

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Independent Auditor's Report and Audited Financial Statements

as at and for the year ended 31 December 2021

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

Opinion

We have audited the consolidated financial statements of International Finance Investment and Commerce (IFIC) Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of IFIC Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2021 and the consolidated and separate profit and loss accounts, consolidated and separate cash flow statements and consolidated and separate statements of changes in equity for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.1.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
1. Measurement of provision for loans and advances	
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provisions certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to further business performance of the borrower; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued time to time.</p> <p>Due to high level of judgment involved and using some manual process in estimating the provision for loans and advances, we considered this to be a key audit matter.</p> <p>At year end the Group and the Bank reported total gross loans and advances of BDT 306,333 million (2020: BDT 261,697 million) and BDT 305,061 million (2020: BDT 260,650 million) respectively and provision for loans and advances of BDT 10,356 million (2020: BDT 7,638 million) and BDT 10,125 million (2020: BDT 7,406 million) respectively.</p> <p>See note no 2.1, 2.2.1.3, 7 and 15 to the financial statements</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Review of quarterly Classification of Loans (CL) <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and • Finally, assessed the appropriateness of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

2. Recognition of interest income from loans and advances	
<p>Recognition of interest income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of interest income has involvement of complex IT environment.</p> <p>We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.</p> <p>See note no 2.1 and 26 to the financial statements</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans and advances.</p> <p>We performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p>

3. Loans and advances	
<p>Loans and advances are the main element of financial statements of the Bank. Income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loan disbursement requires robust documentation followed by approval from appropriate level of authority.</p> <p>We have identified loans and advances as key audit matter because there is an inherent risk of fraud in disbursement of loans and advances by management to meet specific targets or expectations.</p> <p>See note no 2.1 and 7 to the financial statements</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement procedures and monitoring process of loans and advances.</p> <p>We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of loans and advances. In addition, we have performed procedure to check whether the loans and advances is recorded completely and accurately and that are existed at the reporting date.</p> <p>Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.</p>

Other Matter

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated and separate financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

If, based on such work we perform, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and the separate financial statements of the Bank in accordance with IFRSs as explained in note 2.1, and for such internal control as management determines is

necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Group and the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- i) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and Internal Control:
 - a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities (other than matters disclosed in these financial statements)
- iii) financial statements for the year ended 31 December 2021 of two of the subsidiaries namely, IFIC Securities Limited and IFIC Investments Limited, have been audited by us, and the financial statements of the subsidiary IFIC Money Transfer (UK) Limited ✓

has been audited by Ahmed & Co. (UK), and have been properly reflected in the consolidated financial statements;

- iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of accounts and returns;
- vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery as explained in Note 15.1.1 and 15.2.1
- x) the information and explanation required by us have been received and found satisfactory;
- xi) we have reviewed over 80% of the risk weighted assets of the bank and spent over 4,200 person hours; and
- xii) Capital to Risk-Weighted Asset Ratio (CRAR) has been maintained adequately during the year ended 31 December 2021.

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

Dated, Dhaka
16 March 2022



Hasan Mahmood, Partner
Enrolment no: 564
M. J. Abedin & Co.
Chartered Accountants
Firm Registration no: N/A
DVC: 2203200564AS411049

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Balance Sheet
as at 31 December 2021

Particulars	Note	Amount in BDT	
		31 December 2021	31 December 2020
PROPERTY AND ASSETS			
Cash	3	25,065,301,074	18,496,393,531
Cash in hand (including foreign currency)	3.1	7,206,054,519	4,088,663,229
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	17,859,246,555	14,407,730,302
Balance with other banks and financial institutions	4	1,048,932,840	8,068,327,513
In Bangladesh	4.1	303,039,633	6,682,557,302
Outside Bangladesh	4	745,893,207	1,385,770,211
Money at call and on short notice	5	4,380,000,000	2,330,000,000
Investments	6	61,214,980,678	58,100,080,583
Government securities	6.1	48,724,679,719	46,979,431,855
Other investments	6.2	12,490,300,959	11,120,648,728
Loans and advances	7	306,333,354,843	261,697,427,473
Loans, cash credit, overdrafts etc.	7.1	287,762,185,345	247,051,243,375
Bills purchased and discounted	8	18,571,169,498	14,646,184,098
Fixed assets including premises, furniture and fixtures	9	7,966,754,765	7,537,124,576
Other assets	10	4,245,116,584	4,475,216,060
Non-banking assets	11	148,474,800	373,474,800
Total assets		410,402,915,585	361,078,044,536
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	12	14,562,035,508	13,021,794,012
Subordinated debt	13	6,400,000,000	2,100,000,000
Deposits and other accounts	14	332,751,259,838	296,341,568,095
Current deposit and other accounts		124,268,243,060	92,689,795,114
Bills payable		2,455,215,075	2,547,263,402
Savings bank deposits		25,716,666,242	25,343,706,980
Fixed deposits		180,311,135,461	175,760,802,599
Other liabilities	15	26,453,296,458	21,809,765,070
Total liabilities		380,166,591,804	333,273,127,177
Capital/Shareholders' equity			
Paid up capital	16.2	17,008,675,610	16,198,738,680
Statutory reserve	17	7,757,784,033	6,864,775,853
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19	80,926,888	107,849,126
Revaluation reserve against fixed assets	20	96,309,954	96,309,954
Foreign currency translation reserve	20.a	76,565,511	134,088,406
Surplus in profit and loss account	22	5,060,974,278	4,248,076,927
Total shareholders' equity		30,236,307,671	27,804,910,343
Non-controlling interest	23	16,111	7,016
Total equity		30,236,323,782	27,804,917,359
Total liabilities and equity		410,402,915,585	361,078,044,536

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Balance Sheet
as at 31 December 2021

Particulars	Note	Amount in BDT	
		31 December 2021	31 December 2020
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24	71,383,874,980	50,483,678,851
Acceptances and endorsements		28,484,724,497	16,350,951,601
Letters of guarantee		8,612,473,288	8,058,992,366
Irrevocable letters of credit		23,825,249,182	17,880,361,773
Bills for collection		10,461,428,013	8,193,373,111
Other contingent liabilities		-	-
Other commitments			
Documentary credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet exposures including contingent liabilities		71,383,874,980.29	50,483,678,851


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



Managing Director &
CEO



Director



Director

Director

Director



Hasan Mahmood FCA, Partner

Enrolment no: 564

M. J. Abedin & Co. Chartered Accountants

DVC No.: 2203200564AS411049

Dhaka, 16 March 2022



INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Profit and Loss Account
for the year ended 31 December 2021



