



DIRECTORS' REPORT

Directors' Report

Respected Shareholders,

As-salamu Alaikum,

Welcome to the 47th Annual General Meeting (AGM) of the Bank. The Board of Directors of IFIC Bank PLC is delighted to deliver the Annual Report and the Audited Financial Accounts for the year ended 31 December 2023 to you. The Annual Report has been prepared in accordance with Section 184 of the Companies Act of 1994, the Bank Company Act of 1991 (Amended up to date), and the Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), including the most recent notification, Bangladesh Bank, and other relevant rules and regulations of regulatory authorities. This report includes a summary of the global and Bangladeshi economies, the bank's performance, general strength, growth trend, and other issues. The Board of Directors believes that the Report will provide all stakeholders with fascinating insights into the bank's performance throughout the fiscal year under review.

1. Global Economy

The global economy has been impacted by the COVID-19 pandemic and Ukraine war, leading to price hikes and output falls. International organizations have revised forecasts for economic growth and inflation. The UN reports a 3% growth in 2022, while the World Bank predicts 1.7 and 2.7 percent growth in 2023 and 2024, respectively, compared to the estimated 2.9 percent in 2022.

The report predicts a slowdown in global growth in 2023, with advanced economies expected to decline from 2.5 percent in 2022 to 0.5% in 2023 and 1.6% in 2024. In contrast, emerging and developing economies are expected to see growth of 3.4% in 2023 and 4.1% in 2024. This slowdown is the third lowest pace in the last three decades, with the other two being in 2009 and 2020 recessions. Investment growth in emerging markets and developing economies is expected to remain below its average rate of the last two decades. Smaller countries are more susceptible to such shocks.

The International Monetary Fund (IMF) has revised its World Economic Outlook projections for April 2023, predicting a 2.8% growth in the global economy in 2023 and 3.0% growth in 2024. This is 0.1 percentage points lower than the January 2023 WEO update. The

forecast also predicts a 3.3% decline in global growth beyond 2023. Advanced economies are expected to grow by 1.3% in 2023. The war in Ukraine and high prices are causing slowdowns in growth. The IMF has lowered growth projections for most countries, with the US, UK, Germany, France, Japan, and Canada expected to grow by 1.6% and 1.5% respectively.

The WEO forecasts emerging markets and developing economies to grow by 3.9% in 2023, 0.1 percentage points lower than the January 2023 update. India is expected to grow by 5.9%, while China's growth is expected to remain at 5.2%. Emerging and developing Asia is expected to grow by 5.3%, while the Russian economy is forecast to grow by 0.7%. Ukraine is expected to shrink by 3% due to the Russian invasion and sanctions. Emerging and developing Asia has the highest growth prospect, while the European Union has the lowest growth prospect. Global macroeconomic prospects remain uncertain due to war-induced crises, recession expectations, and the COVID-19 pandemic's fallout. Future developments will depend on these factors. Table 1.1 depicts the global growth scenario at a glance:

2. Bangladesh Economy

Bangladesh economy has been growing consistently high over a decade crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19. However, the COVID19 pandemic reduced the growth rate to 3.45 percent in FY 2019-20. Under the prudent leadership of the Honorable Prime Minister Sheikh Hasina, Bangladesh successfully managed COVID-19 pandemic and returned to high growth trajectory. The economy grew by 6.94 percent in FY 2020-21 and 7.10 percent in FY 2021-22. To remain a bit conservative considering the global sluggish economic condition GDP growth rate is expected to be 6.03 percent in FY 2022-23, 1.07 percentage point lower than the previous fiscal year. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2023-24, 7.8 percent in FY 2024-25 and 8.0 percent in FY 2025-26.

According to the final estimate, the volume of GDP at current market prices reached Tk. 39,71,716.4 crore in FY 2021-22, which was Tk. 35,30,184.8 crore in FY 2020-21. In nominal term GDP growth rate was 12.51 percent. GDP is provisionally estimated by BBS Tk. 44,39,273 crore in FY 2022-23, Tk.

Table 1.1: Overview of World Output Growth Projections

(Percent Changes)

Region/country	Actual	Projection Outlook, April, 2023		Difference from Outlook Update, January, 2023	
	2022	2023	2024	2023	2024
World Output	3.4	2.8	3.0	-0.1	-0.1
Advanced Economies	2.7	1.3	1.4	0.1	0.0
USA	2.1	1.6	1.1	0.2	0.1
Euro Area	3.5	0.8	1.4	0.1	-0.2
UK	4.0	-0.3	1.1	0.3	0.1
Germany	1.8	-0.1	1.4	-0.2	-0.3
France	2.6	0.7	1.3	0.0	-0.3
Japan	1.1	1.3	1.0	-0.5	0.1
Canada	3.4	1.5	1.5	0.0	0.0
Emerging Market and Developing Economies	4.0	3.9	4.2	-0.1	0.0
Emerging and Developing Asia	4.4	5.3	5.1	0.0	-0.1
China	3.0	5.2	4.5	0.0	0.0
India	6.8	5.9	6.3	-0.2	-0.5
ASEAN-5	5.5	4.5	4.6	0.2	-0.1

Source: World Economic Outlook, April 2023, IMF.

Note: ASEAN-5: Indonesia, Malaysia, Philippines, Thailand and Vietnams. The base year for national income accounting is changed to 2015-16 from 2005-06 by BBS in 2021. This should be kept in mind while comparing data with any previous point of time.

4,67,557 crore higher than previous fiscal year. Per capita GDP is estimated to be US\$ 2,657 in FY 2022-23 which is lower than previous fiscal year resulted from Taka depreciation. Medium-term GDP forecasts are Tk. 50,06,782 crore in FY 2023-24, Tk. 56,29,691 crore in FY 2024-25, and Tk. 63,41,391 crore in FY 2025-26. As per the final estimate, per capita GDP in FY 2021-22 was US\$ 2,687, US\$ 225 up from the previous fiscal year. Per capita gross national income increased to US\$ 2,793 in FY 2021-22, US\$ 202 up from FY 2020-21. The per capita gross national income is provisionally estimated to US\$ 2,765 in FY 2022-23, US\$ 28 lower than previous fiscal year. The amount remains lower than the previous year due to Taka depreciation.

Sectoral Growth

According to the final estimate of BBS, the growth of the agriculture sector increased to 3.05 percent in the FY 2021-22, from 3.17 percent in the FY 2020-21. During the same period, the industry sector grew by 9.86 percent, which was 10.29 percent in the previous fiscal year. The service sector grew by 6.26 percent in FY 2021-22, 0.53 percentage point up from the previous fiscal year. According to the provisional estimate of BBS, the growth rate of agriculture sector stood 2.61 percent in FY 2022-23, 0.44 percentage point lower than the previous FY. Within the agriculture sector, the growth rate of forest and related services is estimated to be the highest growth rate of 5.16 percent in FY 2022-23. The contribution of the broad agricultural sector to the GDP stood at 11.20 percent in FY 2022-23, 0.41 percentage point lower than the previous fiscal year.

The industrial sector is estimated to have 8.18 percent growth in FY 2022-23, 1.68 percentage point lower than the previous fiscal year. The contribution of industries to GDP became 37.56 percent, 0.64 percentage point higher than the previous fiscal year. The services sector is estimated to have 5.84 percent growth in FY 2022-23, 0.42 percentage point lower than the FY 2021-22. Warehouse and support activities is estimated to experience the highest growth rate of 9.08 percent followed by Human health and social work (8.36%). Wholesale and retail trade; transportation and storage; accommodation and food services activities; financial and insurance activities; professional, scientific, and technical activities; education and other service sectors would grow significantly over FY 2021-22. The contribution of

the broad service sector to the GDP stood at 51.24 percent in FY 2022-23, 0.24 percentage point lower than the previous fiscal year.

3. Banking Industry in 2023

Bangladesh currently has 61 scheduled banks, including 6 state-owned commercial banks, 3 specialized banks, 43 private commercial banks, and 9 foreign commercial banks. Additionally, 5 non-scheduled banks operate. As of February 2023, there were 11,157 branches, with urban branches at 5,744 (51.48%) and rural branches at 5,413 (48.52%). As of December 2022, 68.71 percent and 23.35 percent of the banking system's assets were included in PCBs and SOCBs, respectively.

In 2023, the industry faced challenges due to lack of good governance, shortage of FCY liquidity, loan irregularities, and a depreciating local currency. Relaxation of loan classification rules and a culture of impunity led to fraudulent activities, resulting in a rise in non-performing loans. The central bank's dollar sale impacted reserve reserves, low deposit growth, and weak loan recovery. Shariah-based banks experienced liquidity shortages due to declining depositor confidence. The central bank intervened in the foreign exchange market, selling foreign currency for USD 5.69 billion, to reduce the demand-supply gap.

Bangladesh Bank (BB) has implemented contractionary monetary policy to reduce inflation, but private sector credit growth has slowed due to tighter liquidity conditions, reduced trade finance demand, and economic and political uncertainty. Public sector credit growth has surged due to the government's increased borrowing from the banking sector and a shift away from National Savings Certificates. Liquidity in the banking system remains under pressure due to dollar sales and low deposit growth. BB has implemented policy measures such as increasing policy rates, removing lending rate caps, and ceasing devolvement for lending to the government. However, the pileup of bad loans may choke the economy's credit supply channel and impact the private sector's resilience.

The banking sector's solvency, primarily through the Capital to Risk Weighted Assets Ratio (CRAR), is above the regulatory minimum of 10%. However, the CRAR slightly decreased to 11.08% in September 2023. The sector maintains the required levels of Cash Reserve Ratio, Statutory Liquidity

Ratio, and other liquidity ratios. The Bangladesh Bank has initiated the "Cashless Bangladesh" program to achieve 75% cashless transactions by 2027, integrating the unbanked and marginalized population into the banking system.

3.1 Highlights of Monetary Policy of Bangladesh Bank

- BB is transitioning from a monetary targeting to an interest rate targeting framework, with a target policy interest rate of 6.50 percent. This aligns with a ± 200 basis points symmetric corridor of 8.50 percent and 4.50 percent standing lending facility and deposit facility rates. To maintain stability, BB has adjusted the policy rate by 50 basis points, aiming to raise borrowing costs and limit CPI inflation impact. This move aligns with the tight monetary policy stance.
- BB plans to introduce a market-driven reference lending rate for all types of bank loans, replacing the previous lending rate cap. The reference lending rate, known as the 'SMART', will be announced monthly through the BB website, with a margin applied for banks and NBFIs. However, lending activities for CMSMEs and consumer loans may be subject to an additional fee of up to 1.00 percent to cover supervision costs.
- BB plans to adopt a unified, market-driven single exchange rate regime, allowing market forces to determine BDT and USD exchange rates, promoting market stability, and eliminating specific rates for buying or selling foreign exchanges.
- BB will adhere to the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6) for calculating and reporting gross international reserves.

4. IFIC in the Banking Sector of Bangladesh

IFIC Bank PLC 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 aboard. In 1983 when the Government allowed banks in the private sector, IFIC was converted into a full-fledged commercial bank. At present, the government of Bangladesh owns

32.75% of the Bank's share capital, while the remaining share capital is owned by the bank's sponsors/directors, local and foreign institutions, and general public shareholders.

A total of 187 branches and 1209 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. The wellbeing and economic development of the people and the community are important to IFIC since it is one of the top banks in the nation's banking industry.

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.

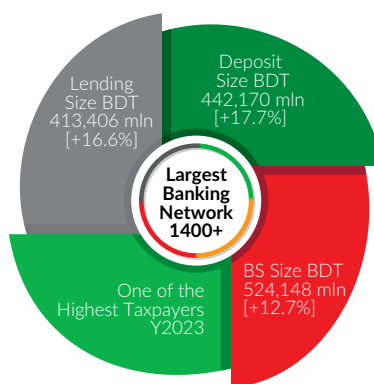
4.2 Cluster Management

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. Financial Performance of IFIC Bank PLC

5.1 Financial Review

Global economy has continued facing several adverse factors on post COVID situation and ongoing Ukraine Russia war resulting surge in global economic prices, upward trend inflation, volatile exchange rate and many more economic & socio-economic hazards. Global geopolitical tensions and trade uncertainties continue to shake commodity markets, exacerbated by growing rivalries among vital global powers. This international turmoil impacts Bangladesh's economy through disrupted supply chains and altered trade dynamics. In 2023, economy of Bangladesh has witnessed multiple challenges both from the domestic and global fronts such as delicate banking sector, exchange rate volatility, lower foreign trade, diminishing Forex Reserve and high inflation. Regardless of the ongoing challenges, the Bank able to achieve decent growth in terms of its balance sheet expansion during the year 2023.



5.2 Financial Position

As a part of the long-term strategy, IFIC is continuing its expansion by setting up

countrywide Branch and Uposhakha to establish a sustainable business model. Now, IFIC has become the largest bank in terms of banking network and as of 31 December 2023, total networks of the Bank reached at 1,360 number of networks [1,401 network as at 19 May 2024] vis-à-vis 1,212 number of networks as of Year 2022 with a net addition of 18 Branches and 130 number of uposhakhas [sub-branch] and Balance sheet size of the Bank reached to BDT 524,148 million at the end of year 2023 opposed to BDT 465,273 million of year 2022 resulting (+12.7%) growth.

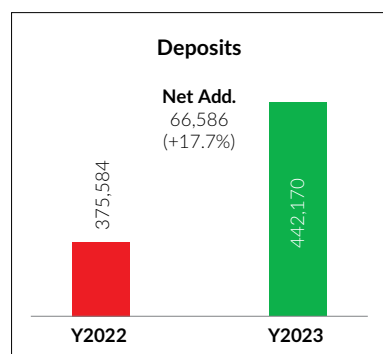
Loans and advances reached at BDT 413,406 million (+16.6%) as of year 2023 vis-à-vis BDT 354,454 million of year 2022. The growth in the loan book was an outcome of Bank's efforts and combined participation in corporate, mortgage-backed financing, CMSME and Agricultural lending products with focusing more on diversifications of the portfolio mix to address the concentration risk. In the year 2023, Retail loans grew by 9.6% to BDT 98,582 million, corporate loans increased by BDT 44,849 million (+19.5%), housing finance (IFIC Aamar Bari Loan) increased by BDT 8,748 million (+10.6%) compared to year 2022 and SME & Agri business has reported 16% growth together and reached at BDT 39,580 as of Year 2023.

During the year total deposit of the Bank reached at BDT 442,170 million at the end of year 2023 as opposed to BDT 375,584 million of year 2022. Total deposit of the bank grew by 17.7% from the last year with net addition of BDT 66,586 million through leveraging the country wide network of the Bank.

BDT in million

Particulars	Y2023	Y2022	Growth	Growth (%)
Cash & Bank balance	38,024	41,218	(3,194)	-7.7%
Investment	53,744	52,749	995	1.9%
Loan & Advances	413,406	354,454	58,952	16.6%
Fixed Assets	10,307	9,267	1,041	11.2%
Non-Banking and other Assets	8,667	7,584	1,082	14.3%
Total Assets	524,148	465,273	58,876	12.7%
Borrowing from other banks & FIs	8,524	20,621	(12,098)	-58.7%
Subordinated debt	10,000	10,700	(700)	-6.5%
Deposits	442,170	375,584	66,586	17.7%
Other liabilities	31,361	28,277	3,085	10.9%
Shareholder's equity	32,094	30,091	2,003	6.7%
Total liabilities and shareholder's equity	524,148	465,273	58,876	12.7%

IFIC continued its efforts in capturing and encompassing a large portion of the country's population through its diversified deposit products. In 2023, IFIC's flagship products 'Aamar account' continuing its growth and reached at BDT 109,954 million on the other hand growth on Fixed Deposit has increased by 27.5% and reached at BDT 192,640 million and 'IFIC Shohoj account' reached at BDT 6,167 million compared to BDT 3,420 million of year 2022.



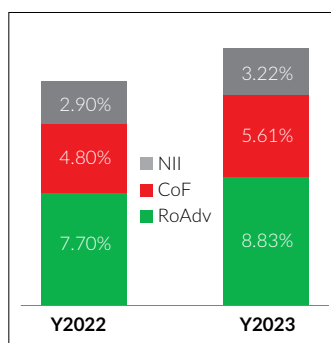
5.3 Asset Quality

Due to volatility of the exchange rate and acute inflationary pressures and decreasing recovery of non-performing loans, NPL ratio of the banking industry as on 31 December 2023 increased and stood at 9%. However, IFIC able to manage its NPL ratio at 7.99% at the end of year 2023 which is still below the industry average of 9%. Though the Non- Performing loan of the Bank has increased, opposed to prior year, Bank maintained well coverage against its non-performing loan by way of maintaining general provision, specific provision and interest suspense. At the end of Y2023, total provision on loans and advances & interest suspense of BDT 24,749 million vis-à-vis BDT 21,203 million of Year 2022 to mitigate future credit risk.

