	District: Kathmandu, Bagmati Kathmandu Metropolitian City	Phone # 01-4600219
17	Maitidevi Branch	District: Kathmandu, Bagmati Kathmandu Metropolitian City	Phone # 01-4440335/ 01-4440336
18	Tokha Branch	District: Kathmandu Metropolitian: Tokha	Phone # 01-4355345/01-4381150
19	Chyamasing Branch	Distric: Bhaktapur Municipality : Bhaktapur	Phone # 01-6620425/01-6620426
20	Tilganga Branch	District: Kathmandu Metropolitan :Kathmandu	Phone # 9852062919
21	Khokhana Branch	District: Lalitpur Metropolita: Lalitpur	Phone # 9841519850

Branches Outside Valley

SL No.	Name of Branch	Address	Telephone Number
1	Battar Branch	District: Nuwakot Municipality: Bidur	Phone # 010-560256
2	Janakpur Branch	District: Dhanusha Municipality: JANAKPUR	Phone # 041-521548
3	Butwal Branch	District: Rupamdehi Municipality: Butwal	Phone # 071-544845
4	Hetauda Branch	District: Makwanpur Municipality: Hetauda	Phone # 057-523034
5	Birgunj Branch	District: Parsa Municipality: Birgunj	Phone # 051-523689
6	Nepalgunj Branch	District: Banke Municipality: Nepalgunj	Phone # 081-415135
7	Biratnagar Branch	District: Morang Municipality: Biratnagar	Phone # 021-530523
8	Barahbise Branch	District: Sindhupalchowk Municipality: Barahbise	Phone # 011-489022
9	Dhangadhi Branch	District: Kailali Sub Metropolitan: Dhangadhi	Phone # 091-521785
10	Pokhara Branch	District: Kaski Municipality: Pokhara	Phone # 061-533134
11	Dharan Branch	District: Sunsari Municipality: Dharan	Phone # 025-530166
12	Dhunche Branch	District: Rasuwa Municipality: Dhunche	Phone # 010-540015
13	Narayangadh Branch	District: Chitwan Municipality: Bharatpur	Phone # 056-570962
14	Bhojpur Branch	District: Bhojpur Municipality: Bhojpur	Phone # 029-420713
15	Birtamod Branch	District: Jhapa Municipality: Birtamod	Phone # 023-545724
16	Bhairahawa Branch	District: Rupandehi Municipality: Siddharthnagar	Phone # 071-521659
17	Salayan Branch	District: Salyan Municipality: Sarada	Phone # 088-400182
18	Surkhet Branch	District: Surkhet Municipality: Birendranagar	Phone # 083-520220/521481
19	Darchula Branch	District: Darchula Municipality: Mahakali	Phone # 093-420242
20	Sankranti Branch	District: Terahatum Municipality: Aatharai Rural	Phone # 026-680966/ 680967
21	Dang Branch	District: Dang Deokhuri Municipality: Ghorahi	Phone # 082-563796
22	Biratchowk Branch	District: Morang Municipality: Sundar Haraicha	Phone # 021-545789
23	Karsia Branch	District: Morang Municipality: Dhanpalthan	Phone # 021-565038
24	Galchhi Branch	District: Dhading Municipality: Galchhi	Phone # 010-403127
25	Jhalari Branch	District: Kanchanpur Municipality: Suklaphata	Phone # 099-540067 099-540067