Amount in BDT

Particulars	Note	2021	2020
Interest income	26	22,335,099,618	21,170,256,030
Interest paid on deposits, borrowings etc.	27	15,426,170,206	18,292,521,314
Net interest income		6,908,929,412	2,877,734,717
Investment income	28	4,625,370,045	3,501,469,298
Commission, exchange and brokerage	29	2,649,787,975	1,971,399,382
Other operating income	30	187,755,600	183,919,695
		7,462,913,620	5,656,788,375
Total operating income		14,371,843,032	8,534,523,092
Salary and allowances	31	3,116,808,269	2,570,695,794
Rent, taxes, insurance, electricity etc.	32	709,050,031	418,605,546
Legal expenses	33	18,057,653	10,712,980
Postage, stamp, telecommunication etc.	34	118,248,961	73,869,808
Stationery, printing, advertisement etc.	35	386,496,624	358,974,150
Managing Director's salary	36	22,952,775	20,975,250
Directors' fees	37	4,346,400	1,892,000
Auditors' fees	38	4,126,749	3,051,750
Depreciation and repair of bank's assets	39	1,195,691,208	1,070,408,309
Other expenses	40	1,186,286,363	1,046,990,192
Total operating expenses		6,762,065,033	5,576,175,780
Operating profit		7,609,777,999	2,958,347,312
Share of profit of joint ventures/associates	40.a	256,382,220	522,479,151
Profit before provision		7,866,160,219	3,480,826,463
Provision for loans, investments & other assets	41		
Provision for loans and advance		2,684,664,610	1,498,673,893
Provision for diminution in value of investments		4,002,860	(300,613,649)
Other provisions		13,957,367	35,971,496
Total provision		2,702,624,837	1,234,031,740
Profit/(Loss) before taxes		5,163,535,382	2,246,794,722
Provision for taxation	42		
Current tax		2,712,105,506	975,923,486
Deferred tax expense/(income)		(89,790,868)	137,874,939
		2,622,314,639	1,113,798,425
Net profit after taxation		2,541,220,743	1,132,996,297
Net profit after tax attributable to:			
Equity holders of the Bank		2,541,217,648	1,132,996,161
Non-controlling interest		3,095	136
		2,541,220,743	1,132,996,297
Profit available for appropriation:			
Retained earnings brought forward from previous year		4,242,454,452	4,920,565,744
Add: Net profit after tax (attributable to equity holders of the Bank)		2,541,217,648	1,132,996,161
		6,783,672,100	6,053,561,905
Appropriations:			
Statutory reserve		893,008,180	332,872,378
Start-up fund		19,752,712	-
Dividend		809,936,930	1,472,612,600
		1,722,697,822	1,805,484,978
Retained surplus		5,060,974,278	4,248,076,927
Earnings Per Share (EPS)	50	1.49	0.67

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

 Managing Director & CEO Director

 Director Director

Hasan Mahmood FCA, Partner

Enrolment no: 564

M. J. Abedin & Co. Chartered Accountants

DVC No.: 2203200564AS411049

Dhaka, 16 March 2022

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Cash Flow Statement

for the year ended 31 December 2021

Particulars	Note	Amount in BDT	
		2021	2020
A. Cash flows from operating activities			
Interest received		24,954,551,561	24,404,994,090
Interest payments		(15,907,447,590)	(19,444,860,529)
Dividend received		195,329,961	105,135,607
Fees and commission received		2,649,787,975	1,988,824,057
Recoveries of loans and advances previously written-off		220,307,550	161,055,817
Cash payments to employees		(2,839,973,044)	(2,831,594,912)
Cash payments to suppliers		(350,074,834)	(386,808,355)
Income taxes paid		(2,098,978,203)	(1,261,407,373)
Receipts from other operating activities	43	1,579,971,629	146,313,826
Payments for other operating activities	44	(2,672,617,123)	(1,703,770,755)
Operating cash flows before changing in operating assets and liabilities		5,730,857,882	1,177,881,474
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		(43,536,172,393)	(31,861,550,205)
Other assets	45	571,363,867	(421,025,631)
Deposits from other banks		5,815,211,891	(8,453,056,520)
Deposits from customers		31,210,269,701	47,604,984,844
Other liabilities	46	(120,622,535)	338,882,897
		(6,059,949,469)	7,208,235,384
Net cash flows from/(used in) operating activities		(329,091,587)	8,386,116,858
B. Cash flows from investing activities			
Net proceeds/(payments) from sale/(purchase) of Government securities		(1,772,322,902)	(5,552,113,576)
Net proceeds/(payments) from sale/(purchase) of securities		(1,113,270,011)	(4,668,979,098)
Purchase of property, plant & equipment		(1,219,183,241)	(937,430,303)
Proceeds from sale of property, plant & equipment		215,368,146	2,327,116
Net cash flows from/(used in) investing activities		(3,889,408,008)	(11,156,195,861)
C. Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		5,840,241,496	6,966,197,110
Payment against lease obligation		(79,987)	(965,511)
Net cash flows from/(used in) financing activities		5,840,161,509	6,965,231,599
D. Net increase/(decrease) in cash (A+B+C)		1,621,661,914	4,195,152,596
E. Effects of exchange rate changes on cash and cash equivalents		(22,301,845)	96,038,871
F. Opening balance of cash and cash equivalents		28,898,170,044	24,606,978,576
G. Closing balance of cash and cash equivalents (D+E+F)		30,497,530,113	28,898,170,044
Closing cash and cash equivalents	47		
Cash in hand		7,206,054,519	4,088,663,229
Balance with Bangladesh Bank and its agents bank		17,859,246,555	14,407,730,302
Balance with other banks and financial institutions		1,048,932,840	8,068,327,513
Money at call and on short notice		4,380,000,000	2,330,000,000
Prize bonds		3,296,200	3,449,000
		30,497,530,113	28,898,170,044

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Statement of Changes in Equity
for the year ended 31 December 2021

Amount in BDT

Particulars	Paid up capital	Statutory reserve	General reserve	Revaluation reserve against securities	Revaluation reserve against fixed assets	Foreign currency translation reserve	Surplus in profit and loss account	Non-controlling interest	Total
Balance as at 1 January 2021	16,198,738,680	6,864,775,853	155,071,397	107,849,126	96,309,954	134,088,406	4,248,076,927	7,016	27,804,917,359
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2021	16,198,738,680	6,864,775,853	155,071,397	107,849,126	96,309,954	134,088,406	4,248,076,927	7,016	27,804,917,359
Surplus/(deficit) on account of revaluation of investments	-	-	-	(26,922,238)	-	-	-	-	(26,922,238)
Effect of foreign currency translation	-	-	-	-	-	(57,522,895)	-	-	(57,522,895)
Net gain and losses not recognized in the profit and loss account	16,198,738,680	6,864,775,853	155,071,397	80,926,888	96,309,954	76,565,511	4,248,076,927	7,016	27,720,472,226
Addition during the year								6,000	6,000
Net profit for the year	-	-	-	-	-	-	2,541,217,648	3,095	2,541,220,743
Bonus share issued for the year 2020	809,936,930	-	-	-	-	-	(809,936,930)	-	-
Transfer to Start-up fund*	-	-	-	-	-	-	(25,375,187)	-	(25,375,187)
Transfer to statutory reserve	-	893,008,180	-	-	-	-	(893,008,180)	-	-
Balance as at 31 December 2021	17,008,675,610	7,757,784,033	155,071,397	80,926,888	96,309,954	76,565,511	5,060,974,278	16,111	30,236,323,782
*Transfer to Start-up fund includes BDT 5,622,475 relating to year 2020.									
Balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	115,314,704	43,867,936	4,920,565,744	6,880	26,542,977,353
Prior year adjustment	-	-	-	-	(19,004,750)	-	-	-	(19,004,750)
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	96,309,954	43,867,936	4,920,565,744	6,880	26,523,972,603
Surplus/(deficit) on account of revaluation of investments	-	-	-	57,727,989	-	-	-	-	57,727,989
Effect of foreign currency translation	-	-	-	-	-	90,220,469	-	-	90,220,469
Net gain and losses not recognized in the profit and loss account	14,726,126,080	6,531,903,475	155,071,397	107,849,126	96,309,954	134,088,405	4,920,565,744	6,880	26,671,921,061
Net profit for the year	-	-	-	-	-	-	1,132,996,161	136	1,132,996,297
Bonus share issued for the year 2019	1,472,612,600	-	-	-	-	-	(1,472,612,600)	-	-
Transfer to statutory reserve	-	332,872,378	-	-	-	-	(332,872,378)	-	-
Balance as at 31 December 2020	16,198,738,680	6,864,775,853	155,071,397	107,849,126	96,309,954	134,088,405	4,248,076,927	7,016	27,804,917,359