5.4 Financial-Performance

A summary of the financial performance on standalone basis of the bank for the year 2023 is provided below:

- During the year 2023, weighted average Return on Advances (RoAdv) of the Bank increased to 8.83% vis-à-vis 7.70% of year 2022 and average Cost of Fund (CoF) of the Bank increased to 5.61% at the end of year 2023 from 4.80% of year 2022 i.e. Interest Spread of the Bank increased to 3.22% at the end of year 2023 from 2.90% of year 2022.



- Total interest income of the Bank, increased to BDT 32,956 million (+26.70%) vis-à-vis BDT 26,012 million of year 2022 due to increase the lending portfolio by BDT 58,952 million as well RoAdv. On the other side, during the Y2023 Bank, incurred total interest expense of BDT 24,478 million [+34.51%] opposed to BDT 18,198 million of prior year. During the Y2023 Bank incurred higher interest expenses against the prior year mainly for higher CoF and incremental deposits portfolio of BDT 66,585 million. Though the Bank incurred higher interest expenses, Bank earned total BDT 8,478 million as Net Interest Income (NII) vis-à-vis BDT 7,814 million of year 2022. NII of the Bank increased by 8.5% compared to prior year mainly for increase of the interest spread by 0.32% and the net addition of BDT 58,952 million on the loans and advances.
- During the year under review Bank earned total non-interest income of BDT 6,347 million compared to BDT 7,133 million earned during the year 2022. Non-interest income comprises of Investment income, income from commission, exchange and brokerage and income from other ancillary services provided by Bank. Though the investment income of the Bank has increased by BDT 625 million (+19.49% growth) over prior year, exchange gain, brokerage and commission has decreased by BDT 1,516 million (-41.46%) due to negative growth on the trade business and exchange gain of BDT 330 million vis-à-vis BDT 1,428 million of Year 2022 and other operating income of the Bank has increased by BDT 94 million resulting overall decrease of the Non-interest income by BDT 787 million (-11.0%) compared to year 2022.
- During the year 2023 Bank incurred operating expenses of BDT 10,104 million compared to BDT 8,345 million of prior year. Operating expense of the Bank increased by 21% compared to year 2022 due to general impact on the increase of the overall price level and incremental cost of the network. During the year total network of the Bank has increased by 148 nos and reached to 1,360 nos vis-à-vis 1,212 nos. of year 2022.
- At the end of year 2023, operating profit of the Bank stood at BDT 4,720 million opposed to BDT 6,602 million achieved in the year 2022. Operating profit of the Bank decreased by 28.5% compared to preceding year mainly for higher operating expenses and lower level of non-funded income.
- Bank charged provision of BDT 1,562 million in year 2023 against

BDT in million

Particulars	Y2023	Y2022	Var	Var (%)
Interest income	32,956	26,012	6,944	26.7%
Interest expenses	24,478	18,198	6,280	34.5%
Net interest income (NII)	8,478	7,814	664	8.5%
Non-interest income	6,347	7,133	(787)	-11.0%
Operating income	14,824	14,947	(123)	-0.8%
Operating expenses	10,104	8,345	1,759	21.1%
Operating Profit	4,720	6,602	(1,882)	-28.5%
Provision	1,139	2,203	(1,064)	-48.3%
Profit before tax	3,581	4,399	(818)	-18.6%
Tax	1,083	1,429	(346)	-24.2%
Profit after tax	2,499	2,970	(472)	-15.9%
Earnings per share (EPS)	1.37	1.62	(0.26)	-15.9%

its lending portfolio [Performing + non-performing], other assets, investments and off-balance sheet exposure. After netting off BDT 423 million recovery against the written-off loan, total provision charge of the Bank has reached at BDT 1,139 million opposed to BDT 2,203 million of Year 2022.

- During the year Bank has made current tax provision of BDT 1,852 million vis-à-vis BDT 2,726 million of Year 2022 and accounted for BDT 769 million deferred tax income compared to BDT 1,298 million of year 2022. Bank recognized deferred tax in compliance with IAS 12: *Income Taxes* and subsequent direction of Bangladesh Bank. Deferred tax has been recognized on timing difference of its tax-based assets and liabilities. IFIC adopted conservative approach in case of recognition of deferred tax assets on loan loss provision and considered loan loss provision under category bad/loss instead of total loan loss provision. After netting of the deferred tax income, total tax expense of the Bank stood at BDT 1,083 million compared to BDT 1,429 million of Year 2022 which is BDT 346 million lower than prior year.
- At the end of Y2023 PAT of the Bank stood at BDT 2,498.77 million vis-à-vis BDT 2,970 million of Year 2022 which is 15.87 % below compared to previous year mainly due to lower level of non-funded income.

5.5 Capital Overview – Basel III

Adequate and sound capital is pre-requisite for banking business and its sustainable balance sheet growth. To ensure long term solvency of the Bank and to help sustainable business and profit growth, the Bank always remains careful to ensure the wealth maximization of the stakeholders. As part of the risk management strategy, Bank is always focused to maintain strong Capital to Risk Weighted Assets (CRAR) to absorb any unforeseen shocks in the future. At the end of year 2023, the Bank maintained total capital of BDT 42,134 million against the requirement of BDT 44,573 million. Capital to Risk Weighted Ratio [CRAR] stands at 11.82% at the end of year 2023 against the requirement of 12.50% along with the capital conservation buffer of 2.5%.

At the end of year 2023, Tier-I capital ratio and Tier-II capital ratio were 8.13% and 3.69% respectively on a

standalone basis. The same figures on a consolidated basis were 9.05% and 3.68% respectively. In order to maintain a healthy regulatory capital, IFIC Bank issued 3 (Three) Subordinated Bond totaling sum of BDT 13,500 million, out of which IFIC Bank 1st subordinated Bond of BDT 3,500 million fully redeemed on year 2023. As a result, total outstanding of Subordinated Bond stood at BDT 10,000 million at the end of year 2023 vis-à-vis BDT 10,700 million as of year 2022. The Bank has already taken necessary initiatives for issuance of IFIC Bank 4th subordinated Bond. Bangladesh Bank has already given its No Objection Certificate (NoC) for issuance of the Bond of BDT 3,000 million and Bank has applied Bangladesh Securities and Exchange Commission (BSEC) for their consent.

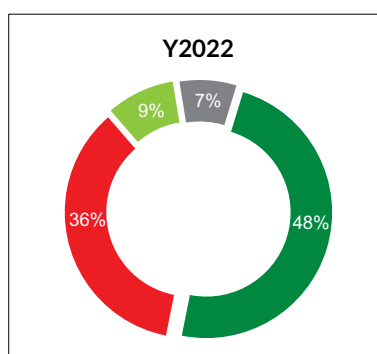
5.6 Credit Rating

Particulars	31-Dec-22	31-Dec-21
Rating Company	ECRL	ECRL
Long Term	AA	AA
Short Term	ST-2	ST-2
Outlook	Stable	Stable
Date of Rating	June 21, 2023	June 29, 2022
Validity	June 30, 2024	June 30, 2023

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. The bank was rated by Emerging Credit Rating Limited (ECRL) for the year ended 31 December 2023 and awarded AA in long term and ST2 in the short term.

5.7 Contribution to National Exchequer

Year	Direct Tax		Indirect Tax		Total
	Withholding Tax	Corporate Tax	VAT	Excise Duty	
Y2023	4,584	2,677	677	678	8,616
Y2022	3,465	2,541	629	523	7,157



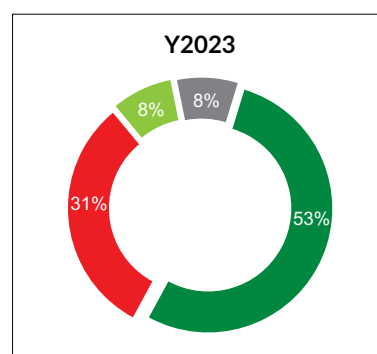
As per the laws and legislations of the country, IFIC valued its obligations to contribute to the economy by way of collecting government revenue and depositing the same to the government exchequer. In line with regulation, Bank pay its corporate tax well ahead of due time and deposit the withholding tax, VAT excise duty and other government levies to government exchequer within the prescribed time and ensure the appropriate deductions or collection of government levies without any deviation. In the year 2023 Bank deposited BDT 8,616 million by way of corporate tax, withholding tax, VAT and other levies opposed to BDT 7,157 million deposited in year 2022.

5.8 Related party Disclosure

In the normal course of business, Bank entered few transactions with related parties during the year 2023 which details are furnished in Annexure – F of the financial statements. These transactions have been executed on an arm's length basis.

5.9 Preparation of Financial Statements and the Annual Report

- All relevant books and accounts were preserved as per regulation.
- Financial Statements have been prepared according to the appropriate accounting policies and procedures.
- All hypothesis and assumptions were made within these financial statements and are made on reasonable ground and prudent judgement.
- Preparation of Financial Statements (FS) of IFIC were according to the International Financial Reporting



■ Withholding Tax ■ Corporate Tax ■ VAT ■ Excise Duty

Standards (IFRS) as adopted by Financial Reporting Council (FRC) in Bangladesh and the instructions of Bangladesh Bank. Any departures from such requirements have been duly disclosed.

- Sincere efforts were put to ensure the integrity and legal compliance of IFIC's financial statements. The priority of the annual report is to portray a true and fair representation of the bank's activities and transactions as per prevailing laws of the land.
- There is no significant doubt upon the Bank's ability to continue as Going Concern. IFIC has neither intention nor the need to liquidate or curtail materially the scale of its operation. Hence, the Financial Statements of the Bank have been prepared on the going concern basis and will continue in operation for the foreseeable future.

The declaration on Financial Statements for the year ended on 31 December 2023 made by the Managing Director & CEO and the Chief Financial Officer (CFO) to the Board of Directors of the Bank has been disclosed in the Annual Report.

5.10 Protection to minority shareholders

Through various strategies including multi-faceted internal control system including independent and internal audits as well as the establishment of

independent management team, IFIC has fostered a professional environment where protection of minority shareholders is ensured. Any opportunity for controlling shareholders to apply aggressive or abusive strategies either directly or indirectly has been effectively rendered ineffective. Nevertheless, if any issue arises at the Banks's AGM or elsewhere, a thorough investigation is conducted.

5.11 Dividend

Considering the net profit after tax and total available profit for the distribution after complying the regulatory requirement, the Board of Directors has recommended 5.0% Stock Dividend for the year 2023, subject to approval at the forthcoming Annual General Meeting.

5.12 Five Years Performance

Key operating and financial highlights of the past 5 (five) years are presented in this Annual Report.

5.13 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 Positions 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 Nabil Bank Limited

The Board of Directors of IFIC Bank PLC in its 881st Meeting held on 23 April 2024 has terminated the Share Purchase Agreement dated 13 February 2022 executed between International Finance Investment and Commercial Bank Limited (now IFIC Bank PLC) as Seller and Ms. Sarika Chaudhary as Purchaser for sale of shares of Nabil Bank Limited (Nepal Bangladesh Bank Limited is merged with Nabil Bank Limited, Nepal) held and owned by IFIC Bank PLC. Share sale could not be effected as Nepal Rastra Bank did not grant permission within the stipulated time. Considering the matter, IFIC Bank PLC shall continue as promoter shareholder of Nabil Bank Limited, Nepal. IFIC Bank presently holds 7.77% shares in Nabil Bank



IFIC

**লেনদেন আপনার
খরচ আমাদের**

সারা দেশে
১৩০০০+ এটিএম থেকে
বিনা খরচে টাকা তোলায় সুযোগ

Limited and represents a Director on the Board of Nabil Bank Limited as promoter shareholder. The Bank has a network of 246 Branches at the different important locations in Nepal.

6.2 Oman Exchange LLC

Oman Exchange LLC Oman Exchange LLC, a joint venture between IFIC Bank PLC 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 11 (eleven) 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, Pakistan

MCB Bank Limited 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 PLC 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 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 PLC 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 8 (eight) currencies, e.g. AUD, ACU-D, CHF, EUR, GBP, JPY, CNY and USD at important financial centers. Total correspondents of IFIC Bank stands

at 371 (both local & foreign) as on 31 December 2023.

6.6 Foreign Remittance

IFIC Bank handles both Inward and Outward Foreign Remittance. Outward Remittance includes FC Cash Transfer and wire transfer through SWIFT. The Bank's Inward Remittance covers Account Credit service (IFIC Bank's Account credit and also other Bank's Account credit under Electronic Fund Transfer, EFT arrangement) and Instants Cash Payout service (Walk-in-Customer having no Bank Account). Inward and outward Remittance business during Year' 2023 are shown below:

Year' 2023	USD in Million	BDT in Million
Inward	106.43	11,498.69
Outward	103.95	11,227.80

To facilitate Inward Foreign Remittance in Bangladesh from United Kingdom, IFIC Bank has established a fully owned Exchange House named as IFIC Money Transfer [UK] Limited. The Company has commenced their operation in London, UK since August' 2011.

IFIC Bank has executed a Drawing Arrangement with Western Union, USA for Walk-in-Customers' Remittance business. For catering Inward Remittance from abroad, at present, IFIC Bank has Remittance arrangement with following 12 (Twelve) Exchange Houses including Bank's own and Joint Venture Exchange Houses, which are the topmost Remittance procuring sources in Bangladesh.

SI	Exchange House	Country based	Covering Country	Remarks
1	Oman Exchange LLC	Oman	Oman	Joint Venture (IFIC hold 49% share)
2	Placid NK Corporation	USA	France, Italy, Malaysia, USA	
3	Multinet Trust Exchange, LLC	UAE	UAE	
4	Sigue Global Services Ltd.	UK	Global	
5	Xpress Money Services Ltd.	UK	Global	
6	IFIC Money Transfer [UK] Limited	UK	UK	Fully owned by IFIC
7	Mastercard Transaction Service (Trans-Fast) LLC	USA	Global	
8	Western Union	USA	Global	
9	MoneyGram Payment System	USA	Global	
10	Ria Money Transfer	UK	Global	
11	National Exchange, Italy	Italy	Italy	
12	NEC Money Transfer Limited.	UK	Global	

7. SME & Retail Products

IFIC Bank's SME & Retail Products Division embarked on its journey in

2023, aiming to expand the bank's presence and influence in Bangladesh's banking sector. This vision instigated a significant shift in strategy and perspective within the bank, leading to a period of evaluation and analysis. As a result, the product development team recognized the need to cater to both SME and retail customers, particularly in response to the increasing demand for quality housing in a growing economy.

Through the introduction of various market-disrupting products, IFIC Bank has established itself as a game changer in the local consumer banking industry. These innovations have not only transformed the industry landscape but also solidified the bank's reputation as a reliable and trustworthy partner among the Bangladeshi population. In addition to product development, the bank has placed significant emphasis on digitalization and providing a one-stop solution for its customers.

As part of its dynamic evolution, the bank has prioritized safer and more sustainable growth through the introduction of products and services tailored to meet the needs of its customers. The SME & Retail Products Division has revamped its working methodology, placing a strong emphasis on end-to-end customer service and creating seamless linkages between product availability and utilization. This has been achieved through the establishment of the largest banking center and a focus on digitalization initiatives.

Overall, IFIC Bank's SME & Retail

Products Division has positioned itself as a catalyst for change within the banking sector, with its innovative approach to

product development, customer service, and digitalization paving the way for a brighter future for both the bank and the country.

7.1 The Strength of IFIC Bank



IFIC Bank has 1359 Banking Centers as of 31st December 2023

7.2 Retail Products

7.2.(1) IFIC Aamar Account

By consolidating deposit and loan functionalities, this account simplifies the banking experience for customers. They no longer need to juggle multiple accounts for different purposes, streamlining their financial management process. Additionally, account holders benefit from the convenience of earning interest on their deposits while having access to loan facilities when needed. This customer-centric approach reflects IFIC Bank's commitment to providing tailored solutions that meet the evolving needs of its clients. The introduction of the IFIC Aamar Account not only enhances customer satisfaction but also promotes financial inclusivity by offering a comprehensive banking solution. In essence, the IFIC Aamar Account marks a significant milestone in IFIC Bank's pursuit of innovation and its dedication to redefining banking experiences for its customers.

As of 31st December 2023, Balance of IFIC Aamar Account has increased 3940 million and percentage of growth of number of accounts is 33%.