SL No.	Name of Branch	Address	Telephone Number
26	Musikot Branch	District: Rukum Municipality: Musikot	Phone # 088-530364
27	Phidim Branch	District: Panchthar Municipality: Phidim	Phone # 024-521081
28	Khaireni Branch	District: Chitawan Municipality: Khairehani	Phone # 056-583097
29	Chainpur Branch	District: Bajhang Municipality: Jaya Prithvi	Phone # 091-4211431
30	Kushma Bazar Branch	District: Parbat Municipality: Kushma	Phone # 067-421327
31	Khajura Branch	District: Banke Municipality: Bageswori	Phone # 081-560428/ 560429
32	Lekhnath Branch	District: Kaski Municipality: Pokhara lekhnath Municipality: Pokhara lekhnath	Phone # 061-411445
33	Baglung Branch	District: Baglung Municipality: Baglung	Phone # 068-520310/ 522872
34	Daldale Branch	District: Nawalpur Municipality: Devchuli	Phone # 078-575570
35	Itahari Branch	District: Sunsari Municipality: itahari	Phone # 025-582411
36	Sindhuwa Branch	District: Dhankuta Municipality: Chhathar Jorpati Rural	Phone # 026-404169
37	Sinza Branch	District: Jumla Municipality: Sinja Rural	Phone # 9758004548
38	Sangurigadi Branch	District: Dhankuta Municipality: Sangurigadhi Rural	Phone # 026-400078
39	Chhathae Branch	District: Terhathum Municipality: Chhather Rural	Phone # 9851142173
40	Panchkhapan Branch	District: Sankhuwashava Municipality: Panchkhapan	Phone # 029-411084
41	Chhatargunj Branch	District: Argakhanchi, Lumbini Municipality: Chhatradev	Phone # 077-690436
42	Bhumlu Branch	District: Kavre, Bagmati Municipality: Bhumlu	Phone# 9741473634
43	Salpasilicho Branch	District: Bhojpur Municipality: Salpasilicho	Phone # 9842306473
44	Bardibas Branch	District: Mahottari Municipality: Bardibas	Phone # 044-550154
45	Brahmapuri Branch	District: Sarlahi Municipality: Brahmapur	Phone # 985-1067147
46	Koudena Branch	District: Sarlahi, Janakpur Municipality: Koudena	Phone # 9854035716
47	Chandranigahapur Branch	District: Routahat, Narayani Municipality: Chandrapur	Phone # 055-540670/72
48	Simara Branch	District: Bara Sub Metropolitan: Jitput Simara	Phone # 053-520627/053-520628
49	Parwanipur Branch	District: Bara, Narayani Municipality: Parwanipur	Phone # 9855069020
50	Hapure Branch	District: Dang, Rapti Municipality: Babai	Phone # 051-410069/051-410069

SL No.	Name of Branch	Address	Telephone Number
51	Makwanpurgadhi Branch	District: Makwanpur, Narayani Municipality: Makwanpurgadhi	Phone # 082-403056/082-403057
52	Chandrauta Branch	District: Kapilbastu, Lumbini Municipality: Shivaraj	Phone # 076-540526
53	Bishnu Branch	District: Sarlahi Municipality: Bishnu	Phone # 9844037325
54	Dhanauji Branch	District: Dhanusha, Janakpur Municipality: Dhanauji	Phone # 9813094594
55	Arnama Branch	District: Siraha, Sagarmatha Municipality : Amama Rural	Phone # 9842130460/9852020660
56	Rajarani Branch	District: Dhankuta, Koshi Municipality: Chaubise Rural	Phone # 026-411062
57	Fikkal Branch	District: Ilam, Mechi Municipality: Suryodaya	Phone # 027-540595
58	Chandranagar Branch	District: Siraha Municipality: Chandranagar	Phone # 9854020034
59	Dewahi Gonahi Branch	District: Rautahat, Sagarmatha Municipality: Dehawi Gonahi rural	Phone # 9845428941
60	Damouli Branch	District: Tanahun, Gandaki Municipality: Byas	Phone # 9851183371/065-560881
61	Sandhikharka Branch	District: Argakhanchi Municipality: Sandhikharka	Phone # 077-420965
62	Chandev Branch	District: Kanchanpur Municipality: Laljhadi	Phone # 9848751003
63	Fedap Branch	District: Terahthum Municipality: Fedap	Phone # 026-681031/026-681032
64	Bulingtar Branch	District: Nawalpur, Lumbini Municipality: Bulingtar	Phone # 9851170643
65	Kalimati (Rampur) Branch	District: Salyan Municipality: Kalimati	Phone # 9849180380
66	Timure Branch	District: Rasuwa Municipality: Gosaikunda Rural	Phone # 010-543022
67	Mahendranagar Branch	District: Kanchanpur Municipality: Bhimdutta	Phone # 099-522112/099-522168
68	Tikapur Branch	District: Kailali Municipality: Tikapur	Phone # 091-560752/ 091-560362
69	Kohalpur Branch	District: Banke Municipality: Kohalpur	Phone # 081-540256 /081-540258
70	Damak Branch	District: Jhapa Municipality : Damak	Phone # 023-580163/023-580164
71	Mirchaiya Branch	District: Siraha Municipality: Mirchaiya	Phone # 9854035716
72	Malangwa Branch	District: Sarlahi Municipality: Malangwa	Phone # 046-521705/06
73	Tatopani Branch	District: Sindhupalchowk Municipality: Bhotekoshi Rural	Phone # 9841670354
74	Tulsipur Branch	District: Dang Sub-Metropolitan City: Tulsipur	Phone # 9857847787