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
as at 31 December 2021

Amount in BDT

Particulars	Note	31 December 2021	31 December 2020
PROPERTY AND ASSETS			
Cash	3	25,065,189,007	18,492,529,970
Cash in hand (including foreign currency)	3.1	7,205,942,452	4,084,799,668
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	17,859,246,555	14,407,730,302
Balance with other banks and financial institutions	4	1,028,492,775	8,895,390,969
In Bangladesh	4.1	303,970,186	7,511,869,424
Outside Bangladesh	4	724,522,589	1,383,521,545
Money at call and on short notice	5	4,380,000,000	2,330,000,000
Investments	6	55,611,867,850	52,722,425,471
Government securities	6.1	48,724,679,719	46,979,431,855
Other investments	6.2	6,887,188,131	5,742,993,616
Loans and advances	7	305,061,349,869	260,650,289,525
Loans, cash credit, overdrafts etc.	7.1	286,490,180,371	246,004,105,427
Bills purchased and discounted	8	18,571,169,498	14,646,184,098
Fixed assets including premises, furniture and fixtures	9	7,922,878,221	7,495,172,120
Other assets	10	6,659,256,586	5,834,844,305
Non-banking assets	11	148,474,800	373,474,800
Total assets		405,877,509,108	356,794,127,160
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial Institutions and agents	12	14,562,035,508	13,021,794,012
Subordinated debt	13	6,400,000,000	2,100,000,000
Deposits and other accounts	14	333,142,132,175	296,369,024,858
Current deposit and other accounts		124,658,938,392	92,715,704,209
Bills payable		2,455,215,075	2,547,263,402
Savings bank deposits		25,716,666,242	25,343,706,980
Fixed deposits		180,311,312,466	175,762,350,267
Other liabilities	15	24,652,417,404	20,105,358,060
Total liabilities		378,756,585,087	331,596,176,930
Capital/Shareholders' equity			
Paid up capital	16.2	17,008,675,610	16,198,738,680
Statutory reserve	17	7,757,784,033	6,864,775,853
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19	80,926,888	107,849,126
Revaluation reserve against fixed assets	20	96,309,954	96,309,954
Surplus in profit and loss account	21	2,022,156,139	1,775,205,220
Total shareholders' equity		27,120,924,021	25,197,950,230
Total liabilities and shareholders' equity		405,877,509,108	356,794,127,160

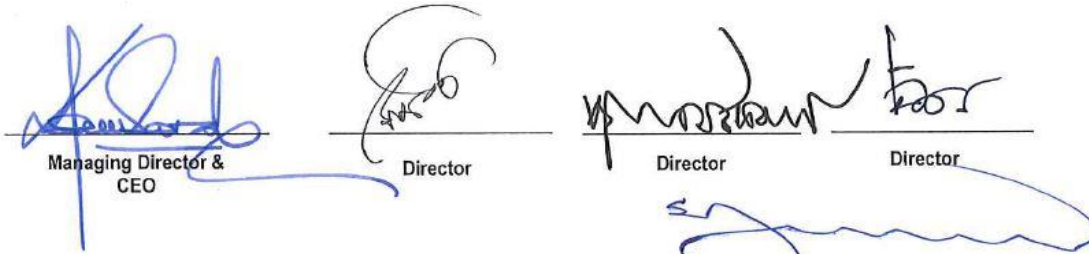
INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
as at 31 December 2021

Amount in BDT

Particulars	Note	31 December 2021	31 December 2020
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24	71,383,874,980	50,483,678,851
Acceptances and endorsements		28,484,724,497	16,350,951,601
Letters of guarantee		8,612,473,288	8,058,992,366
Irrevocable letters of credit		23,825,249,182	17,880,361,773
Bills for collection		10,461,428,013	8,193,373,111
Other contingent liabilities		-	-
Other commitments			
Documentary credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet exposures including contingent liabilities		71,383,874,980	50,483,678,851

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



The image shows four handwritten signatures in blue ink. The first signature is on the left, followed by a second signature. To the right, there are two more signatures, one above the other. Each signature is positioned above a horizontal line that serves as a separator for the name and title below it.

Managing Director &
CEO

Director

Director

Director

Hasan Mahmood FCA, Partner

Enrolment no: 564

M. J. Abedin & Co. Chartered Accountants

DVC No.: 2203200564AS411049


Dhaka, 16 March 2022

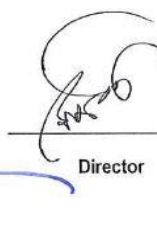
INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED


Profit and Loss Account
for the year ended 31 December 2021


Particulars	Note	Amount in BDT	
		2021	2020
Interest income	26	22,090,708,778	21,159,059,728
Interest paid on deposits, borrowings, etc.	27	15,432,682,362	18,294,764,064
Net interest income		6,658,026,416	2,864,295,664
Investment income	28	4,447,384,848	3,454,712,181
Commission, exchange and brokerage	29	2,551,897,596	1,921,672,645
Other operating income	30	179,627,407	183,919,695
		7,178,909,851	5,560,304,522
Total operating income		13,836,936,267	8,424,600,186
Salary and allowances	31	3,090,779,799	2,536,366,543
Rent, taxes, insurance, electricity, etc.	32	705,060,401	414,727,523
Legal expenses	33	15,990,974	6,927,473
Postage, stamp, telecommunication, etc.	34	117,673,008	73,303,297
Stationery, printing, advertisement, etc.	35	385,899,940	358,588,600
Managing Director's salary	36	22,952,775	20,975,250
Directors' fees	37	2,736,000	1,672,000
Auditors' fees	38	3,833,333	2,427,778
Depreciation and repair of bank's assets	39	1,184,613,726	1,061,395,200
Other expenses	40	1,139,730,572	1,046,562,803
Total operating expenses		6,669,270,529	5,522,946,467
Profit/(Loss) before provision		7,167,665,738	2,901,653,719
Provision for loans, investments and other assets	41		
Provision for loans and advance		2,684,664,610	1,498,673,893
Provision for diminution in value of investments		4,002,860	(297,353,559)
Other provisions		13,957,367	35,971,496
Total Provision		2,702,624,837	1,237,291,830
Profit/(Loss) before taxes		4,465,040,901	1,664,361,889
Provision for taxation	42		
Current tax		2,578,825,776	963,000,000
Deferred tax expense/(income)		(89,056,092)	139,114,352
		2,489,769,685	1,102,114,352
Net profit after taxation		1,975,271,216	562,247,536
Retained earnings brought forward from previous year		1,769,582,745	3,018,442,662
		3,744,853,962	3,580,690,198
Appropriations			
Statutory reserve		893,008,180	332,872,378
Start-up fund		19,752,712	-
General reserve		-	-
Dividend		809,936,930	1,472,612,600
		1,722,697,822	1,805,484,978
Retained surplus		2,022,156,140	1,775,205,220
Earnings Per Share (EPS)	50	1.16	0.33