Product Communication Highlights:

- Interest income in current account
- slab-wise interest on daily balance
- Single Banking Solution irrespective of any customer segment
- Deposit & loan in single account
- No restriction on transaction number and amount
- Cross currency Aamar card
- Debit card acts as an alternative solution of credit card
- Free withdrawal from ATM all over the country

7.2.(2) IFIC Shohoj Account

IFIC Bank has actively embraced the concept of financial inclusion with the

introduction of the IFIC Shohoj Account. This initiative is designed to provide the unbanked and underbanked segments of the population with comprehensive access to financial services at affordable rates and with minimal risk. Through the IFIC Shohoj Account, IFIC Bank aims to bridge the gap between traditional banking services and those who have historically been excluded from formal financial systems. By offering essential financial services tailored to the needs of marginalized communities, this initiative promotes economic empowerment and stability.

The IFIC Shohoj Account underscores IFIC Bank's commitment to fostering financial inclusion by providing accessible, affordable, and low-risk banking solutions. Through this endeavor, IFIC Bank plays a vital role in building a more inclusive and sustainable financial ecosystem, ultimately contributing to socioeconomic development throughout Bangladesh.

The growth of IFIC Shohoj Account in terms of balance is 80% and growth in terms of no of account is 74%.

Product Communication Highlights:

- Minimum account opening balance
- Monthly interest return
- Minimum Documentation
- Account can be opened in single or joint name
- Minor can also open IFIC Shohoj account
- This account is eligible for applying micro finance loan

7.2.(3) IFIC Aamar Bari

This initiative marks a significant stride towards fostering sustainable development within the bank. In the domain of home loans, IFIC Bank has consistently led the industry in disbursing loans across urban and rural areas. Moreover, IFIC Bank has revolutionized its home loan processing methodologies, implementing innovative approaches. This includes the adoption of a segmented approach for different customer demographics, facilitated by the introduction of the "Primary Application Assessment Form." This strategic tool has not only streamlined the loan application process but has also catalyzed incremental growth for IFIC Aamar Bari. Through these initiatives, IFIC Bank underscores its unwavering commitment to meeting the diverse needs of its clients while driving sustainable growth. By embracing innovation and tailored strategies, IFIC Bank continues to set new benchmarks for excellence and customer satisfaction in the home loan market.

Product Communication Highlights:

- Financing available in Urban ,Semi Urban and Rural Area



- Financing available for Purchase, Construction, Renovation and Takeover purpose
- Financing in Semi Pucca structure is also available
- Fastest loan approval process
- Special features for young segment
- No processing fee for loan take over
- No hidden charge

In year 2023, balance growth of IFIC Aamar Bari is 8800 million and number of account growth is 2696. Percentage of growth, in terms of balance is 6230 million in urban area and 2570 million in rural area.

7.2. (4) IFIC Aamar Bhabishawt

IFIC Bank has introduced a unique opportunity for young professionals to plan for their future assets with the

innovative concept titled 'Build Equity for the Future.' This product operates as a Scheme Deposit, allowing individuals to save flexible monthly amounts over

a span of 1 to 10 years. Participants in the 'Build Equity for the Future' scheme not only benefit from the convenience of regular savings but also gain access to exclusive perks. Notably, IFIC Aamar Bhabishawt customers are eligible for attractive discounts when they opt for loan facilities in the future. This initiative underscores IFIC Bank's commitment to empowering young professionals and fostering a culture of financial planning and security. By providing a structured platform for systematic savings and offering incentives for future financial endeavors, IFIC Bank aims to support the aspirations and long-term financial goals of its customers, ensuring a more secure and prosperous future.



Product Communication Highlights:

- Flexible Tenor
- Savings available for Minor
- No upper limit
- Attractive interest rate

In year 2023, IFIC Aamar Bhabishawt has increased 51% in terms of balance and 35 % in terms of number of accounts.

7.2. (5) IFIC Amar Rin

IFIC Bank offers IFIC Amar Rin to address various personal financial needs. This bundled product provides both secured and unsecured loan facilities, accommodating customers' preferences and situations. With IFIC Amar Rin, individuals can access loans in term and overdraft formats, ensuring flexibility in repayment. Moreover, this product caters to those seeking loans with or without collateral, enhancing accessibility and convenience. Whether customers require funds for immediate expenses or long-term investments, IFIC Amar Rin offers a comprehensive solution. By providing diverse loan options within a single package, IFIC Bank demonstrates its commitment to delivering holistic and customer-focused banking services.

Product Communication Highlights:

- Financing is available in Term & OD nature
- Bundle of secured & unsecured loan



- Financing is also available against existing mortgage property
- Loan facility against financial security is also available
- Land, finished/ unfinished registered

flat or building is eligible as collateral securities

Balance growth of IFIC Amar Rin is 1590 million and growth of number of accounts is 890, in the year 2023.

7.2. (6) IFIC Monthly Income Scheme:

IFIC's Monthly Income Scheme (MIS) stands out as a distinctive term deposit option, offering investors an appealing monthly return on their investment. This scheme provides a secure and hassle-free method for individuals to grow their wealth, boasting attractive interest rates, security, convenience, and flexibility.

Investors opting for the MIS can expect a regular stream of income in the form of monthly returns, making it an ideal choice for those seeking consistent earnings from their investments. Furthermore, the scheme guarantees the safety of investor's funds.

Moreover, the MIS is characterized by its convenience and flexibility, allowing investors to effectively manage their finances while maximizing their returns. With its compelling features and benefits, IFIC's Monthly Income Scheme offers investors a reliable and rewarding investment avenue.

Product Communication Highlights:

- Attractive monthly return on investment
- The product can be opened for 1/2/3 Years
- Loan facility is available against Monthly Income Scheme

In year 2023, IFIC Monthly income Scheme has increased significantly. Percentage of Growth of balance of IFIC Monthly income Scheme is 245% and Growth of number of accounts is 403%

7.3. Agri & CMSME Products:

7.3. (1) IFIC Shohoj Account (Business)

In 2023, IFIC Bank has launched IFIC Shohoj Account (Business), which is specifically tailored for resident Bangladeshi individuals engaged in CMSME (Cottage, Micro, Small, Medium) businesses and agricultural activities. These activities may include cultivation of grains and crops, livestock rearing, fisheries, agricultural equipment and machinery, seed production, grain warehousing and marketing, rural financing, among others, as outlined in the Agriculture & Rural Credit policy. This account is accessible to individuals who do not possess a trade license.

This interest-bearing relationship account offers an overdraft facility in the individual's name, providing added financial flexibility.

To cater the needs of CMSME entrepreneurs and those involved in agriculture-related endeavors, IFIC Bank has introduced IFIC Shohoj Account (Business), aims to support the growth and development of small-scale enterprises and agricultural initiatives across Bangladesh.

Product Communication Highlights:

- Individuals Account for Agri & CMSME business transaction
- Slab wise interest rate
- No Trade license is required
- Minor can open this account

- Deposit & Loan facility enable in a single account
- Minimum account opening balance

7.3. (2) IFIC Amar Account (Business)

The IFIC Amar Account (Business) has introduced in Year 2023, which is specifically crafted for Bangladeshi entities, organizations, and enterprises engaged in CMSME (Cottage, Micro, Small, Medium) businesses and agricultural activities. These activities encompass a wide range, including grain and crop cultivation, livestock farming, fisheries, agricultural equipment and machinery, seed production, grain warehousing and marketing, rural financing, and more, in accordance with the Agriculture & Rural Credit policy. This account is accessible to entities holding a valid trade license.

This interest-bearing relationship account offers an overdraft facility in the name of the entity, organization, or enterprise, enhancing financial flexibility. The primary objective of the IFIC Amar Account (Business) is to streamline business and agricultural transactions, enabling entities to earn interest on their daily balance and access loans through a single account.

By providing a convenient and versatile banking solution, IFIC Bank has launched IFIC Amar Account (Business), aims to support the growth and development of CMSME businesses and agricultural initiatives across Bangladesh.

- Organizations Account for Agri & CMSME business transaction
- Slab wise interest rate
- Trade license is mandatory
- Deposit & loan facility enable in a single account

7.3. (3) IFIC Shohoj Rin

IFIC Shohoj Rin serves as a comprehensive product that encompasses agriculture loans,

7.3. (4) IFIC Aamar Subornogram

IFIC Aamar Subornogram is a comprehensive product that caters to both agriculture loans and CMSME (Cottage/Micro/Small/Medium Enterprise) loans. Specifically, loans exceeding 5 lakh taka for agriculture or CMSME purposes fall under the umbrella of IFIC Aamar Subornogram. This combined offering is designed to support the financial needs of individuals and businesses engaged in agriculture



CMSME (Cottage/Micro/Small/Medium Enterprise) loans, and retail loans. Under this combined offering, loans of up to 5 lakh taka are extended for agriculture, CMSME, and income-generating retail activities. Additionally, retail loans of up to 1 lakh taka for personal needs fall under the purview of IFIC Shohoj Rin. Significantly, all loans under this scheme are fully collateral-free, offering borrowers financial support without the requirement of collateral.

and various scales of enterprises, providing them with convenient access to the necessary funding for growth and development. IFIC Aamar Subornogram offers:

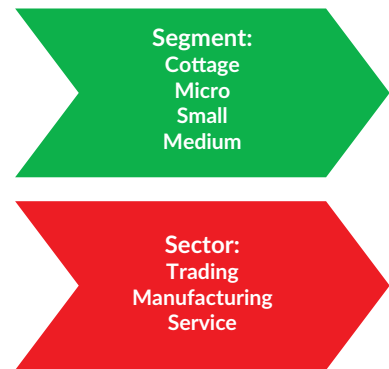
- Collateral loan facility for agriculture loan
- Both with collateral & collateral free loan facility for CMSME segment



Agriculture segment covered under IFIC Shohoj Rin & IFIC Aamar Subornogram:

Segment	
1. Grain & Crop	5. Seed Production
2. Livestock	6. Grain Warehouse & Marketing
3. Fisheries	7. Rural Financing -Poverty alleviation & Income Generating Activity
4. Agriculture equipment/ Machineries	8. Others

CMSME Segment covered under IFIC Shohoj Rin & IFIC Aamar Subornogram:



Through the initiatives of “IFIC Shohoj Rin” and “IFIC Aamar Subornogram”, the bank has focused its efforts on achieving targets for agriculture and CMSME (Cottage, Micro, Small, and Medium Enterprise) loans. As a result, the portfolio of agriculture loans as of 31st December 2023, stands at 8710 million.”

CMSME loan portfolio in Year 2023 is 29960 million. Portfolio in Cottage segment is 150 million, Micro segment is 1440 million, Small segment is 18500 million and in Medium segment is 9860 million.

7.3. (5) Refinance, Prefinance, Interest Subsidy and Credit Guarantee Scheme

In 2023, the bank placed greater emphasis on various schemes introduced by the Bangladesh Bank, aligning itself with the country’s development goals in collaboration with the central bank.

Bank has participated in Refinance, Prefinance, Interest subsidy and Credit Guarantee Scheme of Agriculture, CMSME, Financial Inclusion segment.

Agriculture Segment	CMSME Segment	Financial Inclusion	Credit Guarantee
<ul style="list-style-type: none"> In FY 2023-2024, Bank has disbursed 18 million as of 31st december, 2023 in High value crops interest subsidy scheme Bank has disbursed 180 million in 5000 cr tk refinance schme for food safety till 31st december, 2023 in FY 2023-2024 	<ul style="list-style-type: none"> In 25,000 Cr. CMSME Prefinance scheme, Bank has disbursed 1880 million till 31st december, 2023 	<ul style="list-style-type: none"> Bank has disbursed 120 million taka under financial inclusion refinance schme against loan to 10 tk account holder 	<ul style="list-style-type: none"> Bank has participated into two credit guarantee scheme. Under 25000cr Tk CMSME refinance scheme, bank has made registration of taka 350 million and 70 million taka under Financial inclusion refinance scheme.

8.0. Alternative Delivery Services

New Enhancements

It's great to hear about the successful implementation of new services by the IFIC Alternative Delivery Services team in 2023, particularly the migration of 450k debit cards to a new CMS solution. The focus on enhancing customer experience and security through these added values highlights a proactive approach in staying ahead in the competitive market. It will surely boost customer satisfaction and trust in the organization.

Implementation of CMS

IFIC Bank successfully implemented Own Card Management and Switching Solution SmartVista, developed by BPC Banking Technologies. The CMS platform enables IFIC to handle all aspects of card management, including ATM Management, Card Issuance System, Fraud Management, E-Commerce Payment Management, settlement, dispute management, ACS, and QR Code Module, reduce operational costs and increase operational efficiencies. Parallel to the CMS implementation bank has enhanced its CES solution to automate the card creation, endorsement and foreign transaction enable/disable feature.

Migration to Green PIN

As part of the migration, debit cards issued, re-issued and renewed from February 2023 have been personalized with green PIN facility. Migrating to green PIN helps the card holder to create and change their own PIN through IVR and VIVR. On the other hand, card holder may request for Printed PIN service which is now printed in IFIC's own premises.

Implement Business Debit Card

A new cross currency card introduced against IFIC Amar Business account. Proprietary Business accounts can open

this account and avail the endorsement facility up to \$12000 annually against the debit card of IFIC Amar Business.

PCIDSS Certification

IFIC Bank successfully obtaining the Payment Card Industry Data Security Standard (PCI DSS Version 3.2.1) certification for the second year in a row. This certification is a significant achievement and emphasizes the bank's commitment to ensuring maximum data security for its customers. It is commendable that IFIC Bank was able to achieve this prestigious certification in a short period by adhering to the compliance standard set by PCI SSC and completing the assessment conducted by Enterprise InfoSec Consultants.

Transaction Type	No of Transaction (In Thousand)		Transaction Amount (In Crore)	
	2022	2023	2022	2023
ATM	7025	10120	6519	9629
Purchase	1972	3554	570	1123
IBFT	805	1458	3908	6652
Total	9802	15132	10997	17404

This accomplishment highlights IFIC Bank's dedication to maintaining the highest standards of security in handling cardholder data.

Card Services

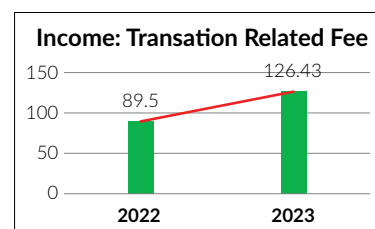
IFIC Bank offers Debit, Credit & Prepaid Card services to customers. All the cards issued by IFIC are branded with VISA Inc. the largest payment network across the world. IFIC cards can be used at all the terminals, merchant points & E-Commerce Platform using NPSB & VISA Channel. IFIC offers the first Cross currency debit card in Bangladesh, which can be used across the world for seamless services from single account with automated currency exchange services. IFIC offers secured transaction platform with PIN for card present and One Time Password (OTP) for card not

present transactions.

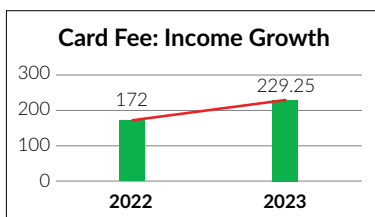
Achievements in 2023

- IFIC had a total of **580K** debit cards at the end of year 2023, whereas the card base has been increased around **33%** and the new portfolio has reached to **580K** by the end of year 2023.
- There had been a significant increment in the card transactions in 2023. Compared to 2022, the overall number transaction has been increased around **54%** and in term of Transaction amount the growth is **58%**. Below are the transaction portfolio of 2022 & 2023.

- The increasing volume of cards & transactions have also contributed in the IFIC fee stream. On 2022, IFIC has earned **89.5M BDT** as Transaction fee, where the income has increased **41%** and risen to **126.43M BDT**.

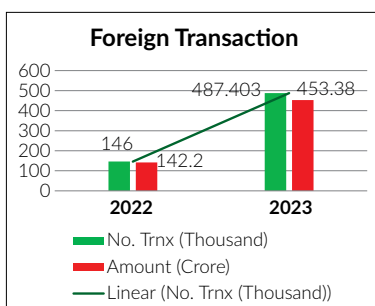


- IFIC has earned 172M BDT from debit card fee in 2022, while the income has increased around 33% and reached to 229.25M BDT.



Milestone in Foreign Card Transaction

Year 2023 can be declared a Milestone for IFIC Bank PLC for processing 4,87,403 successful foreign card transaction amounting 453.38 Crore. Compare to 2022 the Number of transaction increased around 234% and in term of amount the growth is 219%.



Vision for 2024

- Increase the transaction approval rate and reduce both systems related and customer related errors.
- Migrate all credit cards to own card management system.
- PCI PIN Certification to enhance the PIN security.
- Automation of Settlement process to increase operational efficiency.
- Implement Reward Points to increase the card transaction through POS & E-Commerce and reduce the dependencies on Cash Transactions.