Branch Network of Oman Exchange LLC, Oman

Post Box No. 994 Hay Al Mina
Postal Code No.114, Muscat (opposite to Muscat Pharmacy) Sultanate of Oman
Phone # (968) 24832197, 24830893 Fax # (968) 24835036, 24835141, e-mail: custsupport@oiexc.com

SL No.	Name of Branch	Address	Telephone Number
1	Hamriya Main Branch	Post Box No.994, Hay Al Mina, Postal Code No.114, Ruwi Souk Street Hamriya, (beside Muscat Pharmacy) Muscat, Sultanate of Oman	Phone # (968) 24833591 Fax # (968) 24833593
2	Sohar Branch	Post Box No.862, Postal Code No.311 Sohar, Old Hospital Road, Sultanate of Oman	Phone # (968) 26846339 Fax # (968) 26841519
3	Nizwa Branch	Post Box No. 718, Postal Code No. 611 Nizwa Souk, Nizwa, Sultanate of Oman	Phone # (968) 25413084 Fax # (968) 25411741
4	Suwaiq Branch	Post Box No.497, Postal Code No. 315 Suwaiq, Suwaiq Sohar Highway , beside Bank Muscat, Sultanate of Oman	Phone # (968) 26861893 Fax # (968) 26860793
5	Ghubra Branch	Post Box No.897, Postal Code No.133 Ghubra Roundabout (inside) Ghubra, Sultanate of Oman	Phone # (968) 24490360 Fax # (968) 24490987
6	Mabelah Branch	Post Box No.994, Postal Code No.114 Near Oman Oil Petrol Station Muscat – Sohar Highway,North Mabelah, Sultanate of Oman	Phone # (968) 24450613 Fax # (968) 24450612
7	Barka Branch	Post Box No.696, Postal Code No.320 Barka – Muscat Highway Barka, Sultanate of Oman	Phone # (968) 2688 5142 Fax No-(968) 2688 5143
8	Falaj Branch	Post Box No.70, Postal Code No.327 Sohar Industrial Estate, Sultanate of Oman	Phone # (968) 2675 3036 Fax # (968) 2675 1420
9	Saham Branch	Post Box No.878 , Postal Code No.319 Saham, Beside Omantel Office Sultanate of Oman	Phone # (968) 268 55442 Fax # (968) 268 55446
10	Ruwi Branch	Post Box No. 1585, Postal Code No. 114, Ruwi High Street- Centre Hay -Al-Mina, Sultanate of Oman	Phone # (968) 24794792 Fax # (968) 24796792
11	Shinas Branch	Post Box No.402, Postal Code No.324 Shinas roundabout, Sultanate of Oman	Phone # (968) 26748315 Fax # (968) 26748316
12	Rustaq Branch	Post Box No: 167, Postal Code No.: 329 Burgh Al Radda, Rustaq, Sultanate of Oman	Phone # (968) 26 87 79 12 Fax # (968) 26 87 79 13

Branch and Agent of IFIC Money Transfer (UK) Limited, UK

Head Office : 18 Brick Lane, London E1 6RF, UK
Phone # 00442072479670, Fax # 00442072479670, Email: monwar@ificuk.co.uk

Branch	Agent	Address
IFIC Money Transfer (UK) Limited 18 Brick Lane,London E1 6RF, UK Phone: 00447951786188 (Cell), 00442070609142 (Land Line) Fax: 00442072479670 Email: monwar@ificuk.com	1. Rashid Travles And Tours Ltd	117 Whitechapel Road London, E1 1DT, UNITED KINGDOM
	2. Shammi Ltd	174 Plashet Road, Upton Park, London E13 0QT, UNITED KINGDOM
	3. Shukriya Travels Ltd	189 Whitechapel Road, Unit B1, London, Greater London, E1 1DN, UNITED KINGDOM
	4. Sunna (UK) Ltd	282 Bethnal Green Road London, E2 0AG, UNITED KINGDOM
	5. TNM Enterprise & Co Ltd	97 Turnpike Lane Hornsey, London, Greater London, N8 0DY, UNITED KINGDOM
	6. ZamZam Exchange International Ltd	388 Green Street London, E13 9AP, UNITED KINGDOM