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


Managing Director & CEO


Director


Director


Director

Hasan Mahmood FCA, Partner
Enrolment no: 564

M. J. Abedin & Co. Chartered Accountants

DVC No.: 2203200564AS411049

Dhaka, 16 March 2022

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Cash Flow Statement

for the year ended 31 December 2021

		Amount in BDT	
Particulars	Note	2021	2020
A. Cash flows from operating activities			
Interest received		24,874,442,154	24,359,789,186
Interest payments		(15,913,959,746)	(19,410,851,928)
Dividend received		250,773,401	67,006,708
Fees and commission received		2,551,897,596	1,921,672,645
Recoveries of loans and advances previously written-off		220,307,550	161,055,817
Cash payments to employees		(2,813,732,574)	(2,807,341,793)
Cash payments to suppliers		(392,613,308)	(387,651,783)
Income taxes paid		(2,017,917,796)	(1,238,529,182)
Receipts from other operating activities	43	1,338,414,799	137,685,608
Payments for other operating activities	44	(2,619,154,117)	(1,676,730,733)
Operating cash flows before changing in operating assets and liabilities		5,478,457,959	1,126,104,546
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		(43,329,432,564)	(31,923,593,834)
Other assets	45	(273,987,536)	474,228,438
Deposits from other banks		5,815,211,891	(8,448,134,949)
Deposits from customers		31,572,754,722	47,546,101,461
Other liabilities	46	(15,170,583)	255,591,733
		(6,230,624,070)	7,904,192,849
Net cash flows from/(used in) operating activities		(752,166,111)	9,030,297,394
B. Cash flows from investing activities			
Net proceeds/(payments) from sale/(purchase) of Government securities		(1,772,322,902)	(5,552,113,576)
Net proceeds/(payments) from sale/(purchase) of securities		(1,144,194,515)	(1,612,101,472)
Purchase of property, plant & equipment		(1,207,671,215)	(931,522,495)
Proceeds from sale of property, plant & equipment		215,368,146	2,185,616
Investment in subsidiary		(399,994,000)	-
Net cash flows from/(used in) investing activities		(4,308,814,486)	(8,093,551,927)
C. Cash flows from financing activities			
Borrowing from other banks, financial institution and agents		5,840,241,496	4,105,933,677
Payment against lease obligation		(79,987)	(965,511)
Net cash flows from/(used in) financing activities		5,840,161,509	4,104,968,166
D. Net increase/(decrease) in cash (A+B+C)		779,180,912	5,041,713,633
E. Effects of exchange rate changes on cash and cash equivalents		(23,572,870)	94,596,324
F. Opening balance of cash and cash equivalents		29,721,369,939	24,585,059,982
G. Closing balance of cash and cash equivalents (D+E+F)		30,476,977,982	29,721,369,939
Closing cash and cash equivalents			
	47		
Cash in hand		7,205,942,452	4,084,799,668
Balance with Bangladesh Bank and its agents bank		17,859,246,555	14,407,730,302
Balance with other banks and financial institutions		1,028,492,775	8,895,390,969
Money at call and on short notice		4,380,000,000	2,330,000,000
Prize bonds		3,296,200	3,449,000
		30,476,977,982	29,721,369,939

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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Statement of Changes in Equity
for the year ended 31 December 2021

Amount in BDT

Particulars	Paid up capital	Statutory reserve	General reserve	Revaluation reserve against securities	Revaluation reserve against fixed assets	Surplus in profit and loss account	Total
Balance as at 1 January 2021	16,198,738,680	6,864,775,853	155,071,397	107,849,126	96,309,954	1,775,205,220	25,197,950,230
Impact of changes in accounting policy	-	-	-	-	-	-	-
Restated balance as at 1 January 2021	16,198,738,680	6,864,775,853	155,071,397	107,849,126	96,309,954	1,775,205,220	25,197,950,230
Surplus/deficit on account of revaluation of investments	-	-	-	(26,922,238)	-	-	(26,922,238)
Net gain and losses not recognized in the income statement	16,198,738,680	6,864,775,853	155,071,397	80,926,888	96,309,954	1,775,205,220	25,171,027,992
Net profit for the year	-	-	-	-	-	1,975,271,216	1,975,271,216
Bonus share issued for the year 2020	809,936,930	-	-	-	-	(809,936,930)	-
Transfer to Start-up fund*	-	-	-	-	-	(25,375,187)	(25,375,187)
Transfer to statutory reserve	-	893,008,180	-	-	-	(893,008,180)	-
Balance as at 31 December 2021	17,008,675,610	7,757,784,033	155,071,397	80,926,888	96,309,954	2,022,156,139	27,120,924,021
*Transfer to Start-up fund includes BDT 5,622,475 relating to year 2020.							
Balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	115,314,704	3,018,442,662	24,596,979,455
Prior year adjustment	-	-	-	-	(19,004,750)	-	(19,004,750)
Impact of changes in accounting policy	-	-	-	-	-	-	-
Restated balance as at 1 January 2020	14,726,126,080	6,531,903,475	155,071,397	50,121,137	96,309,954	3,018,442,662	24,577,974,705
Surplus/deficit on account of revaluation of investments	-	-	-	57,727,989	-	-	57,727,989
Net gain and losses not recognized in the income statement	14,726,126,080	6,531,903,475	155,071,397	107,849,126	96,309,954	3,018,442,662	24,635,702,694
Net profit for the year	-	-	-	-	-	562,247,536	562,247,536
Bonus share issued for the year 2019	1,472,612,600	-	-	-	-	(1,472,612,600)	-
Transfer to statutory reserve	-	332,872,378	-	-	-	(332,872,378)	-
Balance as at 31 December 2020	16,198,738,680	6,864,775,853	155,071,397	107,849,126	96,309,954	1,775,205,220	25,197,950,230

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Liquidity Statement

Maturity Analysis of Assets and Liabilities

as at 31 December 2021

Amount in BDT

Particulars	Maturity Period					Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	
Assets						
Cash in hand (including Bangladesh Bank)	12,044,923,499	21,749,587	21,749,587	-	12,976,766,334	25,065,189,007
Balance with other banks and financial institutions	861,638,108	166,854,667	-	-	-	1,028,492,775
Money at call and on short notice	4,380,000,000	-	-	-	-	4,380,000,000
Investment	7,038,453,206	-	6,035,031,415	20,406,418,218	22,131,965,011	55,611,867,851
Loans and advances	73,876,282,236	23,466,656,698	55,898,852,940	72,224,624,641	79,594,933,355	305,061,349,869
Fixed assets including premises, furniture and fixture	-	792,287,822	1,188,431,733	3,169,151,288	2,773,007,377	7,922,878,221
Other assets	465,093,785	2,224,394,989	387,578,154	947,483,558	2,634,706,100	6,659,256,586
Non-banking assets	-	-	-	148,474,800	-	148,474,800
Total assets	98,666,390,835	26,671,943,763	63,531,643,829	96,896,152,505	120,111,378,176	405,877,509,108
Liabilities						
Subordinated debt	-	-	700,000,000	3,700,000,000	2,000,000,000	6,400,000,000
Borrowing from other banks, financial institutions and agents	2,499,312,871	6,248,310,681	5,576,258,646	238,153,309	-	14,562,035,508
Deposits and other accounts	46,112,155,759	70,295,848,513	67,393,011,996	31,603,171,408	117,737,944,500	333,142,132,175
Other liabilities	2,144,858,221	518,434,479	4,397,048,965	2,199,009,467	15,393,066,271	24,652,417,404
Total liabilities	50,756,326,851	77,062,593,674	78,066,319,607	37,740,334,184	135,131,010,771	378,756,585,087
Net liquidity	47,910,063,983	(50,390,649,910)	(14,534,675,778)	59,155,818,321	(15,019,632,595)	27,120,924,021

Notes to the Financial Statements

As at and for the year ended 31 December 2021

1. Reporting Entity

1.1. IFIC Bank Limited

International Finance Investment and Commerce Bank Limited (hereinafter referred to as "the Bank" / "IFIC Bank"), started its journey in 1976 at the instance of the Government as a joint venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint venture banks/financial institutions abroad. In 1983 when the Government allowed to open up banking in the private sector, the finance company was converted into a full fledged commercial bank. The Government of the People's Republic of Bangladesh, now, holds 32.75% of the share capital of the Bank. Directors and Sponsors having vast experience in the field of trade and commerce own 6.14 % of the share capital and the rest is held by Institutions both local & foreign and General Shareholders.

Its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The Bank has 160 branches, 730 Uposhakhas [sub-branches] and 41 ATM booths with 59 ATMs as at 31 December 2021.

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

1.2. Off-shore Banking Unit (OBU)

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

1.3. Subsidiaries of the Bank

1.3.1. IFIC Securities Limited [IFICSL]

IFIC Securities Limited, a fully owned subsidiary company of IFIC Bank Limited was incorporated as a public limited company and acquired membership of Dhaka Stock Exchange Limited for brokerage transaction. The main objectives of this subsidiary are buying, selling and settling of securities on behalf of investors and its own portfolio as well as other related services. The registered office of IFICSL located at IFIC Tower, 61, Purana Paltan, Dhaka – 1000.

1.3.2. IFIC Money Transfer (UK) Limited

IFIC Money Transfer (UK) Limited is a fully owned subsidiary of IFIC Bank incorporated as a private limited company with Companies House of England and Wales under registration no. 07379137 on 16 September 2010 and got registration from HM Customs and Excise on 17 January 2011 under Money Laundering regulation. The company got registration from Financial Conduct Authority (FCA) [previously it was Financial Services Authority (FSA)] on 16 June 2011 under Payment Services Regulations 2009. The company commenced its operation on 31 August 2011. The registered office of the company is located at Ferrari House, 2nd Floor, 102 College Road, Harrow, Middlesex, United Kingdom HA1 IES, London, UK. The principal activities of the company is remitting/transfer money and related services on behalf of its customers.