Bill Collection Service

To facilitate the subscribers, IFIC Bank

Biller Type	Biller Name	Amount (M)	No. of Txn
Corporate Collection	PRAN/RFL	30,948.79	452,048
	SQUARE	1,056.01	2065
	WALTON	3.05	10
Utility	DESCO	318.07	56107
	NESCO	346.77	94941
	DPDC	690.58	123585
	TITAS	1,429.48	23823
	WASA	31.32	4682
MFS	bKash	1,300.61	536209
	Nagad	290.62	85112

PLC has integrated with different service providers to IFIC Corporate panel for bill collection in the year 2023. Subscribers can pay/deposit their payables to any of the IFIC branch/Uposhakhas convenient to them which is another value edition the service of IFIC.

ATM Services

IFIC Bank has introduced ATM Services from 2011 and till 2023 IFIC Bank has installed number of ATMs. IFIC ATM team is focused to provide digitized and 24/7 services to its customer in a pleasant and secured manner. The Bank also has special arrangement with corporate houses where ATM has been installed to facilitate their employee's monthly salaries and other needs. The Bank ATMs are capable of accepting not only the IFIC Debit & Credit Cards, but also any cards from VISA (Local & International) & all Bangladeshi cards through NPSB. Currently the ATMs are also supporting the card-less payments of Mobile Financial Services for better financial inclusions.

Initiatives in 2023

- IFIC team has installed 3 new ATMs in different corporate locations to meet customers demand.
- Implementation of Fund transfer facility to IFIC and others banks through ATMs
- Implement Card-activation through ATMs.

- Implemented up gradation of OS and antivirus in all ATMs.
- Off day ATM Cash Loading to meet corporate requirement.

Vision for 2024

- IFIC is focused on ensuring the maximum usage of the ATMs, consequently ATM Team is working to establish 10 new ATMs in different corporate locations and Uposhakhas & Branches.
- Implement Card-less / cash by code transactions through ATMs.
- Implement Utility Bill payment transactions through ATMs.

Dispute & Fraud Management

A Strong Dispute & Fraud Management team plays key role and provides significant support for smooth and secured card transactions. In 2023, Bank has taken different initiatives to minimize fraud risks and disputes efficiently.

Dispute Resolutions on 2023

SL	Network	Type	No. Trnx	Amount (M)
1	NPSB	Based on Claim	13736	252.73
		Preventive	16653	240.3
2	VISA		2346	19.75
3	MFS Transfer		18091	43.39
Total			50826	556.17

Vision for 2024

To minimize Fraud and reduce the dispute settlement process, the Bank has taken initiatives to implement following Projects:

- Ensuring Zero level fraud in card transactions
- Ensuring safety of plastic money through PCI-DSS Security.
- Automation of Dispute and Settlement process.
- Implementing VISA Tokenization

10. Risk Management

The main goals of risk management procedures in the banking sector are to control a bank's exposure to losses or risk and to safeguard the asset value of the bank. The Board of Directors plays a pivotal role in overseeing risk-taking activities, ensuring alignment with organizational objectives and values.

Board of Directors of IFIC is fully aware 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. Clear risk appetite, tolerance, and limits have been established through strategic planning and defined risk parameters. The board also ensures that the management is taking necessary steps to implement those strategies and manage accompanying risks. The Board of Directors has made it clear to management that risk management is not a barrier to conducting business or merely an addition to a company's overall compliance program, but rather is a crucial part of the organization's strategy, culture, and value creation process.

The Board of Directors is strongly committed to establishing a bank-wide risk culture that is built on a thorough understanding of the risks the organization faces and how those risks are managed, considering risk tolerance and appetite. They have developed the risk culture through policies, examples, communication, and ensuring training of staff regarding their responsibilities for risk. Senior management ensures effective communication and training, while monitoring and control procedures are continually refined to adapt to evolving risk landscapes. Along with senior management, the Board Risk Management Committee (BRMC), representing the Board Members, is there to ensure overseeing and signing off risk-related disclosures to investors, customers, and regulators. These disclosures provide transparent insights into the bank's risk appetite, profile, and governance practices.

Finally, Boards find themselves today at an inflection point. As the banking industry of Bangladesh is becoming more complex and competitive, Boards are expecting more ownership for risk issues. In line with that IFIC remains steadfast in its commitment to robust risk management practices. By fostering a culture of accountability and continuous improvement, IFIC is well-positioned to navigate uncertainties and achieve sustainable growth in the years ahead.

10.1 Credit Risk Management

Any form of Credit is Risk Assets for the bank and it should always be guided by prudential banking norms, structured Credit Policies and regulatory compliances to ensure Healthy Asset and long term sustainable growth of the bank. Over the years, IFIC Bank has developed a structured Credit Risk Management Policy which serves as the Primary and Complete Uniform Document for Lending Practice of the Bank.

In addition to regulatory directives and internal guideline, Credit Risk Management is also guided by the "Risk Appetite Statement" approved by the Board annually.

Credit Risk Management Division at IFIC Bank is equipped with Three Credit Risk Management Units to cater each Business Cluster namely,

- i. Retail Risk Management,
- ii. CMSME Risk Management,
- iii. Corporate Risk Management.

CRM is also constituted with Credit Committee which constitutes the members from Business, Risk, Compliance, Operation, Treasury to examine the portfolio and assess risk.

CMSME & Agri Finance

CMSME Sectors are the lifeblood of a thriving society and IFIC Bank acknowledges the immense potential of this sector. CMSME Sector acts as engine of Job Creation, innovation and regional development. However, limited collateral, lack of financial records and vulnerability to economic shocks pose a unique challenge to provide finance to the CMSME Sector. IFIC Bank has launched 2 dynamic products under the brand name "Shohoj Rin" and "IFIC Suborno Gram" to cater the needs of the CMSME and Agri Sectors. Robust Risk Assessment procedure and proactive portfolio management strategies has been deployed to minimize the credit risks in these sectors.

Year wise volume of Approval in CSME sector is mentioned below:

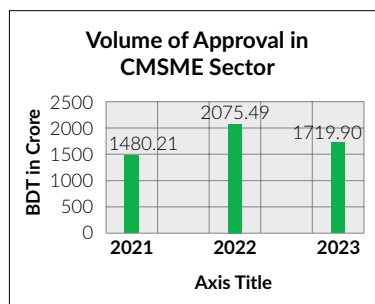


Fig: Approval in the CMSME Sector in the Last 3 Years

However, the goal has been to strike a balance between supporting CMSMEs and maintaining the bank's financial health. By Financing in this sector, we can leave a positive impact in the society.

Retail Risk and Contribution to Home Loan Industry

IFIC Bank PLC has achieved remarkable success in Housing Loan over the Years

with the Flagship Product titled "Amar Bari". Amar Bari Product provides one of the most convenient, hassle free Home Loan Solution for Customer wanting to have a roof above the head. With structured Loan Assessment Process and robust Digital Platform, IFIC Bank now provides fastest Loan Approval in the Market. Any eligible Customer can now receive Loan Approval within 48 hours upon submission of Loan Proposal from any of our Branch and Uposhakha.

Year wise volume of Amar Bari Approval is mentioned below:

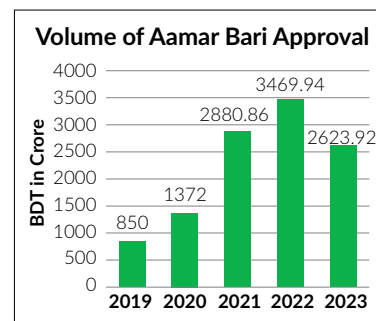


Fig: Volume of Amar Bari Approval over the years

10.2 Loan Performance Management (LPM)

Non-Performing Loans (NPL) have become a worrisome issue for the Bank. NPL has adverse effect on the Bank on its day-to-day operation and profitability.

IFIC Bank PLC has unlimited eagerness for recovery from NPL accounts. Bank is exerting all out efforts to chase NPL, to arrest upward trend and to keep the percentage of classified loans at an acceptable level for improvement of asset quality. Loan Performance Management Division, Legal Affairs Department, SAM (HUB) are working together to maximize recovery from NPL accounts and to avoid new classification in order to achieve the organizational goal.

IFIC Bank PLC has a Recovery Policy approved by the Board of Directors for strengthening recovery of Loans & Advances. To expedite recovery from Regular, Deteriorating and Non-Performing Loans & Advances, bank established a division named Loan Performance Management Division under which 4(four) dedicated departments are working. These are:

- i. **Collection Unit:** Conduct timely communication through SMS notification, proactive calling and issuance of notices and reminders.
- ii. **DAM:** Direct follow up of the deteriorating loan, ensuring

SOP compliance, approving SOP deviations, detecting CL threats and minimizing threats by engaging branch people through conducting meetings, branch visits etc. and thereby maintaining sound assets.

- iii. **SAM:** Confirm drive for recovery from NPL accounts, facilitate branches for increasing recovery from NPL accounts and give guidance to branches to maintain NPL accounts at minimum level. All the above activities are conducting by complying recovery operation manual, recovery policy, regulatory circulars and country laws.
- iv. **SAM (HUB):** Engage in activities regarding legal proceedings at court, collaborating with lawyers, file suits/case and ensure quick disposal of court cases.

To expedite Written-off Loan, Bank formed a dedicated Written-off loan recovery unit. This unit is comprised with Senior Executives of the Bank and directly supervised by MD and CEO.

On the basis of Recovery Policy, SAM Operational Manual and related circulars of Bangladesh Bank, LPM Division is taking following steps for recovery of all Loans & Advances (including NPL) and increasing profitability of the Bank:

1. As per SOP provides SMS and make call to regular accounts to repay bank's dues.
2. Close monitoring on Deteriorating Accounts as per SAM Operational Manual.
3. Ensure optimum engagement of Branch to recover Bank's dues to minimize further classification threat.
4. Conduct teleconference/ virtual meeting with Branch and Legal Affairs Department to expedite recovery.
5. Visit Branches for direct communication with the Branch officials and different borrowers.
6. Monitoring of Court cases through meeting among the Branches and dealing with lawyers to avoid unwanted delay of legal process.
7. Rescheduling of NPL Accounts.
8. Settlement of NPL Accounts by amicable settlement.
9. Engagement/Entrustment of difficult Accounts to Recovery Agents.
10. Time to time report to the Senior Management regarding Bank's asset portfolio & its trend.
11. Conduct diagnosis on reason for non-repayment of loans & advances

and ensure rectification (if any) for rendering further nonperformance of loans and advances.

10.3 Foreign Exchange Risk Management

Foreign Exchange risk arises when a bank holds assets or liabilities in foreign currencies and impacts the earnings and capital of 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 what the estimates and predictions were. This uncertain movement poses a threat to the earnings and capital of bank, if such a movement is in undesired and unanticipated direction.

Commercial banks, actively deal in foreign currencies holding assets and liabilities in foreign denominated currencies, are continuously exposed to Foreign Exchange Risk. Foreign Exchange Risk of a commercial bank comes from its very trade and non-trade services. To provide comprehensive guidelines on foreign exchange exposure management in the context of a bank's financial treasury objectives, existing business activities and operating environment, a "Foreign Exchange Risk Management Policy" is required.

Treasury Division of the Bank acts to minimize Foreign Exchange risk as one of the main responsibilities. There is a clear demarcation among the functions of Treasury Front Office, Mid Office and Back Office. Treasury Front Office manages and controls day-to-day trading and fund management activities and ensures continuous monitoring of the level of assumed risk and take necessary actions. Mid Office and Back Office are conducting operations in a separate location apart from Treasury Front Office. To ensure minimum level of risk reporting lines of these three offices are separate and independent.

A number of steps have taken by Bank to minimize the foreign exchange risk. The Bank has formulated Treasury Manual and Foreign Exchange Risk Management Policy as per directives of Bangladesh Bank. Bank also developed different strategies and set some limits for Treasury to control Foreign Exchange Risk, e.g., Net Open Position (NOP) Limit (Set by Bangladesh Bank), Overall Gross Limit for forward transaction, Stop Loss Limits for per deal and per day, Counter Party Limit. Treasury Division also analyze the future risk arises from adverse fluctuation of Foreign Exchange Market and takes necessary steps to minimize the risk of possible losses and to maximize the profit.

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 mismatch between assets and liabilities across various time horizons either due to liquidity or changes in interest rates. Asset Liability Management (ALM) seeks to limit risk to acceptable levels by monitoring and anticipating possible pricing differences between assets and liabilities.

To mitigate various risks in this regard banks have its own ALM policy approved by the BODs. Under the bank's ALM policy, the management and the BODs take necessary care as guided by our Central Bank. Asset and liability management process is managed by the Asset and Liability Management Committee (ALCO), comprising of the senior management of the bank. The major responsibilities of ALCO are as follows:

- Ensure that bank's measurement and reporting system accurately convey the degrees of liquidity and market risk.
- Monitor the structure and composition of bank's assets and liabilities and identify balance sheet management issues that are leading to underperformance.
- 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.
- Decide on how to respond to significant, actual, and expected increases and decreases in required funding.
- Review maturity profile and mix of assets and liabilities.
- Articulate interest rate views of the bank and decide on balance sheet strategy.
- Approve and periodically review the transfer pricing policy of the bank.
- Evaluate market risk involved in the launching of new products.
- Review deposit-pricing strategy, and
- Review contingency funding plan for the bank.

The ALM desk, through its own market analysis and market intelligence presented the market outlook throughout the year, gave an explicit idea about the market risk and liquidity risk for availing market opportunities for investment and fund deployment in the market. The broad 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 Money Market.
- To manage liquidity and market risk 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.
- To keep records of ALCO meetings, to monitor the implementation status of the action taken in ALCO meetings etc.

ALM technique helps to manage the volume, mix, maturity, rate sensitivity, quality and liquidity of assets and liabilities as a whole so as to attain predetermined acceptable risk limit.

10.5 Internal Control and Compliance:

Internal control is a process, effected by Board of Directors (BoD), Senior Management and all levels of personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations, and internal policies. A system of strong internal controls can help ensure that the goals and objectives of a banking organization will be met, that the bank will achieve long-term profitability target and maintain reliable financial and managerial reporting.



IFIC Bank PLC has established an appropriate and effective internal control environment through the Board of Directors, Management, organizational and procedural controls and an independent audit mechanism in order to ensure that the Bank is

managed and controlled in a sound and prudent manner. The bank identifies its weakness through internal control system and takes appropriate measures to overcome the weaknesses.

The Board of Directors of the bank has established an Audit Committee to monitor the effectiveness of internal control system of the bank. The Audit Committee meets the Senior Management periodically to discuss the effectiveness of the internal control system of the Bank and ensure that the management has taken appropriate actions as per the recommendations of the Internal Audit Team, Bangladesh Bank's Inspection Team & External Auditors.

The key functionalities that have been established in reviewing adequacy and integrity of the system of internal control are as follows:


- The BoD set up an organizational structure of Internal Control and Compliance Division (ICCD) in such a way that, it has no conflict of interest with the regular management of the bank and fulfill the requirements as directed in the Rule 15 (Ga) (1) of BCA (Bank Company Act.) 1991 for establishing and maintaining effective internal control and risk management having regard to the complexity of the activities of the bank on its size, scope of operations and risk profile.
- Different committees have been formed consisting of relative stakeholders with expertise on the subject matter to assist the Board in guiding the Bank's operation in line with corporate mission, vision and strategies.
- Audit & Inspection are conducted across various departments/ units and all branches, in alignment with the annual audit plan, as approved by the Board's Audit Committee. The frequency of branch audit is determined by the level of risk assessed independently and objectively. Findings of the internal audit are submitted to the Audit Committee for review during their meetings.
- Information system auditors evaluate risk management practices to determine whether the bank's IS-related risks are properly managed. They conduct audit on overall information & related technological security aspects.
- The Audit Committee of the Board reviews the internal control findings identified by the Internal Audit

of the Bank, Inspection Team of Bangladesh Bank and External Auditors.

- The Head of Audit has direct access to the Audit Committee as and when required to ensure submission of internal audit findings to the Audit Committee.
- The Monitoring Department of the ICCD checks for compliance with policies and procedures and the overall effectiveness of internal control system. The Bank continues to review different control tools i.e. LDCL, DCFCL, QOR and Risk rating on regular basis and highlights of significant findings in respect of any non-compliance.
- The Compliance Department of the ICCD ensures timely and proper compliance (both internal and regulatory) with the relevant laws, regulatory instructions/circulars/ guidelines and internal policies and procedures in banking operations. Compliance Department acts as contact point when regulatory inspections are conducted, ensure that corrective measures are taken and appropriate and timely response is as soon as the inspection report is received.
- The Board of Directors holds meetings at suitable intervals with Senior Management, External Auditors and the Audit Committee for evaluating the effectiveness of internal control system and provides necessary guidance.