GLOBAL NETWORK OF CORRESPONDENT BANKS




 AFGHANISTAN Bank Alfalah Limited	Weifang Rural Commercial Bank Co. Ltd. Wells Fargo Bank N.A. Woori Bank (China) Limited Yinzhou Bank Zhejiang Tailong Commercial Bank Co. Ltd. Zhejiang Zhuji Rural Commercial Bank Co. Ltd. Zhejiang Hecheng Rural Commercial Bank Co. Ltd.	Banking Corp. ICICI Bank Limited Intesa Sanpaolo SPA JPMorgan Chase Bank NA KEB Hana Bank Mashreqbank PSC Mizuho Bank Ltd. National Bank of Pakistan PBL Finance (Hong Kong) Limited Skandinaviska Enskilda Banken AB (Publ) Societe Generale Standard Chartered Bank (Hong Kong) Ltd Sumitomo Mitsui Banking Corporation Svenska Handelsbanken AB Unicredit Bank AG Wells Fargo Bank N.A. DBS Bank Hong Kong	ICCREA Banca-Istituto Centrale del Credito Intesa Sanpaolo SPA Unicredit SPA Unipol Banca SPA (BPER Banca SpA) Banco BPP SPA
 AUSTRALIA Citibank NA Commonwealth Bank of Australia Sydney JPMorgan Chase Bank NA KEB Hana Bank Mizuho Bank Limited	 CZECH REPUBLIC Ceska Sporitelna A.S. Commerzbank AG	 JAPAN MUFG Bank Limited Bank of New York Mellon, The Citibank NA Commerzbank AG Gifu Shinkin Bank Hongkong and Shanghai Banking Corp. Ltd. JP Morgan Chase Bank NA KEB Hana Bank Mizuho Bank Ltd. National Bank of Pakistan Okazaki Shinkin Bank, The Standard Chartered Bank State Bank of India Sumitomo Mitsui Banking Corporation Unicredit Bank AG Wells Fargo Bank N.A.	
 AUSTRIA Erste Bank Der Oesterreichischen Sparkas Erste Group Bank AG	 DENMARK Danske Bank A/S Nordea Bank Denmark A/S Spar Nord Bank Syd Bank A/S		
 BAHRAIN Bank Alfalah Limited Bank Al Habib Limited KEB Hana Bank	 EGYPT Bank Audi SAE Masreqbank	 HUNGARY Budapest Bank RT CIB Bank Limited Raiffeisen Bank ZRT	
 BELGIUM Bank J. Van Breda and Co. NV Belfius Bank SA/NV Commerzbank AG, The KBC Bank NV	 ESTONIA Luminor Bank AS, Estonia (Fommer Nordea Bank AB Esrinia Branch)	 INDIA AB Bank Limited Axis Bank Limited MUFJ Bank Limited Citibank N.A. ICICI Bank Limited IndusInd Bank Limited JPMorgan Chase Bank, N.A. Masreqbank SVC Co-operative Bank Limited Sonali Bank Ltd. Standard Chartered Bank State Bank of India Syndicate Bank Tamilnad Mercantile Bank Limited Union Bank of India United Bank of India	
 BHUTAN Bank of Bhutan Druk PNB Bank Limited	 FINLAND Danske Bank PLC Nordea Bank Finland PLC		
 BRAZIL Banco Keb Hana Do Brasil S.A. HSBC Bank Brasil-Banco Multiplo	 FRANCE Banque Revillon BNP Paribas SA Commerzbank AG HSBC France KEB Hana Bank Monte Paschi Banque SA		
 Bulgaria Citibank Europe Plc, Bulgaria Branch	 GERMANY BHF Bank Aktiengesellschaft Commerzbank AG Danske Bank A/S Deutsche Bank AG (Frankfurt) Deutsche Bank AG (Hamburg) Hamburg Commercial Bank AG JPMorgan AG Joh. Berenberg, Gossler Und. Co. KG KEB Hana Bank Deutschland AS Landesbank Baden-Wuerttemberg Sparkasse Hannover Sparkasse Krefeld Sparkasse Nuernberg DSK HYP AG Unicredit Bank AG (Hypobayerische) Volksbank IM Bergischen Land EG Volksbank Reutlingen EG	 INDONESIA MUFG Bank Limited, Jakarta Branch Bank Mandiri (Persero) PT Citibank NA PT Bank HSBC Indonesia PT Bank JATIM PT Bank Syariah Mandiri Standard Chartered Bank JP Morgan Chase Bank NA	
 CANADA Habib Canadian Bank HSBC Bank Canada KEB Hana Bank Canada Royal Bank of Canada	 CHINA, PEOPLE'S REPUBLIC Bank of Guiyang Bank of Hebei Bank of Huzhou Co. Limited Bank of China Bank of New York Mellon, The Bank of Ruifeng (formally Zhejiang) Bank of Taizhou Co. Ltd. China Everbright Bank Citibank (China) Co. Ltd. Commerzbank AG Foshan Commercial Bank Co. Ltd. HSBC Bank (China) Co. Ltd. Jiangsu Jiangnan Rural Commercial Bank Co. Ltd. JPMorgan Chase Bank (China) Company Ltd. Jiangsu Jiangyin Rural Commercial Bank Laishang Bank Co. Ltd. Ningbo Yuyao Rural Commercial Bank Co. Ltd. Ping an Bank Co. Ltd. Skandinaviska Enskilda Banken AB (publ) Standard Chartered Bank (China) Limited	 IRELAND Citibank Europe PLC Danske Bank A/S Wells Fargo Bank International Unlimited Company	
	 HONG KONG AB International Finance Limited Axis Bank Limited Citibank N.A. Commerzbank AG EBL Finance (HK) Limited MUFJ Bank Limited HBZ Finance Limited Hongkong and Shanghai	 ITALY Banca Monte Dei Paschi Di Siena SpA BPER Banca SPA Banca Popolare Di Sondrio Banca Popolare Valconca Banca UBAE SPA Banca Cambiano 1884 spa Banca BPM spa MUFG Bank Limited Commerzbank AG Credito Valtellinese	 KOREA, REPUBLIC Daegu Bank Ltd Hongkong & Shanghai Banking Corp. Ltd. Industrial Bank of Korea Kookmin Bank KEB Hana Bank Kwangju Bank Limited National Bank of Pakistan Busan Bank Shinhan Bank Standard Chartered Bank Wells Fargo Bank N.A. Woori Bank JPMorgan Chase Bank NA
		 KSA BankMuscat SAOG Islamic Development Bank Saudi British Bank JP Morgan Chase Bank NA	
		 KUWAIT BankMuscat SAOG Citibank N.A. National Bank of Kuwait	
		 LUXEMBOURG Danske Bank International A/S	
		 MALAYSIA Citibank Berhad HSBC Bank Malaysia Berhad Malayan Banking Berhad (Maybank) Standard Chartered Bank	
		 MALDIVES Bank of the Maldives PLC	
		 NEPAL Himalayan Bank Limited Nepal Bangladesh Bank Ltd.	
		 NETHERLANDS Commerzbank AG Deutsche Bank AG KEB Hana Bank	