1.3.3. IFIC Investment Limited [IFICIL]

IFIC Investment Limited, a fully owned subsidiary company of IFIC Bank Limited was incorporated as a public limited company. IFICIL obtained full-fledge Merchant Banker Registration Certificate from Bangladesh Securities & Exchange Commission (BSEC) on 19 October 2021. The main objectives of this subsidiary are Issue Management, Underwriting & Portfolio Management activities. The registered office of IFICSL located at IFIC Tower, 61, Purana Paltan, Dhaka – 1000.

1.4. Associates of the Bank

1.4.1. Nepal Bangladesh Bank Limited [NBBL], Nepal

Nepal Bangladesh Bank Limited, a joint venture commercial bank between IFIC Bank Limited and Nepali Nationals, started operation with effect from 06 June 1994 in Nepal. The Bank has so far opened 99 (ninety nine) branches at different important locations in Nepal. IFIC Bank presently holds 40.91% shares in NBBL. NBBL is listed with Nepal Stock Exchange Limited.

1.4.2. Oman Exchange LLC, Oman

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

1.5. MCB Bank Ltd, Pakistan

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

2. Basis of Preparation and Significant Accounting Policies

2.1. Basis of preparation

2.1.1. Statement of compliance

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

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

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

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

i. Investment in shares and securities

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

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

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

ii. Revaluation gains/losses on Government securities

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

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

iii. Repo and reverse repo transactions

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

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

iv. Provision on loans and advances/investments

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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 5 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 1 dated 20 February 2018 and BRPD circular No. 3 dated 21 April 2019 a general provision at 0.25% to 5% under different categories of unclassified/standard loans has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad & loss loans has to be provided at 20%, 50% and 100% respectively depending on the duration of past due of loans and advances. Again general provision at 1% is required to be provided for off-balance sheet exposures as per BRPD circular no. 10 dated 18 September 2007, BRPD circular no. 7 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018. Provision for Short-Term Agricultural and Micro-Credits has to be provided at the rate of 5% for 'sub-standard' and 'doubtful' loans and at the rate of 100% provision for the 'bad/Loss' loans. As per BRPD circular no. 4 dated 29 January 2015, 1% additional provision has to be maintained for large restructured loan and the facilities for which payment was deferred during the year 2020 due to COVID-19 pandemic under purview of BRPD Circular No. 56 dated 10 December 2020 and additional 2% provision has to be maintained in year 2021 as per BRPD Circular No. 50 dated 14 December 2021, moreover in case of CMSME applicable additional provision will be 1.5% as per Circular no. 52 dated 29 December 2021. Such provision policies are not specifically in line with those prescribed by IFRS 9.

v. Recognition of interest in suspense

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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the

corresponding amount transferred/credited to an interest in suspense account and shown as liability in the balance sheet.

vi. Other comprehensive income

IAS/IFRS: As per IAS 1: *Presentation of Financial Statements*, Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

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

vii. Financial instruments – presentation and disclosure

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

viii. Financial guarantees

IAS/IFRS: As per IFRS 9: *Financial Instruments*, financial guarantees are contracts that requires an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the term of debt instruments. Financial guarantee liabilities are recognized initially at their fair value and amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and loss allowance determined expected credit loss under IFRS 9. Financial guarantees are prescribed to be included in other liabilities.

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

ix. Cash and cash equivalent

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

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet. Treasury bills, Bangladesh Bank bills and prize bonds are shown under investments in the balance sheet. However, in the Cash Flow Statement, money at call and on short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

liability and cannot be netted off against the outstanding balance of loans, advances and investment.

x. Non-banking asset

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 and BRPD circular no. 22 dated 20 September 2021. Non-Banking assets to be disclosed as separate line item in the Balance Sheet and whether the Non-Banking assets are income generating to be disclosed along with the holding period of the assets.

xi. Cash flow statement

IAS/IFRS: As per IAS 7: *Statements of Cash Flows*, the cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, Cash Flow Statement is the mixture of direct and indirect methods.

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

IAS/IFRS: As per IAS 7: *Statements of Cash Flows*, Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations.

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

xiii. Off-balance sheet items

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

Bangladesh Bank: As per BRPD circular no. 14, off-balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xiv. Disclosure of appropriation of profit

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

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

xv. Loans and advances net off provision

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

Bangladesh Bank: As per BRPD circular no. 14, provision for loans, advances and investments are presented separately as

xvi. Presentation of Financial Statement

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

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

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

2.1.2. Going concern

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

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

2.1.3. Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (BDT/Tk.) which is the Group's and the Bank's functional currency. Functional currency of Off-shore Banking Unit and one of

subsidiaries namely IFIC Money Transfer (UK) Limited is US Dollar (USD) and Great Britain Pound (GBP) respectively. Functional currency for two associates – Oman Exchange LLC and Nepal Bangladesh Bank Limited is Omani Rial and Nepalese Rupee respectively. Financial information presented in BDT has been rounded off to nearest integer, except otherwise indicated. The financial statement and information of the subsidiaries and joint venture/associates whose functional currency is different than that of IFIC Bank Limited has been translated in the presentation currency i.e. BDT as per IAS 21: *The Effects of Changes in Foreign Exchange Rates*, where applicable.

2.1.4. Materiality and aggregation

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

2.1.5. Comparative information

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

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

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

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

2.1.7. Foreign currency transactions

Foreign currency transactions are translated into the Bank's functional currency at the exchange rates prevailing on the respective date of such transactions as per IAS 21: *The Effect of Changes in Foreign Exchange Rates*. Monetary assets and liabilities in foreign currencies are converted into Taka at spot exchange rate at the reporting date and differences are generally recognized in the profit and loss account. Foreign investments are revalued to adjust for changes in exchange rate as per Guidelines for Foreign Exchange Risk Management of Bangladesh Bank.

Foreign operations

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

- a. Assets and liabilities for each statement of balance sheet have been translated at the closing rate on the date of balance sheet.

- b. Income and expenses for the profit and Loss account have been translated at monthly average rate.

2.1.8. Reporting period

These consolidated financial statements cover the period from 1 January to 31 December. The reporting period of the subsidiaries namely IFIC Securities Limited, and IFIC Money Transfer (UK) Limited and one of the associates Oman Exchange LLC is in line with that of the parent i.e. IFIC Bank Limited. The reporting period of the subsidiary IFIC Investments Limited covers the period from 30 November 2020 (which is the Company's date of incorporation) to 31 December 2021. The reporting period of Nepal Bangladesh Bank Limited (NBBL) is as per Nepalese Calendar Year which generally ends around the middle of July each year. as such the operating results of Nepal Bangladesh Bank Limited have been adjusted proportionately in line with the reporting period of IFIC Bank Limited for calculation of share the post-acquisition profit from associates in its consolidated financial statements. During the year financial results of NBBL has been considered upto 15 July 2021 as disclosed in note 40.a

2.1.9. Date of authorization

The Board of Directors has authorized these financial statements for public issue on 16 March 2022.

2.1.10. Use of estimates and judgments

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

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

Key estimates are as follows:

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

Changes in accounting estimates

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

Distributions received from an investee reduce the carrying amount of the investment.

2.1.11. Basis of consolidation

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

The consolidated and separate financial statements have been prepared in accordance with IFRS 10: *Consolidated Financial Statements* and IAS 27: *Separate Financial Statements* respectively. The consolidated financial statements are prepared to a common year ended 31 December 2021. The reporting period of Nepal Bangladesh Bank Limited is different from that of the IFIC, necessary adjustments have been made to the financial results at the time of consolidation. Both consolidated financial statements and separate financial statements of the Bank comprises Balance Sheet, Profit & Loss Statement, Cash Flow Statement, Statement of Changes in Equity and relevant notes and disclosures.