Evaluation of Effectiveness of Internal Control

The Senior Management Team (SMT) of the Bank reviews the overall effectiveness of the control system of the bank on a yearly basis and provides feedback to the Board of Directors on the effectiveness of internal control policy, practice, and procedure.




Audit & Inspection covers

186 Branches

1173 Uposhakhas

22 Divisions & Departments

2 Subsidiaries



- The Audit Department prepares

reports on individual inspection programs and submits the same to the branch/business unit for rectification with a copy to line management.

- ICCD prepares an annual integrated report on the health of the Bank to be submitted to the Board of Directors for onward submission to Bangladesh Bank.
- At the end of the year, a summary report on the audit findings is prepared and corrective actions taken which are forwarded to the Audit Committee of the Board and the Managing Director & CEO simultaneously.
- Based on the review of monitoring reports the audit team also conduct surprise check on the branches where regular gaps are identified.
- Self-Assessment of Anti-Fraud Internal Controls is carried out on half-yearly basis and is submitted to Bangladesh Bank as per requirement of DOS Circular Letter No. 17 dated 07 November, 2012 & 10 dated 09 May, 2017 issued by Bangladesh Bank after receiving compliance confirmation from respective stakeholders.

10.6. Prevention of Money Laundering

Prevention of Money Laundering & Financing of Terrorism

Money laundering is the process of concealing or disguising the illicit nature or source of the proceeds of crimes through a complex system of banking transfers or other transactions. Smuggling money or property earned through legal or illegal means to a foreign country is also considered as Money Laundering. Money Laundering and Terrorist Financing not only damages the goodwill of a particular bank rather it may be a cause of instability of whole banking sector of country which impacts negatively on the country's economy.

Money Laundering and Terrorist Financing is one of the core risks of Banking Industry. Launderers utilize banking platform frequently because of their wide-ranging international networks and interbank relationships. The process of Money Laundering and Terrorist Financing is continuously evolving and modern technologies are used by Money Launderers & Terrorist Financers. Since they are adopting modern techniques to use financial networks as channels of ML & TF, global financial channels are facing new challenges to ensure AML/CFT compliance. Being one

of the leading banks of our country, IFIC bank has integrated a robust Anti-Money Laundering (AML) and combating the Financing of Terrorism (CFT) risk management program across all relevant operational domains. IFIC Bank recognizes that prevention of Money Laundering (ML) and Combating Terrorist Financing (TF) is a team effort to protect the banking industry from these threats. IFIC Bank has been working in collaboration with Bangladesh Financial Intelligence Unit (BFIU), Financial Institutions, different government departments and other key stakeholders to put in place an effective regime to fight against these crimes and protect itself from risks.

Money Laundering Prevention Act, 2002 was promulgated by the Government of Bangladesh for the first time which came into force on April 30, 2002. Subsequently Government of Bangladesh enacted Money Laundering Prevention Act, 2009 and finally in 2012 (amendment-2015), Anti-Terrorism Act, 2009 (amendment 2012 & 2013), Anti-Terrorism Rules 2013 & Money Laundering Prevention Rules 2019 and IFIC Bank PLC has been complying with laws and all other rules and regulations related to AML/CFT issues since the beginning. The Board of Directors and the Senior Management views Anti Money Laundering and Combating the Financing of Terrorism as part of risk management strategies and not simply as a stand-alone requirement that is being imposed by the legislation as well 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.

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 reviewed & updated in 2022. As per directives of BFIU vide its Circular No. 24 dated 10.12.2019, Bank has developed "Guidelines for Prevention of Trade Based Money Laundering" in 2020, introduced simplified & unique Account Opening Form (AOF) in compliance with BRPD Circular No. 2 dated 23.02.2020 & BFIU Circular No.26 dated 16.06.2020, implemented e-KYC for digital onboarding of our customers as per BFIU Circular No. 25 dated

08.01.2020, developed Threshold Based Transaction Monitoring tools and new report portal for monitoring Transaction Profile (TP) of the customers.

The AML compliance and its activities in the Bank are carried out by AML & CFT Department at Head Office. As per BFIU's directives (latest under BFIU Circular No. 26 dated 16.06.2020), IFIC Bank has formed a Central Compliance Committee (CCC) comprising executives & Head of different core business Departments/ Divisions and this committee is directly monitored by the MD & CEO of the bank to keep the bank free from the risks related to Money Laundering and Terrorist Financing and for the effective and proper compliance of all existing acts, rules and directives of BFIU from time to time. The CCC calls meeting at every Quarter-end to review Bank's overall AML & CFT activities, policies, procedures, compliance status and issuance of new Circulars & directives in this regard. The CCC sets out AML & CFT strategies of the Bank and follow up the progress of its 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 Deputy Managing Director has been assigned as the Chief Anti Money Laundering Compliance Officer (CAMLCO) to supervise the overall AML & CFT activities and compliance. The Deputy CAMLCO ensures strict compliance in view of AML & CFT concerns and 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 CAMLCOs of 186 Branches carry out AML & CFT compliance programs of the Bank at Branch level. They are mainly responsible for ensuring KYC and Risk Categorization of the Customers, Transaction/Structuring Monitoring, Screening of Sanctions List, arranging AML Meeting at Branch level, record keeping and reporting of Suspicious Transaction/Activity (STR/SAR).

As per BFIU's directives, the Bank has been continuously utilizing goAML Software provided by United Nations Office on Drugs and Crime (UNDOC) for Cash Transaction, STR/SAR, other required reporting and for communicating with BFIU on AML/CFT issues. IFIC Bank has updated existing Watch List Check (WLC) Software for screening customers against different

Sanctions list and implemented "FIRCO Continuity Solution" for screening trade activities against different Sanctions Lists. Presently IFIC screens customers & transactions against UN, OFAC, EU, HMT & Local Banned List. Bank has introduced internationally standard Vessel Tracking System (VTS) namely "LLOYD'S Customer Intelligence", for tracking shipment routes, country & port of destination, importing country and screening of ship owners, vessels & containers and authentication of Bill of Lading as well.

For creating awareness on AML/CFT Laws, Rules, Regulations, Guidelines, Policies and Circulars issued by the Government and regulators from time to time and Guidelines, Policies and Circulars issued by the Bank, the Bank has been arranging various training programs through physical & virtual platform by internal & external resource persons on "Prevention of Money Laundering and Combating Financing of Terrorism with particular focus on Trade Based Money Laundering & Credit Backed Money Laundering" for all levels of Officials (newly recruited/refreshers) working at Branches and different Units/Departments/Divisions of Head Office of the Bank. In 2023, a total of 16 physical & virtual training programs have been arranged with participation of 3195 officials including one Lead Bank training sponsored by our bank with initiative & resource persons of BFIU held in Lakshmipur District where 72 Officers of different banks of the region attended in the training. Moreover, Officers of the Department attended various in-house & outside training programs in the year. As per directive of Central Compliance Committee (CCC), Officials of AML & CFT conduct surprise visit and inspections at Branches for checking records, activities and creating awareness on AML & CFT issues as well.

11. Information and Communication Technology (ICT)

11.1 Overview

In an era dominated by rapid technological advancements, our commitment to innovation, security, and efficiency is paramount. The Technology Team's accomplishments over the past fiscal year have not only met but exceeded expectations, shaping the foundation of our organization's technological landscape. In this detailed analysis, we delve into the key achievements, strategies, and implications of seven pivotal initiatives that have contributed significantly to our technological prowess.

1. Implementation of Privilege Access Monitoring (PAM)

The strategic implementation of Privilege Access Monitoring (PAM) marks a paradigm shift in our cybersecurity architecture. PAM provides a holistic solution for managing, monitoring, and auditing privileged access, significantly reducing the risk of unauthorized access to critical systems and sensitive data. This initiative aligns with industry best practices and regulatory requirements, ensuring the highest levels of data integrity and confidentiality.

Key Benefits:

- **Enhanced Security Posture:** PAM acts as a robust barrier against potential cyber threats, safeguarding our organization from internal and external security risks.
- **Regulatory Compliance:** The implementation of PAM strengthens our compliance with data protection and privacy regulations, fostering trust among stakeholders.
- **Audit Trail and Accountability:** PAM facilitates detailed audit trails, ensuring accountability and transparency in access management.

2. Security Operation Center (SOC) for 24/7

The establishment of a 24/7 Security Operation Center (SOC) underscores our proactive stance in mitigating evolving cyber threats. Operating around the clock, the SOC serves as a centralized hub for monitoring, detecting, and responding to security incidents in real-time. This initiative aligns with our commitment to maintaining the highest standards of cybersecurity resilience.

Key Benefits:

- **Real-Time Threat Detection:** The 24/7 nature of a SOC ensures continuous monitoring of network activities and security events in real-time. Immediate detection of suspicious or anomalous activities allows for swift response to potential security incidents.
- **Proactive Incident Response:** A SOC allows for proactive identification and response to security incidents before they escalate. Early detection and swift response minimize the impact of cyber threats, reducing potential damage to the bank's systems and data.
- **Continuous Monitoring:** Around-the-clock monitoring ensures that security analysts are always vigilant, providing an uninterrupted watch

over the bank's IT environment. Continuous monitoring is crucial for identifying and addressing emerging threats, vulnerabilities, and attack patterns.

- **Regulatory Compliance:** Many regulatory standards and frameworks mandate continuous monitoring and proactive cybersecurity measures.

3. Technology Compliance Initiatives

Our dedication to adhering to regulatory standards and industry frameworks is evident through successful audits and compliance initiatives across various domains:

- **Bangladesh Bank Audits**
Our continuous commitment to meeting and surpassing the stringent requirements set by Bangladesh Bank demonstrates our commitment to the stability and security of our financial systems.
- **ISO 27001 Surveillance Audits**
The Technology Team's steadfast commitment to information security is reflected in our ongoing surveillance audits for ISO 27001 certification. This approach underscores our proactive stance in maintaining the highest standards in information security management.
- **PCI DSS Compliance**
In alignment with the Payment Card Industry Data Security Standard (PCI DSS), our organization has implemented robust measures to secure cardholder data. This commitment ensures secure payment transactions and instills confidence among our customers.
- **SWIFT CSP Audits**
The successful completion of SWIFT Customer Security Programme (CSP) audits reaffirms our commitment to securing financial messaging. This initiative enhances the integrity and confidentiality of our financial transactions, aligning with global best practices.

Significance of Compliance:

- **Trust and Credibility:** Adherence to compliance standards enhances our organization's trustworthiness, instilling confidence among customers, partners, and regulatory bodies.
- **Risk Mitigation:** Compliance initiatives mitigate legal and financial risks, ensuring that our operations align with

industry-specific regulations and international standards.

4. Implementation of the Zscaler Web Secure Gateway

The integration of the Zscaler Web Secure Gateway represents a strategic leap toward a more secure and efficient network infrastructure. This cloud-based security solution empowers our organization to enforce consistent internet security policies, providing advanced threat protection and ensuring secure access to applications and data.

Key Benefits:

- **Scalability:** The security solution, Zscaler WSG provides scalability to accommodate the growing needs of a bank. Whether the bank is expanding its operations or experiencing increased network traffic, Zscaler can handle the increased load without the need for significant hardware upgrades.
- **Global Threat Intelligence:** Zscaler leverages a global threat intelligence network, ensuring that banks have access to up-to-date and comprehensive threat information. This allows for real-time identification and blocking of malicious content, helping to protect the bank's network and sensitive data.

5. Implementation of IBM FS9500 Storage

IBM FS9500 is a testament to our commitment to embracing cutting-edge technologies in storage infrastructure. This storage is not only ensures optimal performance and scalability but also positions our organization for future technological advancements. The process reflects our proactive approach to infrastructure management and aligns with industry best practices.

Key Benefits:

Enhanced Data Security

- **Improved Encryption:** Newer storage solutions offer advanced encryption capabilities, ensuring that sensitive financial data is protected at rest and during traversing to the Disaster Recovery Sites.
- **Access Controls:** AThis storage system can provide more granular access controls, allowing banks to enforce strict permissions and enhance overall data security.

Scalability and Performance

- **Increased Scalability:** This storage solutions provide enhanced scalability, enabling banks to

efficiently handle the growing volume of financial transactions and data.

- **Improved Performance:** Upgrade storage can result in better performance, supporting faster access to critical financial data and applications. We are moving to the data response time in between μ s (microsecond) before it was ms (millisecond).

Data Availability and Disaster Recovery

- **Enhanced Redundancy:** Newer storage systems often come with advanced redundancy features, minimizing the risk of data loss and ensuring high availability.
- **Improved Disaster Recovery:** This new storage solution will provide better disaster recovery capabilities, including faster data restoration and more efficient failover. Moreover migration to this new storage technology is enabling us to replicate data across more than 2 sites.

6. National Integrated Know Your Customer (NIKASH)

IFIC Bank successfully implemented the NIKASH BEFTN software. Electronic fund transfers will be carried out through the Nikash-BEFTN software of the Bangladesh Automated Clearing House (BACH) from November 12 instead of the Bangladesh Electronic Funds Transfer Network (BEFTN).

Benefit for the customer

- a. The transactions in the local currency will be processed in three sessions: 12am to 11:59am, 12pm to 2:59pm, and 3pm to 11:59pm. The credit and debit transactions will have to be performed separately and the return process will have to be completed within the next two sessions of an EFT settlement.
- b. Because of more session , customer will get the return transaction amount as earliest than earlier. Bangladesh Bank has a plan to increase the more transaction and settlement session.
- c. C. The NIKASH- BEFTN accommodates debit transactions such as utility bill payments, insurance premium payments, club or association payments, and equated monthly instalment (EMI) payments.

7. Card Management System (CMS)

The successful implementation and launch of the Card Management System

(CMS) signify a transformative leap in our card-related services. The CMS streamlines card issuance, management, and authorization processes, offering our customers a seamless and secure experience. The successful GO-LIVE underscores the meticulous planning, collaboration, and execution by our Technology Team.

Key Benefits:

- **Streamlined Operations:** The CMS automates and streamlines card-related processes, reducing manual efforts and enhancing operational efficiency.
- **Customer-Centric Experience:** The successful implementation of the CMS ensures that our customers experience a seamless and secure card management process, fostering satisfaction and loyalty.
- **Agility and Adaptability:** The CMS provides our organization with the agility to adapt to evolving card industry standards and customer expectations.

8. Upgradation of Human Resources Management System

The successful upgradation of the Human Resources Management System (HRMS) represents a milestone in optimizing our internal processes. This system streamlines HR operations, from recruitment to employee management, fostering efficiency, transparency, and employee satisfaction. The successful GO-LIVE demonstrates the collaborative efforts of the Technology Team and the HR department.

Key Benefits:

- **Operational Efficiency:** The HRMS automates routine HR tasks, reducing manual efforts, minimizing errors, and freeing up valuable time for strategic HR initiatives.
- **Employee Experience:** The upgradation of HRMS enhances the overall employee experience, providing self-service options, real-time information, and streamlined communication.
- **Data-Driven Decision-Making:** HRMS facilitates data-driven decision-making in HR processes, enabling our organization to align HR strategies with broader business goals.

Conclusion

In conclusion, the transformative technological initiatives spearheaded by our Technology Team have not only strengthened our technological foundation but also positioned us as a pioneer in embracing innovation,

security, and efficiency. As we navigate the complexities of the digital landscape, these achievements serve as a testament to our commitment to excellence and our dedication to providing cutting-edge solutions for our stakeholders.

The integration of Privilege Access Monitoring, the establishment of a 24/7 Security Operation Center, adherence to technology compliance standards, deployment of Zscaler Web Secure Gateway, migration of IBM FS9500, and the successful implementation of both the Card Management System and Human Resources Management System collectively contribute to a resilient, secure, and future-ready technological infrastructure.

As we look ahead, these accomplishments lay the foundation for sustained growth, resilience.

9. In House Development:

a) IFIC Aamar Bond Management System

With advanced features and intuitive interfaces, this application empowers banks to digitize bond purchasing processes, enhancing efficiency, and customer satisfaction. From streamlining workflows to optimizing operational performance, Bond Management Application is a good solution for modern banking success. With our user-friendly platform, officials can effortlessly work on Bond Project, creating BO IDs, Subscription IDs and able to withdraw the debit restriction by using this application. From simplifying transaction workflows to enhancing customer experiences, our software is designed to streamline operations and drive growth in bond investment portfolios.