 **NEW ZEALAND**
Bank of New Zealand (Pacific Eagle)
Pacific Eagle Capital


 **NIGERIA**
Guaranty Trust Bank Plc

 **NORWAY**
Danske Bank A/S
DNB Bank ASA
Nordea Bank Norge ASA
Sparebank 1 SR-Bank ASA

 **OMAN**
Bank Dhofar (S.A.O.G)
Bank Muscat SAOG

 **PAKISTAN**
Bank Al Habib Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
National Bank of Pakistan
MCB Bank Limited
Summit Bank Limited

 **PANAMA**
KEB Hana Bank

 **PHILIPPINES**
Asian Development Bank
Hongkong and Shanghai Banking Corp. Ltd.
KEB Hana Bank

 **POLAND**
Bank Handlowy W Warszawie SA
Bank Polska Kasa Opieki SA
Danske Bank A/S
Deutsche Bank Polska SA
MBANK S.A. (Formerly BRE Bank)

 **QATAR**
Doha Bank
Masreqbank


 **RUSSIAN FEDERATION**
Necklace Bank Limited

 **SINGAPORE**
Axis Bank Limited
Citibank N.A.
Commerzbank AG
Deutsche Bank AG
DBS Bank Limited
Emirates NBD Bank PJSC
Habib Bank Limited
Hongkong and Shanghai Banking Corp.
ICICI bank Limited
Indian Bank Singapore
JPMorgan Chase Bank NA
KEB Hana Bank
Mizuho Bank Ltd.
Nordea Bank Finland PLC
Skandinaviska Enskilda Banken AB (Publ)
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
Unicredit Bank AG (Hypobayerische)
United Overseas Bank Ltd.
Wells Fargo Bank, NA
Bank of America