Subsidiaries

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

The financial statements of such subsidiary companies are incorporated on a line by line basis and investment held by the bank is eliminated against the corresponding share capital of subsidiaries in the consolidated financial statements.

Associates

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

Transactions eliminated on consolidation

All intra-group transactions, balances and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements.

2.1.12. Basis for preparation of liquidity statement

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

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

2.1.13. Basis of provision, contingent liabilities, contingent assets

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

No provision is recognized for -

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

Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable,

is provided for except in the extremely rare circumstances where no reliable estimate can be made. Contingent assets are not recognized in the financial statement since this may result in the recognition of income that may never be realized."

2.2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities except otherwise instructed by Bangladesh Bank as the prime regulator or local laws where the entities are operated.

2.2.1. Assets and basis of their valuation

2.2.1.1. Cash and cash equivalents

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

2.2.1.2. Investment

All investments (except government treasury bill and bond) have been initially recognized at cost, including acquisition charges associated with the investment. Premiums have been amortized and discount accredited by using the effective or historical yield method. Government Treasury Bills and Bonds (categorized as HFT and/or HTM) are accounted for as per Bangladesh Bank DOS circular letter no. 5 dated 26 May 2008 and DOS circular no. 5 dated 28 January 2009. Details of the valuation methods of investment are given below:

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

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

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

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

iii. Investment in quoted shares/securities

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

iv. Investment in unquoted shares/securities

Investment in unquoted shares/securities are initially recognized at cost and revalued based on book value of last audited balance sheet. Provision arising from diminution in value of investment recognized in profit and loss accounts as per Bangladesh Bank guidelines.

v. Investment in subsidiary

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

vi. Investment in associates

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

2.2.1.3. Loans and advances

- i. Loans and advances are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business. It has been stated at gross value as pre requirements of the Banking Companies Act, 1991.
- ii. Interest on unclassified loans and advances (except those of rescheduled and stay order accounts) is recognized as income on accrual basis, interest on classified loans and advances (including rescheduled and stay order accounts) is credited to interest suspense account. However actual recovery of interest on rescheduled, stay order accounts and classified loan credited to income account as per instruction of BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December, BRPD circular no. 16 dated 18 November 2014 and BRPD Circular No. 56 dated 10 December 2020.
- iii. The Bank are providing concessional interest rate to its' good borrowers.
- iv. Loans and advances are written off from the books of accounts in line with the BRPD circular no. 01 dated 06 February 2019 issued by Bangladesh Bank. These write off will not undermine/affect the claim amount against the borrower.

2.2.1.4. Fixed assets and depreciation

Acquisition through outright purchase and Lease

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

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

- ii. Land/Building is initially recognized at cost and subsequently carried at revalued amount following revaluation model as per IAS 16: *Property, plant and equipment*. The Bank regularly reviews if the fair value of Land/Building is materially different from its carrying amount or book value and if it is observed that there is material differences between carrying amount and fair value then complete revaluation by professional valuer is carried out and any changes in fair value over cost is adjusted in revaluation reserve account in equity.
- iii. Depreciation on fixed assets except Land is charged from when the assets become ready to be used and no depreciation is charged in the month of asset is disposed.
- iv. Depreciation is comprised of both from fixed assets and leased assets as per IFRS 16: *Leases* (note 2.2.1.7). As per the new standard, previously recognized rental expenses would be replaced with depreciation expenses.
- v. Assets that take some time to get it ready for use such as construction or improvement of building or implementation of new system etc. are initially kept as capital work in progress and once ready/available for use then it is transferred to respective category of fixed assets and calculation of depreciation starts accordingly.

2.2.1.5. Impairment of assets

An asset is impaired when its carrying amount exceeds its recoverable amount as per IAS 36: *Impairment of Assets*. The Bank assesses at the end of each reporting period whether there is any indication that an asset may be impaired. The impairment test is also made whenever events or changes in circumstances indicate

that the carrying value of the asset may not be recovered. If any such indication exists, the Bank makes an estimate of the recoverable amount of such assets. Upon estimation, if the recoverable amount is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and resultant impairment losses are recognized in the profit and loss account.

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

2.2.1.6. Leases

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

Right-of-use assets (ROU)

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

Lease Liability

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

Short-term lease and leases of low value assets

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

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

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

2.2.1.7. Other liabilities

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

i. Provision for loans and advances

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

Types of loans and advances		Provision				
		STD	SMA	SS	DF	BL
Consumer Finance	Housing Finance (HF)	1%	1%	20%	50%	100%
	Professional	2%	2%	20%	50%	100%
	Other than HF & prof. to set up business	5%	5%	20%	50%	100%
Loan to broker house, merchant banks, stock dealers etc.		2%	2%	20%	50%	100%
Short-term agri-credit and micro credit		1%	1%	5%	5%	100%
Small and medium enterprise finance		0.25 %	0.25 %	20%	50%	100%
Others		1%	1%	20%	50%	100%
Loan under Deferral during COVID 19		2.5 to 3%				
Off-balance sheet		1%				

ii. Provision for taxation

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

a. Current tax

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

b. Deferred tax

The Bank accounted for deferred tax assets or liabilities based on deductible or taxable temporary differences between the carrying

amount of its assets and liabilities used for the financial reporting and its tax base as per IAS 12: *Income Taxes*, Income Tax Ordinance (ITO) 1984 and BRPD circular no. 11 dated 12 December 2011 issued by the Bangladesh Bank. Deferred tax assets, including specific provision on doubtful and bad/loss against the classified loans and advances, the tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilized.

Deferred tax liability arises from non-depreciable assets i.e. land measured using the revaluation model as per IAS 16, the measurement of deferred tax liability reflects the tax consequences of recovering the carrying amount through sale.

Deferred tax assets and liabilities are reviewed at each reporting date and are measure at the prevailing tax rate as per tax laws that are expected to be applied when assets are realized and liabilities are settled. Any unrecognized deferred tax assets and liabilities are reassessed if that has become probable that future taxable profit or loss will be available on which it could be used or settled.

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

iii. Provision for diminution in value of investment

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

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

iv. Provision for Nostro Account

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

v. Provision for Off-balance sheet items

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

vi. Start-Up Fund:

In line with Bangladesh Bank's SME & SP Circular No. 04 dated 29 March 2021, and Circular Letter no. 5 dated 26 April 2021, the Bank is required to transfer 1% of its Net Profit After Tax (PAT) to Start-up fund for 5 years. Accordingly IFIC Started to develop Start-Up fund in year 2021, including transfer of 1% of Net Profit After Tax from year 2020.

2.2.1.8. Employee benefits

i. Short-term employee benefits

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

ii. Post-employment benefits

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

Provident fund (Defined Contributory Plan)

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

Gratuity Fund (Defined Benefit Plan)

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

The Board has approved a new "IFIC Bank Gratuity Rules" which is under consideration to NBR for approval.

Worker's Profit Participation Fund (WPPF)

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

iii. Other Employee Benefits

Life Insurance

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

Hospitalization Insurance

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

Mandatory Annual leave / Leave Fare Assistance

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

Subsidized loan scheme

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

2.2.2. Income

Revenue recognition

i. Interest income

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

ii. Investment income

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

iii. Dividend income on shares

Dividends are recognized as income when the Bank's right to receive payment of the dividend is established and probable that the economic benefits associated with the dividend will flow to the Bank and the amount of the dividend can be measured reliably as per IFRS 9: *Financial Instruments*.

iv. Fees and commission income

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

v. Exchange gain/(loss)

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

vi. Gain or loss on Fixed Assets

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

2.2.3. Expenses

2.2.3.1. Interest paid on deposits and borrowings

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

2.2.3.2. Management and other expenses

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

2.2.4. Shareholders' equity

2.2.4.1. Share capital

i. Authorized capital

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

ii. Paid up share capital

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

2.2.4.2. Statutory reserve

As per the section 24 (1) of the Banking Companies Act, 1991 as amended, the Bank is required to transfer at least 20% of its current year profit before tax to the statutory reserve until such reserve equals to Paid up capital.