Key Benefits:

- **Streamlined Digital Processes:** Our Bond Management Software simplifies the entire bond product purchasing process for banks, eliminating manual paperwork and streamlining transactions. With automated workflows and intuitive interfaces, banks can efficiently manage bond investments, saving time and resources.
- **Enhanced Customer Experience:** By digitizing bond product purchases, banks can offer their customers a seamless and user-friendly experience. From creating accounts to managing subscriptions, our software provides customers with convenient access to bond investments, improving satisfaction and loyalty.

- **Increased Operational Efficiency:** With our Bond Management Software, banks can optimize their operational efficiency by reducing errors and redundancies associated with manual processes. By digitizing bond management, banks can allocate resources more effectively, leading to cost savings and improved overall performance.

- **Monitoring capabilities for IFIC stakeholders:** The software enables IFIC stakeholders to track and monitor both the quantity and value of customer bond purchases directly from the portal.

b) Audit Management System

Audit Management System is the process of applying any information technology based system to assist Auditors in the planning, performance, control, completion and administration of audit work. The Importance of audit automation and the utilization of IT in modern audits have grown significantly. In recent years due to both technological developments and changing regulatory environment. Expanding the internal control work performed by the auditors, has resulted in a strong increase in demand for qualified audit personnel, leading to personnel shortages and audit cost increases. This creates an opportunity for automating audit processes to further increase their efficiency.

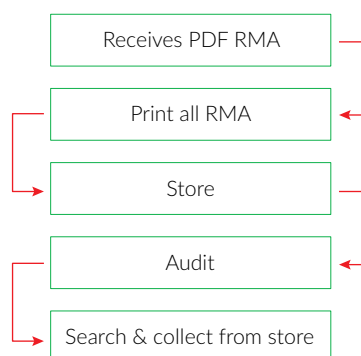
Key Benefits: The major Key Benefits of Audit Management System are as follows:

- Increases the audit coverage.
- Improve audit quality and audit judgment.
- Improve efficiency and reduce audit cost and error.
- Ensure consistent quality of audit work and documentation.
- To facilitate performing concurrent auditing.
- To facilitate compliance work both in branch end and head office end.
- To facilitate risk based internal audit through risk assessment & branch grading.
- To generate reports in multifarious purposes as per requirement.
- To facilitate preparation of annual audit plan.
- To maintain a complete database of total audit work as well as compliance.
- To facilitate integration with other modules e.g. HRM, BPA, MIS, CRM etc.

c) Relationship Management Application(RMA) Management System

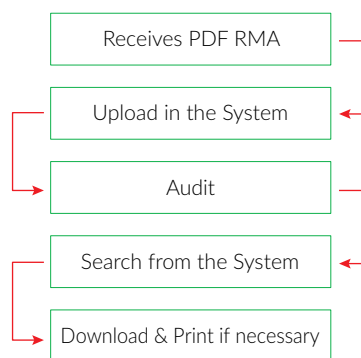
Correspondent Banking (CB) & Joint Venture Operations (JV) is currently maintaining RMA of total 393 Banks including their branches. Each KYC Documents is in average 10 pages and every year around 2500 pages are being pre-print.

Previous process flow:



1. CB & JV team receives KYC Documents from corresponding bank over E-mail
2. Print the KYC Documents
3. Store the Printed File.
4. When audit starts, audit basically wants to check one or two specific RMA
5. Team Search the preprinted KYC Documents and show it to the audit.

Present process flow:



1. CB & JV team will receive KYC Documents from corresponding bank over mail.
2. Upload the file in the System.
3. When audit starts, audit basically wants to check one or two specific RMA.
4. Team will print the specific KYC

Documents simply using easy search tools and show it to audit.

Key benefits:

1. Reduce the usage of paper.
2. Automation will easier for the assigned personnel.
3. Enable easy access to KYC Documents and searching facility.
4. Save man-hour hence better operation will be ensued.

d) Email Tracker

The Email Alert Portal stands as a pivotal solution for contact center, offering swift tracking of transactional emails. This centralized platform allows users to effortlessly confirm the status of crucial messages—whether sent or not. Its robust search and real-time updates streamline workflows, eliminating manual tracking hassles. With an intuitive interface catering to varying technical proficiencies, the portal ensures quick access to email status information.

Key Benefits:

- **Enhanced Customer Support:** “Email Tracker” helps customer care by providing a streamlined way to track transactional emails, ensuring timely responses to inquiries, order confirmations, and other critical communications. With the ability to monitor email delivery and recipient engagement, businesses can prioritize and personalize customer interactions, ultimately leading to higher satisfaction and retention rates.
- **Optimized Workflow Efficiency:** With Email Tracker, businesses gain valuable insights into customer interactions, preferences, and behaviors through detailed tracking data.
- **Data-Driven Insights:** With comprehensive reporting features, “Email Tracker” offers a detailed report for transaction mail for a customer. This report helps to give a proven result of any mail queries.

e) Application/API/Report Requisition System:

The Application/API/Report Requisition System is a tool developed to streamline the process of requesting custom in house application, APIs, or reports within IFIC Bank. It facilitates effective communication between the application development team and other departments, ensuring seamless collaboration and timely delivery of essential solutions. The purpose of

this system is to create a user-friendly platform that allows different wings or staff members of the company to submit requisitions for specific application, APIs, or reports tailored to their unique needs. It aims to enhance cross-functional synergy and foster innovation by providing a centralized mechanism for soliciting and fulfilling requests efficiently.

Key Benefits:

- **Task Organization:** Previously the tasks handled by the development team are received in email and organized manually. This tool helps in organizing the tasks with tracking the progress.
- **Efficiently workload Calculation:** Within the development team, effective calculation of workload can be introduced. The proper task distribution can be enhanced too. For this the business support will be proper and smooth.
- **Optimization of Process Flow:** Each requisition needs to be approved through the proper authority which was done by other approval system before. With the help of this tool the requisition automatically goes through approval process within the scope of approval channel. So, no need to get approval before raising requisition.

f) Data conversion tool for Trade Service :

Data conversion tool is an innovative tool designed to streamline the process of converting Excel data into XML format for uploading Online Export Monitoring System (OEMS) and Online Inward Remittance Monitoring System (OIRMS) of Bangladesh Bank. This tool offers a seamless solution for users dealing with trade-related data, ensuring accuracy and efficiency throughout the conversion process.

Key Benefits:

- **Time Reduction for Users:** One of the primary advantages of Data conversion tool is its ability to significantly reduce the time required for data conversion tasks. By automating the conversion process, users can avoid manual data entry and formatting tasks, saving valuable time and resources. This time-saving feature enables users to focus on other critical aspects of their trade operations, enhancing overall productivity and efficiency.
- **Data Accuracy:** The XML Generator employs robust algorithms to

ensure the accuracy of data conversion from Excel to XML format. By adhering to predefined data validation rules and schema mappings, it minimizes the risk of errors or inconsistencies in the generated XML files. Users can trust that their trade-related data is accurately represented in the XML format, facilitating smooth data exchange and compliance with industry standards.

12. Corporate Governance

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

The 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 date). 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 published in Bangladesh Gazette on 10 June 2018 and amendments Notification No. BSEC/CMRRCD/2009-193/66/PRD/148 published in Bangladesh Gazette on 16 October 2023 respectively.

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. Director's 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 shareholders, stakeholders and all statutory and market regulators.

13. Human Resource Management (HRM)

Human Resource is the crucial strategic enabler and key asset for business. IFIC,

the largest network bank in Bangladesh has a commitment to support and train its employees so that they can improve their capacity and professionalism and achieve goals in their own sectors.

The Human Resource Management Division of IFIC Bank creates a bridge between the employer and employees by managing the administrative functions and takes lead to foster a positive work environment by emphasizing a fair, competitive and merit-based qualities.

IFIC Bank believes that great innovations and ideas are driven by quality human resources which results to introduce market leading products, services and ultimately contributes to competitive advantages. Hence IFIC Bank gives utmost commitment to recruit potential talents and encourages them to focus on their growth and career progression. The Bank continuously invests on employees by arranging continuous training for developing their skills to deliver their best performance.

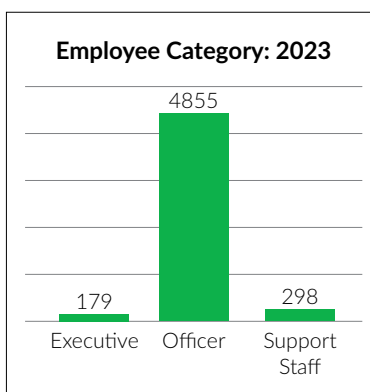
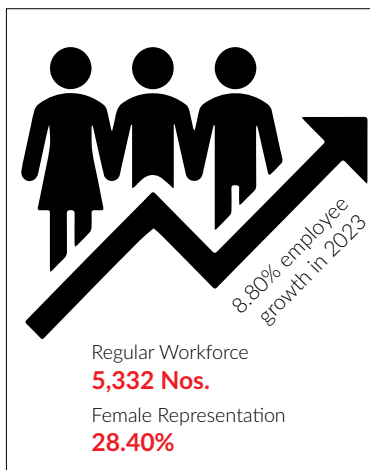
As the largest network Bank of the country, IFIC Bank is continuously generating the highest number of employments for last few years to ensure better customer experience which ultimately contributes to the economy of the country. The Bank develops diverse work force by implementing progressive human resource management policies and strategies to make them the Bank's living brand ambassador.

IFIC Bank continuously reviews its Organogram based on volume of business, change of service pattern and technology, automation of process, business complexity and functionality, places the right resources at the right place at the right time.

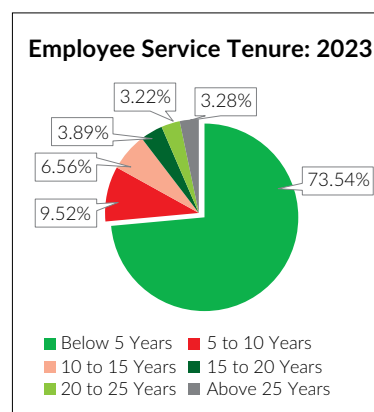
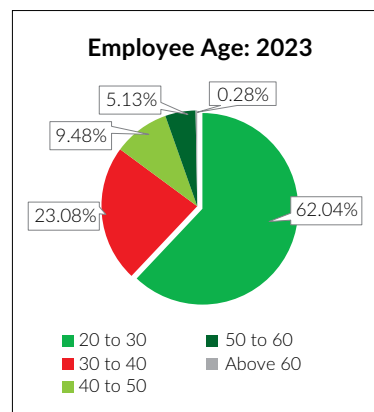
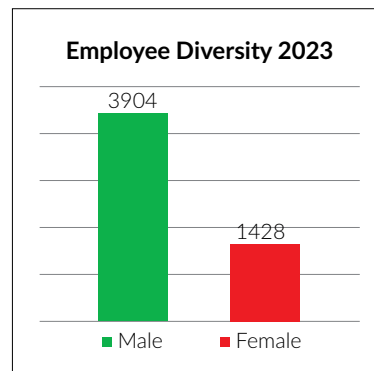
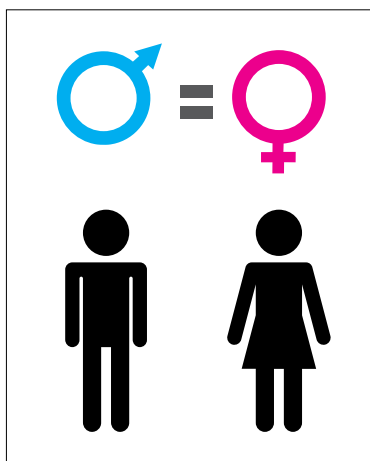
All the effort in combination ultimately assist to maximize the outcome in the bottom line.

Employee Profile

To be the best option of fresh graduates in the job market, IFIC Bank PLC always tries to create an inclusive and dynamic workplace for its employees so that they can feel motivated. In 2023, the Bank employed 5,332 full-time regular employees across the country. Diversity and inclusivity are at the core of the Bank's mission. The Bank welcomes people from a variety of religious, ethnic and socio-economic backgrounds. This diversity is what makes the Bank stand out from the competition and attracts the best and talented one's in the country to drive the Bank's success.



IFIC adopts a holistic approach to workforce diversity, encompassing considerations of gender because a diverse workforce unlocks a unique blend of perspectives that promotes innovation, creativity and improved organisational culture.



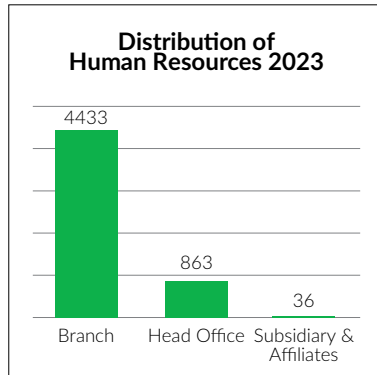
Employee Value Proposition

The Bank creates value for its employees through a variety of ways:

- Competitive Remuneration
- Merit based Reward
- Equal Opportunity
- Work-life Balance
- Employee Wellbeing & Safety
- Continuous Development
- Career Progression

Distribution of Human Resources


IFIC had 4433 and 863 employees in its Branches and Head Office respectively and 36 employees posted in IFIC Investment Limited, IFIC Securities Limited, Oman Exchange LLC in the year 2023.





Employee Wellbeing and Safety Program

IFIC Bank always considers its human resources as the most valuable asset and is highly concerned to their wellbeing and safety.

IFIC Bank initiatives to ensure employee wellbeing:


- 

The Bank provides both life and health insurance facility to its employees including their family members. The Bank has launched online Health Insurance Membership for employees with the assistance of insurance partners and offered Health Insurance Card by which one can get attractive discount offers on medical services under their network.
- 

Employees of the Bank can take telemedicine services from expert doctor for self and family members on 24/7 basis. Furthermore, the Bank has arranged paramedic services available during the office hour for instant support.
- 

Time to time, IFIC Bank arranges health and safety awareness program using physical and online platform where professionals of respective areas assist as partner of the programs. Awareness Program on Prevention of Cervical and Breast Cancer in

collaboration with Bangabandhu Sheikh Mujib Medical University, Seminar on Raising Awareness for Eliminating Violence against Women in Bangladesh presented by Bangladesh Police are such initiatives under the program.

- 

Every year, the Bank conducts fire drills with the support of Fire Service & Civil Defense Authority that increase safety awareness among the employee.

Employee Engagement Program

Strengthening the Bank's connection with its employees largely depends on transparent, consistent and systematized employee engagement initiatives on which IFIC Bank always concentrates.

Every year, IFIC Bank celebrates the outstanding academic result of the children of its employees in Public examinations for SSC/HSC & equivalents.

IFIC arranges the Painting Festival where children of IFIC employees participate. In 2023, approximately 400 children of bank's employee participated.

IFIC awards employees and staffs with "Integrity Award" in recognition of demonstrating exemplary effort under the national integrity strategy (NIS) of the government.

To welcome the new-born babies, IFIC has welcomed 531 nos. of newborn of 496 nos. of its employees in 2023 with gold coin.

IFIC Bank regularly celebrates International Women's Day with various activities where all female employees of the Bank actively participate.

Employee Interactive Sessions, Town Hall meetings are arranged with the Chief Executive Officer for disseminating information and sharing new ideas.

The Bank gives opportunity to the newly joined officers for arranging cultural shows by which they can expose their hidden talents.

Grievance Management

IFIC Bank has an Employee Grievance & Resentment Policy that allows the employee, regardless of gender, to voice grievances regarding harassment or other issues that cause them to become resentful. A Grievance Redressal Committee comprising senior executives addresses the issue raised by the employee based on gravity. The Bank operates 02 HR Helpline Numbers out of which one Number is dedicatedly managed by a female employee due to delicate nature of the case. HR also maintains a distinct email address as an employee helpline so that they can communicate any problem from anywhere at any time.

HR Compliance

HR Compliance is usually based on values that promote ethical conduct and proper risk management. It helps the Bank to keep its employee in track, which in turn keeps them safe, contented and productive.

IFIC Bank always complies with every applicable HR regulation for ensuring a healthy work environment. As part of establishing a compliance culture across the organization, IFIC Bank strictly maintains HR compliance in all spheres of the organization. The Bank encourages the employee to abide by all 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 policies for every HR activity which covers Recruitment Policy, Promotion Policy, Leave Policy, Transfer Policy, Performance Management Policy, Compensation Policy, Reward & Recognition Policy, Retirement Policy, Training Policy and others. Moreover, the Bank has separate disciplinary rules named "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 kind of misconducts committed by any delinquent employee. Also, the Bank has its own Code of Conduct which helps both the Bank and the employee to establish a compliance culture across the organization.