 **SLOVENIA**
Dezelna Banka Slovenije D.D.
Nova Kreditna Banka Maribor D.D.
Unicredit Banka Slovenija D.D.


 **SOUTH AFRICA**
Citibank South Africa
NED Bank Limited

 **SPAIN**
Banco De Sabadell S.A.
MUFG Bank Limited
Bankia S.A.
CAIXABANK S.A.
Commerzbank AG
Laboral Kutxa
Abanca Cprporacion Bancaria SA
Uni Caja Banco SA

 **SRI LANKA**
ICICI Bank Limited
Nations Trust Bank Ltd.
Seylan Bank PLC
Standard Chartered Bank

 **SWEDEN**
Danske Bank
DNB Bank ASA
Nordea Bank AB (PUBL)
Skandinaviska Enskilda Banken AB
Svenska Handelsbanken


 **SWITZERLAND**
Banque Cantonale De Geneve
Habib Bank AG Zurich
UBL (Switzerland) AG
Valiant Bank
Zurcher Kantonal Bank

 **TAIWAN**
Bank of New York Mellon, The
Chang Hwa Commercial Bank Ltd.
Citibank Taiwan Limited
E.SUN Commercial Bank Limited
HSBC Bank (Taiwan) Limited
JPMorgan Chase Bank NA
MEGA International Commercial Bank Co. Ltd.
Standard Chartered Bank
Standard Chartered Bank (Taiwan) Ltd.
Sumitomo Mitsui Banking Corporation
Taishin International Bank
Wells Fargo Bank N.A.

 **THAILAND**
Bangkok Bank Public Company Ltd.
Bank of Ayudhya Public Company Limited
MUFG Bank Limited
Citibank N.A.
Export-Import Bank of Thailand
Hongkong & Shanghai Banking Corp. Ltd.
Bank for Agriculture and Agricultural Cooperative
Krung Thai Bank Public Company Ltd.
Mizuho Bank Ltd.
Standard Chartered Bank
Sumitomo Mitsui Banking

Corporation
JP Morgan Bank NA


 **TURKEY**
AK Bank T.A.S.
Albaraka Turk Katilim Bankasi AS
Alternatifbank AS
Fibabanka AS
QNB FinansBank A.S.
HSBC Bank A.S.
Turkiye Garanti Bankasi AS

 **U.A.E.**
Abu Dhabi Commercial Bank
PJSC
Axis Bank Limited
Citibank N.A.
Emirates NBD Bank PJSC
Habib Bank AG Zurich
Habib Bank Limited
Mashreqbank PSC
Noor Islamic Bank PJSC
Standard Chartered Bank
United Bank Limited
The National Bank RAS AL Khaimah


 **U.S.A**
Bank of America, N.A.
Bank of New York Mellon, The
MUFG Bank Limited
Cathay Bank
Citibank NA
City National Bank
Deutsche Bank Trust Company Americas
First Citizens Bank
Habib American Bank
Habib Bank Limited
HSBC Bank USA
ICICI Bank Limited
JPMorgan Chase Bank NA
Masreqbank PSC
Mizuho Bank Ltd.
Regions Bank
Citizens Bank NA
Standard Chartered Bank
Sterling National Bank
Sumitomo Mitsui Banking Corporation
UMB Bank N.A.
US Bank
Wells Fargo Advisors, LLC
Woori Bank
Woori America Bank
MUFG Union Bank NA

 **UKRAINE**
PJSC Bank Credit Dnepr

 **UNITED KINGDOM**
Bank of America N.A.
Citibank NA
Commerzbank AG
Danske Bank
Habib Bank AG Zurich
Habib-UK Plc
HSBC Bank Plc
Intesa Sanpaolo SPA
JPMorgan Chase Bank NA
KEB Hana Bank
Masreqbank PSC
Northern Bank
Sonali Bank (UK) Ltd.
Standard Chartered Bank
Wells Fargo Bank N.A.