2.2.4.3. Fixed assets revaluation reserve

When an asset's carrying amount is increased as a result of a revaluation, the increase amount is directly credited to equity under the head of revaluation reserve as per IAS 16: Property, Plant and Equipment. The Bank revalued the land which is absolutely owned

by the Bank and the increased amount was transferred to revaluation reserve.

2.2.4.4. Non-controlling interest

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

2.2.5. General

2.2.5.1. Earnings per share (EPS)

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

i. Basic earnings per share

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

ii. Weighted average number of outstanding ordinary shares

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

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

iii. Diluted earnings per share

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

2.2.5.2. Related party transactions

As per IAS 24: *Related Party Disclosures*, parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. The Bank carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties. Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24: *Related Party Disclosures*, Bangladesh Bank and BSEC guidelines. The related party transactions of bank are disclosed in **Annexure-F**.

2.2.5.3. Operating segments

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

2.2.5.4. Events after the reporting period

All material event occurring after the reporting period has been considered and where necessary, adjusted for or adequately disclosed in the financial statements as per IAS 10: *Events after the Reporting Period*. Overall effect of COVID 19 global pandemic on Bank's business in the post years is still evolving at this point, there has been limited impact assessed on the business since the outbreak. The Board and Management are regularly monitoring the potential impact of the pandemic on the Bank as the situation continues to deteriorate but are assured that any foreseeable adverse impact can be reasonably managed.

2.2.6. Risk management

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

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

i. Credit risk

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

CRM policy also contain how to manage credit risk in the origination process, how to organize, role of board, senior management and CRM Committee, credit risk mitigation strategies, MIS for credit risk, managing problem assets including role of Remedial Asset Management Division and maintenance of adequate provisioning etc. This policy ensures sound practices of effective functioning of the Bank's lending process and develop the strategies for appropriate management, measurement and monitoring its lending portfolio. Regular monitoring of the ability of borrowers to meet their principal and interest repayment obligations is conducted. Credit risk is monitored by reference to risk grading and managed by limiting the aggregate exposure to any individual counter party, group of companies or industry as per lending cap of the bank and single borrower exposure limit defined by Bangladesh Bank. The Bank has defined segregation of duties for all credit risk related activities like credit approval, administration, monitoring and recovery functions.

ii. Asset liability management risk

Asset Liability Management (ALM) of the Bank manage Balance Sheet Risk, including managing the liquidity and interest rate risk. To address all the risk elements of the Balance Sheet, Assets Liabilities Committee (ALCO) Meetings are conducted at least on a monthly basis. ALM desk of the Bank analyses the Balance Sheet Risk and prepares the monthly ALCO Papers as per the guidelines of Bangladesh Bank. A monthly projection of fund flows is reviewed in ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirement from all business units, asset-liability mismatch etc. The maturity gap of the assets-liabilities and interest rate movement are also monitored by the

ALCO including the optimum liquidity position of the Bank in line with regulatory requirement. All the activities are regulated by a board approved Asset Liability Management Guideline that is well integrated with the bank's risk management process.

iii. Foreign exchange risk

Foreign Exchange Risk arises from adverse movement in currency exchange rates engaging in activities starting from basic currency buy, sell, imports, exports and remittances to complex structured products. The foreign exchange risks are measured and monitored by the Treasury Division of the bank. As per directives of Bangladesh Bank, the Bank has formulated and adopted the treasury policy for managing the foreign exchange risks. Functions of the treasury front, mid and back office have been designated and properly segregated. In addition to the policy guidelines treasury operational guidelines have also been formulated for defining the roles and responsibilities of front, back and mid office so that various foreign exchange transactions can be performed in line with the Bangladesh Bank regulations and Bank's internal policies and procedures to measure, monitor and mitigate the foreign exchange risks. Treasury continuously monitors price movements of foreign exchange and uses various hedging techniques to manage its open position in such a way that minimizes risk and maximizes return.

iv. Money laundering risk

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

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

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

v. Internal control and compliance risk

The Internal Control & Compliance (ICC) Division of the Bank is working independently to evaluate the Internal Control System of

the Bank so as to ensure good governance, transparency & accountability. The ICC Division is conducting comprehensive internal audit of the branches as well as different divisions/departments of Head Office ongoing basis. In line with the Bangladesh Bank guidelines the Bank has successfully implemented the effective internal control system guidelines, formulation of policy guideline, set up of separate organizational structure, segregation of duties and introduction of internal control process, such as Departmental Control Function Checklist (DECFL), Quarterly Operation Report (QOR) etc.

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

Internal Control Unit (ICU) has also been set-up at the branches with the existing manpower to minimize irregularities and lapses to prevent fraud, forgeries and to avoid operational risks of the Bank. 'Risk based Internal Audit Policy' and 'Branch Audit Rating System' are in place in order to upgrade the operational efficiency of the branches.

vi. Information and communication technology (ICT) risk

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

- Conducted Cyber Security Assessment to outline the risky areas with PwC- an international reputed consulting firm. The bank has prepared the way out to mitigate the risk areas as per their guideline.
- For ensuring cyber security, the bank is continuously conducting training on sensitive IT tasks for IT division and awareness program for creating Cyber Security Awareness for all employees.
- The bank is taking data backup on daily basis; one copy is being stored in a fire-proof Vault and another copy is being kept at a remote site to withstand any disaster in Data Centre.
- Upgraded Disaster Recovery (DR) Site ensures any payment related service to the customers in case of any emergency or any disaster at Data Centre. Business continuity Plan has also been developed.

- As per the Bangladesh Bank guideline, the bank has concentrated on ICT security management. In this regard ICT Steering Committee and ICT Security Committee have been formed and are working to ensure the overall ICT Security.
- The bank has upgraded and introduced the network equipment including Next-Generation Core Firewall, Internet Firewall, Web Application Firewall (WAF), Software Defined Network (SDN) and Network Access Control (NAC) for enhancing security in the Data Center and Disaster recovery site.
- The SWIFT environment of the bank is upgraded and segmented from the other enterprise network. World class Trade processing system is integrated with the payment system to mitigate the risk of financial fraud.
- The Bank has implemented a robust and secure mailing system and incorporated Email Security Solution (ESA). Availability of Exchange Server in Disaster Recovery Site is completed.
- New Data Center in IFIC tower is inaugurated and is providing value to IT service delivery of the bank. Physical and other appropriate security is being maintained in the workplace to protect ICT resources properly as per the guideline of Bangladesh Bank.
- The bank is maintaining Service Level Agreement (SLA) with the vendors who are directly involved for providing critical services on behalf of the bank. The bank is also maintaining insurance coverage for critical IT assets and maintaining IT Assets Inventory.
- The Bank is strictly following the Information Security Guidelines of Bangladesh Bank which covers Password Control, User ID Maintenance, Input Control, Network Security, Data Encryption, Virus Protection and Access Control to Internet and Emailing.
- Baseline Security Standard has been developed for desktop, operating systems, and network, database and security devices.
- Risk assessment framework and template has been developed and introduced for systems and application.
- Security Team regularly conduction Vulnerability Assessment and Application Security testing.
- The bank has also completed all ICT Security documentation to ensure security of the ICT Systems and is continuously updating them to strengthen security of the systems.
- The Bank has introduced Digital Banking Channel to explore the technological door for financial advancement. This platform can be used through both online and mobile app (which is available at Apple store and Google Play store). Using Digital Banking Channel (IFIC Amar Bank), customer can make transaction within Bank or Other Bank through EFT and RTGS, customer can make credit card payment, standing instruction, cheque book order, request for bank certificate etc.

vii. Other relevant risks

a. Operational risk

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

b. Liquidity risk

Liquidity risk is the potential for loss to a bank arising from either its inability to meet its obligations as they fall due or to fund increases in assets as they required without incurring unacceptable cost or losses. Liquidity risk arises when the cushion provided by the liquid assets are not sufficient enough to meet maturing obligations.