Recruitment

IFIC Bank is dedicated to developing a workforce that can take on any challenge, and it consistently prioritizes the ongoing professional growth of its employees. The Recruitment Team's goal for 2023 was to maximize the strength of the workforce in accordance with the goals and vision of the bank. The

extensive hiring procedure followed the Bank's strategic objective, which called for the creation of nearly 1400 Branch/Upshakhas positions. This required meticulous hiring of new Management Trainees and Transaction Service Officers. The team successfully recruited 1,040 people in 2023 by carrying out every stage of the hiring process in an economical and efficient manner.

Employee Performance Management

HRM Division at IFIC Bank PLC is committed to maximize employee performance through continuous improvement and innovation. The Performance Management System has evolved into a strategic tool for HRMD, enabling the comprehensive assessment and evaluation of employee performance throughout the year. A multi-dimensional approach that includes self-assessments, evaluations by appraisers and when applicable, reviews by appraisers' supervisors has been integrated into the Performance Management System. These elements are essential for recognizing achievements, fostering professional development and aligning individual objectives with the strategic goals of the Bank, all within a transparent and equitable framework.

In 2023, the HRM Division made significant advancements in refining its online-based e-Performance Management System (e-PMS) and developing dynamic Key Performance Indicators (KPIs). These improvements are aimed at further strengthening a culture that values employee engagement and performance, promoting employee development

and facilitating business growth. The implementation of both quarterly and annual performance appraisals helps the Bank's Management to monitor the performance of employees throughout the year and enables them to make strategic decisions.

Employee Compensation & Benefits

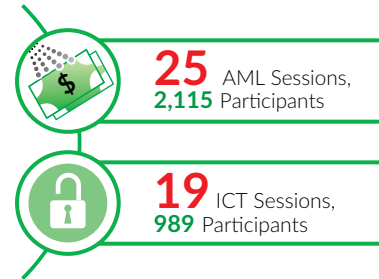
Compensation and benefits are the most important aspects of employee's satisfaction at work, as they directly affect an employee's performance and motivation to work. IFIC Bank always keeps its salary and benefits structure competitive and emphasizes on both short-term and long-term benefits of its employees. It also strictly follows the instructions and guidelines of the regulators maintaining full compliance. IFIC Bank has implemented a performance-based pay and benefit structure for its employees which is constantly encouraging them to perform better.

Training & HR Development

At IFIC Bank, we place a high value on a strong learning culture to improve the skill level of our employees to ensure that our workforce remains agile and competitive in an ever-evolving industry landscape. We provide analysis-based training programs through the HR Development and IFIC Bank Training Institute to bridge skill gaps and promote desired organizational success with enhanced operational effectiveness.

In 2023, we achieved significant milestones by conducting large-scale training sessions to upskill existing employees and nurture potential leaders. Our commitment to talent

development is evident in initiatives like the Management Trainee Development Programs, providing comprehensive training and practical exposure to real business challenges.



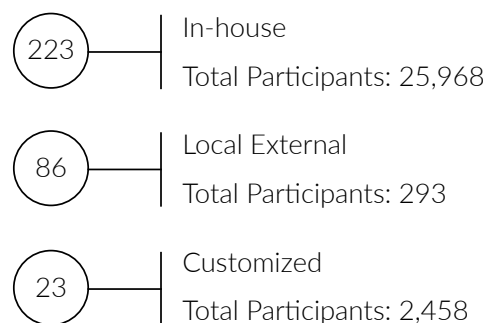
IFIC maintains a strong internal training infrastructure, complemented by collaborations with esteemed institutions like BBTA and BIM. Our focus on compliance training, particularly in AML and ICT, ensures adherence to Bangladesh Bank policies and guidelines.

Despite restrictions on overseas training imposed by Bangladesh Bank due to ongoing crises, IFIC Bank remains committed to leadership development. We've organized local and foreign-led leadership programs, including workshops conducted by esteemed institutions like the ANZ Institute.

Workshops like Leading Teams and Deep Change have equipped our Senior Management with essential leadership and strategic managerial skills.

Furthermore, our indoor and outdoor leadership development programs, covering areas like sales, negotiation, team building, and leadership, continue to empower our employees to thrive in their roles.

The Highlights of Training Sessions of 2023





Induction Program for TSO



Team Building & Leadership for Management Trainee



Sales & Negotiation

Deep Change-A Leadership Program for Seniors



Leading Teams by the Trainer from ANZ Institute

Team Building Program by Internal Trainer

14. Law and Legal Affairs

The Monetary Policy Statement for FY2023-24 released in January last year highlighted the urgent concern regarding the high non-performing loan ratio within the financial sector. This trend created substantial risks for the financial system as a whole. The last Monetary Policy also stressed the adverse impact of high NPL ratios on the financial sector's stability. Keeping the Policy Statement in mind, the Legal Affairs Department of the Bank intensified legal operation aimed at addressing Non-Performing Loans. With a keen emphasis on recovery strategies and meticulous legal risk management, the Bank endeavors to cultivate sustainable growth and nurture a robust portfolio. The Legal Affairs Department plays a crucial role to align with the organizational goals, consistently committed to ensuring that all business endeavors adhere scrupulously to statutory mandates and regulatory frameworks. Through diligent oversight and adherence to established policies, the Department endeavors to fortify the Bank's portfolio, positioning it for long-term resilience and prosperity amidst evolving market dynamics.

The Legal Affairs Department has assembled two strong teams of dedicated legal professionals tasked with the comprehensive management of cases to ensure swift resolutions of lawsuits, while concurrently executing strategic measures to mitigate legal and regulatory risks. Their duties encompass providing expert guidance pertaining to the mortgage of collaterals and the meticulous documentation of loans. Moreover, they play a crucial role in facilitating the recovery process through rigorous and effective follow-up procedures. Additionally, the team conducts thorough legal reviews of a wide array of contracts, agreements, memorandum of understanding (MOUs),

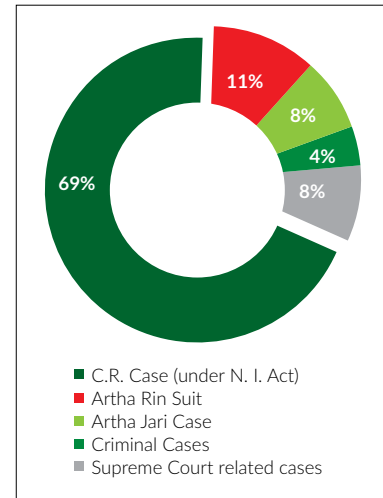
both domestic and international in nature. This multifaceted approach underscores the Bank's commitment to navigate complex legal landscapes while safeguarding its interests and fostering sustainable growth.

In the jurisdiction of Legal Affairs Department, the Bank has achieved notable success this year with a primary focus on litigation and internal legal services. Through a steadfast commitment to expedite the resolution of pending court cases and meticulous execution, the Bank has once again delivered strong financial and operational performance.

In the year 2023, the Bank saw a significant upsurge in the recovery from litigated accounts, reaching a successful height of BDT 3840.70 million, marking an approximate 1.58-fold increase compared to the preceding year. Under the direct supervision and assistance of the Legal Affairs Department, the Bank accomplished a remarkable recovery of BDT 43.23 million from the sale of mortgaged properties through courts, also reflecting a 57.53% increase from the previous year. Furthermore, the Bank obtained certificates of Ownership under section 33(7) of the Artha Rin Adalat Ain, 2003 in favor of the Bank, relating to mortgage properties valued at BDT 934.00 million. These achievements underscore the Bank's diligent efforts in legal management, resulting intangible financial gains and operational efficiencies.

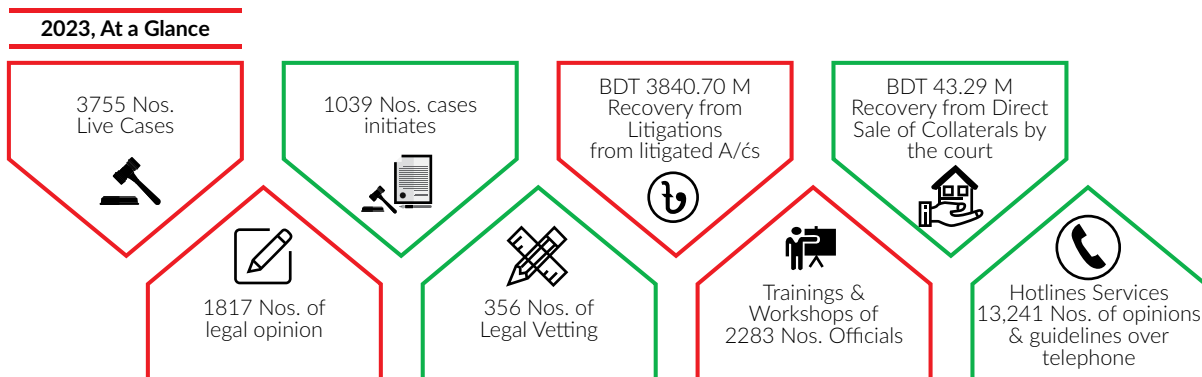
At present, a specialized team of legal professionals is actively monitoring 3755 Nos. of cases, with 1039 cases newly filed in 2023. Among these, the Bank has initiated 119 Artha Rin Suits, 80 Arthajari Cases, 712 C.R. Cases under the N.I Act, 1881 and 43 Criminal Cases under the Penal Code, 1860. Additionally, the Bank has contested 85 issues in the Supreme Court. Collectively, these cases

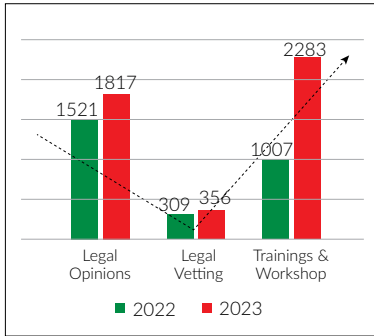
represent an approximate value of BDT 36,953.30 million. The Bank foresees a considerable value gain from these cases in the upcoming year.



In contrast to the preceding year, a cumulative number of 252 Nos. of Artha Rin Suits, C.R. Cases, Arthajari Cases, Writ Petitions, Miscellaneous Cases, Criminal Revisions and Criminal Appeals have been successfully disposed of in 2023.

Furthermore, the Legal Affairs Department is not only tasked with managing litigation matters but also strategically crafting a robust collateral portfolio for long-term stability through its Legal Services Team. A key aspect of these legal services involves meticulously scrutinizing property documentation, whether already mortgaged or intended for mortgage, to mitigate any lapses or fraudulent activities detrimental to the Bank's interests. Consequently, the operational efficiency of the Legal Affairs Department in furnishing legal services has markedly heightened during the current year.





To raise awareness regarding the severe repercussions of financial abuse and to impart precautionary measures concerning bad loans, the Legal Affairs Department conducts regular training sessions and workshops on Land and Loan Documentation. These sessions encompass approximately 2283 Nos. of concerned bank officials in 2023. Additionally, the Department has instituted dedicated Hotlines, staffed by expert law officers, to provide immediate legal assistance concerning loan-related legal issues and other emergency legal supports. In crucial cases, the Head of the Legal Affairs of the Bank provides legal supports 24/7 round the year.



On average, the Hotline receives and addresses about 55 phone calls daily, tackling legal inquiries from Branches and Uposhakhas. As part of regulatory compliance and while upholding customer confidentiality and safeguarding the Bank's interests, the Legal Affairs Department furnishes guidance and courses of action for Branches and the Head Office. This guidance is tailored to comply with directives from Government Authorities such as the Anti-Corruption Commission (ACC), National Board of Revenue (NBR), Customs Intelligence, Criminal Investigation Department (CID) of Police, Police Bureau of Investigation

(PBI), various departments of Bangladesh Bank, and other government authorities.

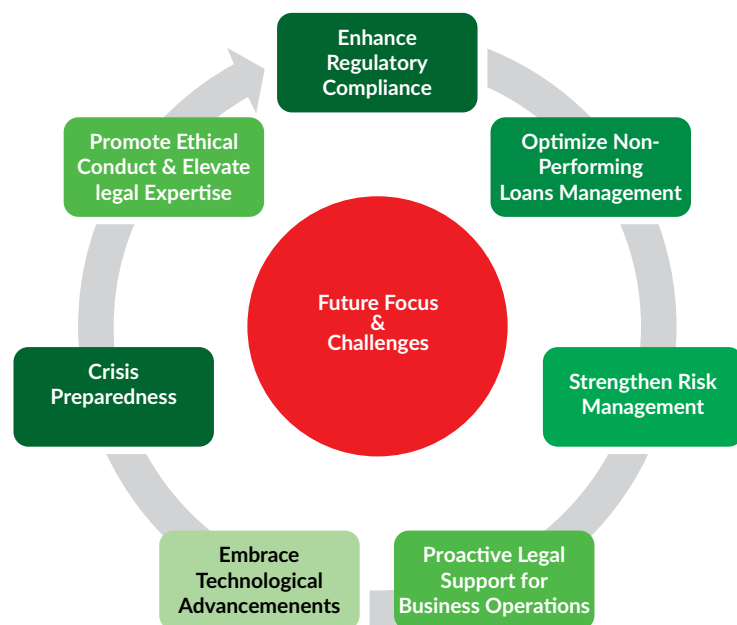
15. Future Focus & Challenges

The Legal Affairs Department has adopted a pro-active strategic approach to aligning the organizational goals, furnishing to the evolving needs of our customers. Given the extensive array of laws, regulations, rules and policies governing our operations, the Department acknowledges the growing volume and intricacy of these requirements and takes appropriate actions accordingly. Our commitment is to meticulously navigate and align the organization with the dynamic statutory and regulatory landscape within the financial and banking sectors, ensuring compliance and staying ahead of industry reforms. In the upcoming year, the Department is forecasting the following challenges:

- Enhanced Regulatory Compliance:** Staying well-informed of evolving regulatory landscapes and implement appropriate measures to ensure continuous compliance with statutory provisions and regulatory policies.
- Optimized Non-Performing Loans Management:** Implementing innovative approaches to minimize legal risks associated with non-performing assets and develop refined strategies for efficient recovery.
- Strengthened Risk Management:** Collaborating with other

departments to integrate legal risk management into overall enterprise risk management and comprise comprehensive trainings at Head Office, Branch & Uposhakha levels to learn to identify, assess and manage legal risks effectively.

- Proactive Legal Support for Business Operations:** Providing timely and strategic legal advices to support new business initiatives and foster a collaborative relationship with other departments to align legal support with organizational goals.
- Embracing Technological Advancements:** Leveraging legal technology, i.e., document management & automation through the upgraded IFIC Case Management & Library System for enhanced efficiency and risk management, exploring innovative Online Legal Database to facilitate legal research and analysis.
- Crisis Preparedness:** Developing and regularly test crisis management and response plans and ensure readiness to address legal challenges during unforeseen events or economic downturns.
- Promoting Ethical Conduct & Elevating Legal Expertise:** Reinforcing a culture of ethical conduct and legal compliance and implement training programs to educate employees practice best legal and compliance standards. Additionally, a dedicated inspection and follow-up unit has



been established to oversee the implementation of these initiatives at operational level.

Furthermore, the Department is actively involved in formulating specialized modules for combating fraud, forgeries and other illegal activities within the Bank.

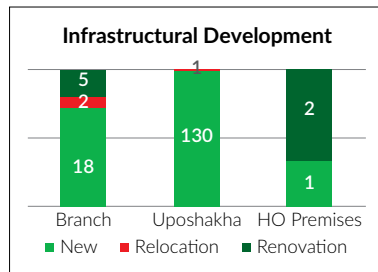
16. Branch Expansion Program/ Performance of Services & Estate Division

Infrastructure Development Department

From Blueprint to Bricks: Crafting Country's Largest Brick-and-Mortar Banking Network

IFIC Bank PLC reigns supreme as Bangladesh's largest banking network, boasting over 1,395 record breaking active service centers (branches, Uposhakhas, and ATMs). This accomplishment stems from the relentless efforts of a skilled team of engineers, designers, legal and procurement experts led by the Infrastructure Development Department (ISD). By proactively addressing operational challenges across this expansive network, ISD has significantly reduced the risk of electro-mechanical hazards.

2023 Key Highlights:



Network Expansion: Established 187 Branches, 1,173 Uposhakhas, and 35 ATMs. Developed 226,464 sqft. floor area.

Cost Saving: BDT 40 million from approved budget through negotiation and BDT 13.40 million through work oversight. Total bill processed BDT 332 million.

Asset Management: Brought 428.50 decimal Manikganj property under fixed assets of the Bank.

Rental Cost Optimization: Reduced rent for 3,000 sqft of Kachua Branch by 25% and 5,533 sqft space at Level-15 of Sumra Tower by 5% upon renewal.

Rationalized Rental Increment: Average rent increased by 15% which is within

the acceptable limit of Bangladesh Bank.