 **UZBEKISTAN**
Central Bank of the Republic
Uzbeki
National Bank for Foreign
Economic

 **VIETNAM**
Asia Commercial Bank
HSBC Bank (Vietnam) Limited
Joint Stock Commercial Bank for
Inv. & Development
JPMorgan Chase Bank, N.A.
KEB Hana Bank
Woori Bank

 **BANGLADESH**
AB Bank Limited
Agrani Bank Limited
Al-Arafah Islami Bank Limited
Bank Asia Limited
BRAC Bank Limited
Bangladesh Commerce Bank Limited
Bangladesh Krishi Bank
Bangladesh Development Bank Limited
Bank Alfalah Limited
Basic Bank Limited
Citibank N.A.
City Bank Limited
Commercial Bank of Ceylon Plc
Dhaka Bank Limited
Dutch-Bangla Bank Limited
Eastern Bank Limited
Export Import Bank Limited
Farmers Bank Limited, The
First Security Islami Bank Limited
Habib Bank Limited
Hong Kong and Shanghai Banking Corp. Ltd.
ICB Islamic Bank Limited
Islami Bank Bangladesh Limited
Jamuna Bank Limited
Janata Bank Limited
Meghna Bank Limited
Mercantile Bank Limited
Midland Bank Limited
Modhumoti Bank Limited
Mutual Trust Bank Limited
National Bank Limited
National Bank of Pakistan
National Credit and Commerce Bank Limited
NRB Bank Limited
NRB Commercial Bank Limited
NRB Global Bank Limited
One Bank Limited
Premier Bank Limited
Prime Bank Limited
Pubali Bank Limited
Rupali Bank Limited
Shahjalal Islami Bank Limited
Social Islami Bank Limited
Sonali Bank Limited
Southeast Bank Limited
South Bangla Agriculture & Commerce Bank Ltd.
Standard Bank Limited
Standard Chartered Bank
Trust Bank Limited
Union Bank Limited
United Commercial Bank Limited
Uttara Bank Limited
Woori Bank
Shimantoo Bank Limited

A photograph of a modern office interior, featuring desks, chairs, and computer monitors, viewed through a circular frame. A large green semi-circle overlaps the top right of the frame. In the center of the frame, a white rectangular sign with a black border contains the text.

**Notice of the
43rd AGM**



International
Finance Investment and
Commerce Bank Limited

Head Office : IFIC Tower, 61 Purana Paltan, GPO Box: 2229, Dhaka-1000, Bangladesh
Tel: 9563020, I-Phone PABX: 09666716250, Fax: 880-2-9554102, Swift: IFIC BD DH
E-mail: info@ificbankbd.com www.ificbank.com.bd

Notice of the 43rd Annual General Meeting

Notice is hereby given to the Members of International Finance Investment and Commerce Bank Limited (IFIC Bank Limited) that the 43rd Annual General Meeting (AGM) of the Company will be held on **Thursday, 27 August 2020 at 4.00 p.m. (Dhaka Time) through Digital Platform as per BSEC's Order** to transact the following agenda:

Agenda

- 1) To receive, consider and adopt the Audited Financial Statements of the Bank for the year ended on 31 December 2019 together with the Reports of the Auditors and Directors thereon.
- 2) To declare dividend for the year ended on 31 December 2019 as recommended by the Board of Directors.
- 3) To elect/re-elect Director(s) of the Bank.
- 4) To appoint/re-appoint the External Auditors of the Bank for the year 2020 and to fix their remuneration.
- 5) To appoint/re-appoint the Compliance Auditor for the year 2020 as per Corporate Governance Code of the BSEC and to fix their remuneration.
- 6) To transact any other business/issue with the permission of the Chair.