Optimized space utilization: Shah Amanat Market Branch footprint reduced by 1,578 sqft through space optimization.

Beyond Core Responsibilities:

- **Automated lease and rent management:** The Rental Management module in the ERP streamlines lease agreements and payments, reducing processing time and ensuring compliance.
- **Digitized lease agreements:** All rental agreements are now accessible in a central database, enhancing asset management capabilities.
- **Verified fixed assets:** Verification of [number] assets facilitating efficient management through the ERP's Fixed Asset module.
- **Developed asset repair and maintenance policy:** This policy standardizes maintenance activities for the vast network, ensuring efficiency.
- **Automated repair & maintenance:** The ERP's Repair & Maintenance module streamlines operations and provides better control.

Impactful Project Engagement

- **IFIC Complex:** Expanding the existing IFIC Tower with the adjacent property for a new corporate headquarters.
- **IFIC Dormitory:** Constructing a dormitory at Dilu Road for employee training programs.
- **Central Document Archiving:** Establishing a dedicated facility at Gulshan-Tejgaon Link Road for document storage.
- **Central Warehouse:** Building a central facility for improved inventory control of equipment and supplies.

Through The Lense:

Newly constructed Branch,



Logistics & General Admin

During the fiscal year 2023, IFIC Bank PLC executed several strategic initiatives to bolster operational efficiency and enhance service quality:

The bank procured 1,280,000 MICR Cheque Books valued at BDT 132.7 million and acquired total printed and security stationeries worth BDT 23.19 million. Additionally, miscellaneous items such as Rubber Stamps, Business Cards, Printer Toners, Petty Stationery and others, amounting to BDT 35.00 million, were purchased and distributed across our operational units.

Approximately 2,000 outsourced manpower resources were efficiently managed with a total annual service charge of BDT 307.94 million. The successful integration of the Outsourced Manpower module into our ERP system has significantly enhanced operational efficiency.

IFIC Bank conducted the disposal of fixed assets including 40 business locations and Head Office properties along with 03 old vehicles in 2023.

The bank provided outsourced vehicle support valued at BDT 121.56 million for Cash-In-Transit operations nationwide, ensuring the secure transportation of assets.

A wide array of essential items including blankets, wall calendars, desk calendars and promotional items were distributed to support our stakeholders.

IFIC Bank executed 2,900 maintenance works on office equipment, totaling more than BDT 7.00 million.

Additionally, uninterrupted repair and maintenance support was provided to all business points across the country alongside logistics assistance during the opening of 18 Branches and 131 Uposhakhas.

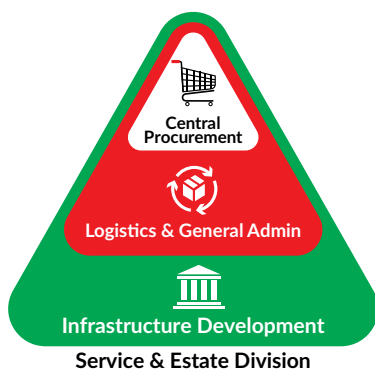
These initiatives exemplify IFIC Bank PLC's commitment to operational excellence, efficient resource management and delivering quality service to our valued customers and stakeholders.

Achievement

- Through adept negotiations, the bank secured cost reductions with our MICR Cheque Book supplier, saving BDT 5.00 million. Additional negotiations with printed stationery suppliers yielded savings of approximately BDT 0.065 million.
- By establishing fixed rates for computer and petty stationery procurement, IFIC Bank PLC achieved annual savings of approximately BDT 1.5 million, showcasing our dedication to efficient resource allocation.
- Effective management of outsourced services within the

approved budget led to savings totaling BDT 32.93 million, highlighting our focus on optimizing operational costs while upholding service quality.

- Income generated from the disposal of fixed assets reached BDT 1.79 million, surpassing the book value of BDT 0.28 million, indicative of effective asset management practices.
- Through careful budget allocation and management, the bank saved BDT 24.34 million from the approved budget for Cash-In-Transit operations ensuring asset security while minimizing associated costs.
- By engaging in strategic negotiations, the bank realized savings of approximately BDT 1.00 million optimizing the operational expenses.



Central Procurement

Centralizing all procurement activities has yielded improved control over budget allocation, inventory management, supplier relations, negotiation process and overall procurement operations.

In the fiscal year 2023, the Central Procurement unit facilitated the procurement of a total value of BDT 4,099.00 million across 329 issued work orders. Concurrently, payments totaling BDT 933.00 million were processed to suppliers during the same period. The management of 94 suppliers was effectively executed throughout the year.

Some of the notable procurement during 2023 are Renewal of License for Core Banking Solution (Universal Banking) and Trade Application with SWIFT changes for next 10 years, Anti Money Laundering (AML) software, IDTP Project, Dual Interface Card purchase, Renewal of Health Insurance, Notice Board for all Branches & Uposhakha, Renewal of Endpoint Security,

upgradation of Legal Case Management & Library Solution, Enhancement of Virtual Desktop Infrastructure, Display Solution for SOC room etc.

Achievement

- As a consequence of the bank's rapid growth, there has been a substantial rise in both the scale and value of procurement and payment activities. In response to this expansion, a suite of Management Information Systems (MIS) and databases has been implemented to efficiently handle the heightened volume and mitigate potential operational gaps. These systems serve to meticulously track procurement processes, payment transactions, supplier details, inventory status and pertinent operational data.
- During the fiscal year 2023, the Central Procurement Department achieved notable success in cost optimization endeavors, resulting in a total savings of BDT 632.00 million. This achievement was realized through a multifaceted approach encompassing the exploration of alternative product sources and suppliers, proactive procurement based on early market intelligence, adept supplier management practices including rapport cultivation and astute negotiation strategies.
- Moreover, the bank has proactively procured the necessary inventory of critical products such as IT equipment, as a lot to ensure a smooth inauguration of the targeted 1,450 Branches & Uposhakhas avoiding any unexpected situations that may arise.

Security Department

Security Department has ensured physical security of the business points located across the country. A 24x7 Security Help Desk, Central Security Surveillance System (CSSS), Access Control System, Fire Safety Management as well as Rapid Response Team (RRT) have been developed for prompt security service.

Achievement

- Successfully identified and investigated 67 major incidents including 04 theft attempts in the business points.
- During natural disasters (e.g. flood in Chattogram division, cyclone Mocha etc.) in 2023, worked as the only Proof of Concept (POC) between affected business points

& Head Office and provided active support.

- Police verification of 2,200 employees was conducted.
- Deployed 2,206 security personnels in the business points around the country.
- Conducted 684 maintenance work of security equipment in the business points.
- Re-arranged Security Duty during holiday, thereby saved BDT 65.62 million.
- Reinforced Central Security Surveillance System (CSSS) of the Bank.
- Provided 1,082 business intelligence reports, 721 CCTV video footage and protected 1,037 ATM cash loading events.
- Kept close liaison with the law enforcing agencies for the safety of employees of the Bank.



Archiving Management

Archiving Management Department has taken several steps to enhance operational efficiency and maximize resource utilization. The following actions have been taken by the department in this connection - regular visit of business points, clearing backlog items to create space for new documents, guidance for advanced archiving method, selling destroyable documents thereby contributing to the bank's revenue. These measures aim to streamline operations and ultimately benefit clients and stakeholders.

Achievement

- Visited 18 Branches, cleared backlog of 09 Branches. As a result, storage capacity of these Branches has been increased by 25-30% which is sufficient for storage until 3-4 years.
- Added BDT 0.385 million (Approx.) to the revenue of the Bank selling destroyable documents.

- Vacated 6,742.50 sft. unutilized space in Lalmatia by disposing old/unused goods and transformed it into a godown. Thereby properly utilizing BDT 1.50 million rental expense per month.
- Undertook Central Archiving Project to facilitate access to records and preserve classified document in the professional manner.
- Initiative taken to track physical document and preserve soft document through ERP module.
- Undertook compactor room segregation project in the IFIC Tower.
- Old/unused goods have been disposed in the Manikganj property.



Tower Management

Tower Management ensures 24/7 operation and facility management of IFIC Bank Head Office premises by engaging technical staff and officers. They conduct reactive and preventive maintenance of critical equipment and all civil, interior and façade maintenance work as per Tower standards. The Department also provides Tower logistics support and arranges seating, program management, participant management, sound system management, food management, and logistics support.

Achievement

- The Tower Management Department successfully operated IFIC Tower in 2023 ensuring properly maintenance of all critical equipment and there was no equipment failures or downtime.
- Organized various programs at the multipurpose hall, providing support for seating arrangements, program management, participant management, sound system management, food management, and logistics.
- Maintained the cleanliness of IFIC

Tower and beautified the Tower entry and Mujib corner with seasonal flowers.

- Additionally, completed all procurement for IFIC Tower according to guidelines, and completing all government regulatory work related to IFIC Bank head office, saving approximately BDT 0.30 million. The procurement value for IFIC Tower was BDT 58.9 million.

Vehicle & Event Management

Vehicle allocation tailored to meet specific needs both within and outside Dhaka, ensuring optimal maintenance standards at minimal expenses, thereby guaranteeing uninterrupted service throughout 2023.

Efficient management of tax-token, fitness, insurance certificates, and other pertinent legal documentation for the Bank's vehicles through timely renewal processes facilitated with the appropriate government authority (BRTA). Addressing legal matters such as police cases and insurance claims meticulously throughout the entirety of 2023.

Achievement

- Achievement of substantial savings totaling approximately BDT 3.5 million from the approved budget allocation of BDT 13.80 million for the fiscal year 2023, through prudent expenditure and streamlined maintenance practices.
- Effectively coordinated 75 events and meetings both within IFIC Tower premises and at external venues.
- Facilitated 27 training programs at IFIC Cafeteria, located on Level 4 of IFIC Tower, ensuring optimal arrangements and logistics.
- Enhanced cafeteria services by diversifying food options, providing comprehensive crockery and cutlery selections, and ensuring prompt service delivery to meet diverse requirements throughout the entirety of 2023.

17. Subsidiaries of IFIC

There are three subsidiaries of IFIC Bank PLC which are:

- IFIC Securities Limited (IFICSL);**
- IFIC Money Transfer [UK] Limited; and**
- IFIC Investment Limited.**

18. Branding and Promotional Activities

Throughout 2023, IFIC Bank engaged in extensive promotional efforts aimed at enhancing brand awareness and showcasing its range of products and services. New commercials were created for flagship offerings like the IFIC Amar Account and IFIC Remittance Service, alongside updates for other offerings. These commercials were broadcasted widely across popular television channels and social media platforms as part of comprehensive TVC campaigns.

Moreover, IFIC Bank actively sponsored numerous events and activities throughout the year, demonstrating its commitment to community engagement. These included initiatives such as IFIC Protibeshi Utshab and IFIC Modhu Mash Utshab held across all branches and Uposhahas nationwide, fostering connections with both employees and customers.

In addition to these initiatives, the bank supported various notable events such as the Kali O Kalam Tarun Kobi O Lekhak Puroshkar 2023, Bangladesh Police Academy, Bangladesh Olympic Association, ARCHIEVE'1971, and engagements with prominent institutions like Dhaka University Moot Court, Dhaka Stock Exchange, and Chittagong Stock Exchange. Partnerships with media outlets like Ek Takar Khobor, Ntv, RTV, Channel I, Prothom Alo, The Daily Star along with many mainstream media for further amplified the bank's presence.

IFIC Bank also executed robust mainstream media campaigns across television, print, and online platforms, complemented by a significant digital campaign footprint. Notably, the bank achieved high engagement on its official social media and YouTube channels, securing top followers and viewership within the industry.

19. Corporate Social Responsibility

Corporate Social Responsibility (CSR) activities undertaken by the Bank during the year 2023 are as mentioned below:

- The Bank has provided financial assistance to Kumudini Welfare Trust of Bengal (BD) Ltd for the educational expenses of 200 students of Diploma in Nursing Science & Midwifery Students.
- The Bank has provided financial assistance to help the insolvent

meritorious students under Honorable Prime Minister's Education Assistance Trust.

- The Bank has provided financial assistance to Bishwa Sahitya Kendra for its Book Reading Program for the College Students across the country under its 5th and Final phase of Contract.
- The Bank has initiated the first phase of a nationwide campaign by providing a Financial Literacy Workshop facility to unbanked individuals through 85 branches.
- The Bank has conducted a country-wide Tree Plantation Campaign to build Green Bangladesh and protecting the country from adverse impacts of Climate Change.
- The Bank has extended financial assistance to support the construction of a cancer hospital in Mitra, Manikganj, Bangladesh, in collaboration with the Head and Neck Cancer Support Foundation.
- The Bank has donated Blankets to the Honorable Prime Minister's Relief and Welfare Fund along with distribution of the same through its Branches and Uposhakhas to help the cold stricken people.
- The Bank has awarded IFIC Shahitya Puroshkar to Mr. Moshikul Alam, Mr. Aminul Islam and Mr. Swakrito Noman under the Contemplative and Creative category for the year 2020 and 2021.
- The Bank has provided financial assistance to Halkhata, a literature based magazine for the Production and Distribution of 20,000 units of Earthquake Preparedness Booklet.
- The Bank has provided Financial Assistance to various personalities throughout the year for medical purposes.

20. Business Focus

The principal activities of the Bank are banking and related businesses under the Bank Company Act, 1991 (Amended up to date). The core banking businesses include accepting deposits and granting loans and advances out of those deposits and earning profit through creating value from the 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

generating activities encompasses all kinds of commercial banking products and services to the customers that includes project finance, working capital finance and trade finance for corporate customers, CMSME loans to small traders and businesses, House Building Loan, Car Loan as well as wide range of lifestyle 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 and Any Time Banking for 24 hours a day and 7 days a week through ATMs.

2023 has been a year of consolidating growth prospect of the Bank. Cashing on the consistent track record of positive growth, the Bank shall continue to deliver a strong performance, both operationally and financially.

The Bank aims to build a business that is durable in the long run, one that creates value for shareholders and also acts responsibly in the interests of the wider communities in which it operates. The Bank believes 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 PLC

The Authorized Capital and the Paid-up Capital of the Bank stood at BDT 40,000.00 million and BDT 18,305.59 million respectively as on 31 December 2023. A total number of 18,305,587,120 shares are recorded with the Central Depository Bangladesh Limited (CDBL), while 15,076,910 shares still remain in scrip form till the Balance Sheet date.

The consolidated Net Asset Value (NAV) per share was BDT 19.73 as on 31 December 2023 which was BDT 18.82 as on 31 December 2022. The consolidated Earnings per Share (EPS) were BDT 1.64 for the year ended on 31 December 2023 as against BDT 1.93 as on 31 December 2022. The Market Capitalization of IFIC was BDT 20,502.25 million at the end of the year 2023 as against BDT 20,537.98 million at the end of the year 2022. Shareholders holding ten percent (10%) or more voting interest in the Company (name-wise details) is shown on the shareholders information page.

22. Dividend

The Board of Directors in its 882nd Meeting held on 29 April 2024 has recommended 5% Stock Dividend for

the Shareholders for the year 2023 subject to approval at the forthcoming 47th Annual General Meeting. No cash or stock dividend was declared as an interim dividend during 2023.

23. Appointment of External Auditors

In the 46th Annual General Meeting of the Bank, "A" graded Chartered Accountants Company M/s. M. J. Abedin & Co., Chartered Accountants was appointed as the External Auditors of the Bank for the year 2023. Since M/s. M. J. Abedin & Co., Chartered Accountants have completed their consecutive third year of the audit and in terms of the Bangladesh Bank's Guidelines and the Directives of BSEC, they are not eligible for re-appointment.

For the year 2024, out of 5 applicants, M/s. Islam Jahid & Co., Chartered Accountants have been recommended as the Statutory Auditors of the Bank for the year 2024 that will be placed for approval of the Shareholders in the 47th AGM.

24. Appointment of Compliance Auditors

In the 46th Annual General Meeting of the Bank, M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants were appointed as the Compliance Auditors of the Bank for the year 2023. Meanwhile, M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants have completed their fifth year of the audit, and in terms of the Directives of BSEC, they are eligible for re-appointment.

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 47th 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 for 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 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 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 internal control system of the Bank.

The MANCOM also reviews the overall effectiveness of the control system of the Bank & provides a certificate on yearly basis to the Board of Directors on the effectiveness of internal control policies, practices & procedures.

As per 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 of 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 for that period.

Accounting policies supported by judgments, estimates and assumptions in compliance with IAS and IFRS are applied on the basis that the Bank shall 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 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, 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 2023. 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 Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka, Dhaka Stock Exchange PLC., Chittagong Stock Exchange PLC 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. M. J. Abedin & 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 shareholder's 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