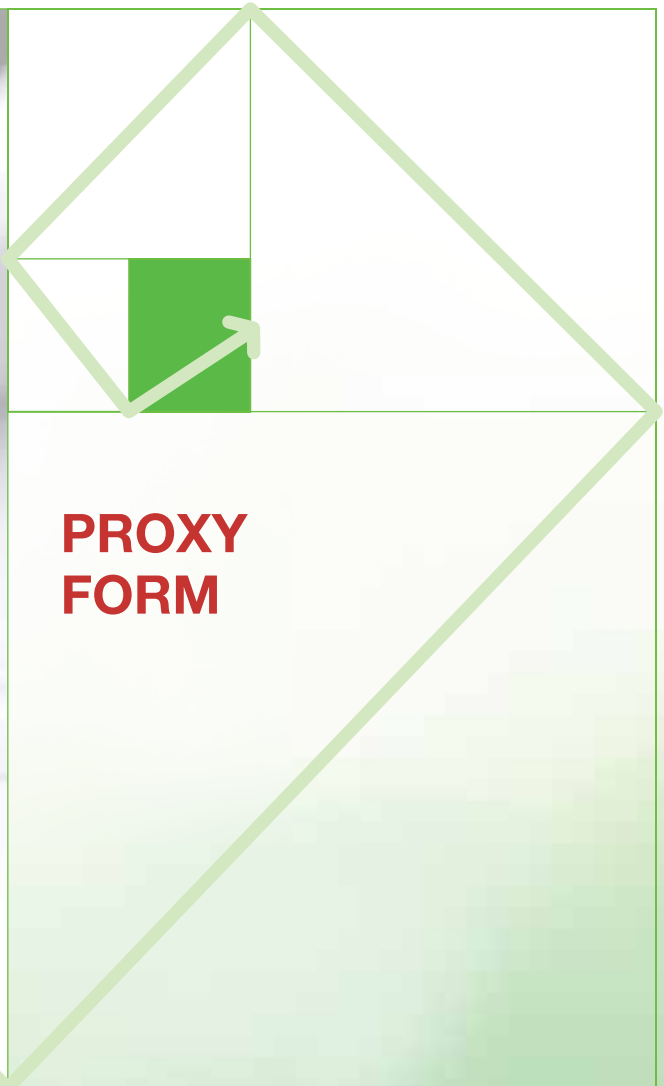
By order of the Board of Directors

Dated: Dhaka
10 August 2020


(Md. Mokammel Hoque)
Company Secretary

Notes :

- 1) The **'Record Date'** was fixed on **19 July 2020 (Sunday)**.
- 2) The Members whose names appeared on the Share Register of the Bank and/or in the Depository (CDBL) Register on the **'Record Date'** i.e. **19 July 2020** shall be eligible to attend the Annual General Meeting and will be entitled to the Dividend.
- 3) A Member eligible to attend and vote at the AGM may appoint a Proxy to attend and vote on his/her behalf. Proxy Form duly filled in, signed and stamped for BDT 20.00 by the Member and Power of Attorney/Letter of Authorization from a Company/Corporation must be submitted to the Registered Office of the Company not later than 72 (seventy-two) hours before the time fixed for holding of the Annual General Meeting.
- 4) The Board of Directors has recommended Stock Dividend @ 10% for the year ended on 31 December 2019 for approval of the Shareholders in the 43rd Annual General Meeting of the Bank.
- 5) The retiring Directors shall be eligible for election/re-election as per provision laid down in the Articles of Association of the Bank.
- 6) Pursuant to the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/208/ Admin/81 dated 20 June 2018 (Published in Bangladesh Gazette on 08 August 2018), Annual Report 2019 will be sent in soft form to the respective email addresses of the Members available in their Beneficiary Owners (BO) accounts maintained with the Depository. The soft copy of the Annual Report 2019 will also be available on the Investor Relations page of the website of the Bank at **www.ificbank.com.bd**
- 7) Notice of the 43rd AGM and other relevant information of the meeting will be communicated to the Members in due course through the email addresses available in their Beneficiary Owners (BO) accounts maintained with the Depository.



**PROXY
FORM**



International
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Proxy Form

Affix Revenue
Stamp of
BDT 20.00

I/We

Folio/BO ID No.

Address :

being a Member of International Finance Investment and Commerce Bank Limited, do hereby appoint

Mr./Ms

of

Cell/Land Phone #

Email

as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the 43rd Annual General Meeting of the Company scheduled to be held on **Thursday, 27 August 2020 at 4.00 p.m (Dhaka Time) through Digital Platform** and at any adjournment thereof.

In witness whereof I/We set my/our hand(s) on this the day of2020.

Signature of the Proxy

Signature of the Shareholder(s)

No. of shares held Cell/Land Phone #

Email

Note : The Proxy Form duly stamped and completed in all respect must be deposited to the Share Department of the Company at least 72 (seventy-two) hours before the time fixed for holding of the Meeting for attestation. Signature of the Member(s) must tally with the signature recorded with the Company **(In case of folio, signature recorded with the Share Department and for BO holders, signature received from the CDBL).**



**International Finance Investment
and Commerce Bank Limited**

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Scan the QR code for accessing the
digital version of our Annual Report 2019