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

c. Market risk

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

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

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

d. Interest rate risk

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

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

e. Equity price risk

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

f. Fraud risk

Fraud and forgery have become an important issue in recent years. These have a major impact on our country's economy, impeding economic development. IFIC has always been focused in controlling fraud and forgery by establishing and maintaining proper controlling system. Today, fraud and forgery appear in diverse form. The incidence of fraud may occur due to rapid changes in technological environment in the banking sector or intentional behavioral aspect of the human being. Human fraudulent acts may be committed by outsiders or insiders such as employees who are aware of the internal operational process of the Bank. To take the advantage of the operational process and weakness of the internal control system of the work place, employees may commit fraudulent activities within the Bank. To prevent the fraud and forgeries, the Bank has adopted broad range of measures to monitor and mitigate the fraud risk which involves three steps, fraud prevention, fraud detection and fraud investigation. Bank considers the best practice to prevent frauds and forgeries rather than to detect or investigate. To prevent the external fraud, Bank regularly arrange training program for its executives and staffs working at branch and head office level. Internal Control and Compliance unit of the Bank also works very extensively to ensure the effectiveness of the internal control system throughout the Bank. Internal Control Unit (ICU) of each branch and division monitors the transactions process to prevent and detect both internal and external frauds.

g. Reputation risk

Reputation risk may arise from the possibility that negative publicity regarding the bank and its business practices, in the territory or elsewhere through related entities, and whether accurate or not, will adversely impact the operations and position of the bank. Reputation risk may also arise from an institution, or an affiliate, being domiciled in a jurisdiction where the legal and organizational framework for the regulation and supervision of financial institutions

is generally viewed as failing to meet international standards for the protection of consumers of financial services and for the prevention of sheltering the proceeds of organized crime.

The Bank manages the reputation risk ensuring the followings:

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

2.2.7. Audit Committee

The Audit Committee of the Board was duly formed by the Board of Directors of the Bank in accordance with the BRPD circular no. 11 dated 27 October 2013 of Bangladesh Bank.

Pursuant to the BSEC notification no. BSEC/CMRRCD/2006-158/207/ADMIN/80 dated 3 June 2018 on Corporate Governance, the current Committee is constituted with three members of the Board. The details of the Audit Committee is provided in **Annexure-G**.

2.2.8. Directors' responsibility statement

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

2.2.9. Management Committee (MANCOM)

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

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

2.2.10. Credit rating of the bank

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

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

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

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

Name of the IFRS	IFRS No.	Status
First-time Adoption International Financial Reporting Standards	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	Complied
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A
Financial Instruments: Disclosures	7	Complied*
Operating Segments	8	Complied
Financial Instruments	9	Complied*
Consolidated Financial Statements	10	Complied
Joint Arrangements	11	N/A
Disclosure of Interests in Other Entities	12	Complied
Fair Value Measurement	13	Complied*
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Complied*
Leases	16	Complied

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Complied*
Inventories	2	N/A
Statement of Cash Flows	7	Complied*
Accounting Policies, Changes in Accounting estimates & Errors	8	Complied
Events After the Reporting Period	10	Complied
Income Taxes	12	Complied
Property, Plant and Equipment	16	Complied
Employee Benefits	19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Complied
Borrowing Costs	23	Complied
Related Party Disclosure	24	Complied
Accounting and Reporting by Retirement Benefits Plans	26	N/A
Separate Financial Statements	27	Complied
Investment in Associates and Joint Ventures	28	Complied
Financial Reporting in Hyperinflationary Economies	29	N/A
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Complied*
Earnings Per Share	33	Complied
Interim Financial Reporting	34	Complied
Impairment of Assets	36	Complied
Provisions, Contingent Liabilities and Contingent Assets	37	Complied
Intangible Assets	38	Complied
Investment Property	40	N/A
Agriculture	41	N/A

Note: N/A - Not Applicable

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

New accounting standards not yet adopted

A number of standards and amendments to standards are issued but not yet effective for annual periods beginning after 1 January 2021 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements. These amendments have no material impact on the financial statements of the Bank.

IFRS 17 Insurance Contract

Insurance Contract are effective for annual periods beginning on or after 1 January 2023. Earlier adoption is permitted. This has not been applied in preparing these consolidated and separate financial statements.

Notes to the Financial Statements

as at and for the year ended 31 December 2021

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
3 Cash					
Cash in hand (including foreign currency)	3.1	7,206,054,519	4,088,663,229	7,205,942,452	4,084,799,668
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	17,859,246,555	14,407,730,302	17,859,246,555	14,407,730,302
		25,065,301,074	18,496,393,531	25,065,189,007	18,492,529,970
3.1 Cash in hand (including foreign currency)					
Local currency in hand		6,907,706,951	3,897,956,857	6,907,594,884	3,894,093,296
Foreign currencies in hand		43,680,770	48,580,124	43,680,770	48,580,124
Cash with ATM		254,666,798	142,126,248	254,666,798	142,126,248
		7,206,054,519	4,088,663,229	7,205,942,452	4,084,799,668
3.2 Balance with Bangladesh Bank and its agents bank					
Bangladesh Bank					
Local currency		16,877,337,517	12,617,035,050	16,877,337,517	12,617,035,050
Foreign currency		217,495,871	1,294,221,438	217,495,871	1,294,221,438
		17,094,833,388	13,911,256,488	17,094,833,388	13,911,256,488
Sonali Bank as agent of Bangladesh Bank		764,413,167	496,473,814	764,413,167	496,473,814
		17,859,246,555	14,407,730,302	17,859,246,555	14,407,730,302
3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)					
Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Banking Companies Act 1991 (as amended up to date) and MPD circular no. 2, dated 3 April 2020, and MPD circular no. 2, dated 10 December 2013.					
3.3.1 Cash Reserve Requirement (CRR)					
As per Bangladesh Bank issued MPD Circular no. 3 dated 9 April 2020 [effective from 15 April 2020], all scheduled banks have to maintain a CRR of a minimum of 3.5% [Y2020: 3.5%] on daily basis and 4.0% [Y2020: 4.0%] on bi-weekly basis based on weekly average demand and time liabilities excluding inter-bank deposits of immediate preceding two months [i.e., CRR of December 2021 as based on a weekly average balance of October 2021]. CRR maintained by the Bank as per statutory requirement is shown below:					
Average time and demand liabilities				333,392,231,000	286,188,268,000
Required reserve				13,332,248,000	11,444,715,000
Actual reserve maintained*				16,798,093,867	12,795,868,070
Surplus				3,465,845,867	1,351,153,070
* As per Bangladesh Bank current account statement.					
3.3.2 Statutory Liquidity Ratio (SLR)					
As per Bangladesh Bank MPD circular no. 2 dated 10 December 2013 [effective from 1 February 2014], all scheduled banks have to maintain SLR of a minimum of 13.0% of weekly average demand and time liabilities excluding inter-bank deposits of immediate preceding two months [i.e., SLR of December 2021 was based on a weekly average balance of October 2021]. SLR maintained by the Bank as per statutory requirement is shown below:					
Average time and demand liabilities				333,392,231,000	286,188,268,000
Required reserve				43,340,990,000	37,204,475,000
Actual reserve maintained				60,157,585,004	52,908,409,407
Surplus				16,816,595,004	15,703,934,407
Actual reserve maintained for SLR					
Cash in hand	3.1			7,205,942,452	4,084,799,668
Balance with Bangladesh Bank in excess of CRR				3,465,845,867	1,351,153,070
Balance with Sonali Bank as agent	3.2			764,413,167	496,473,814
Government securities (HFT)	6.3			2,867,725,460	10,541,051,600
Government securities (HTM)	6.3			45,853,658,058	36,434,931,255
				60,157,585,004	52,908,409,407
4 Balance with other banks and financial institutions					
In Bangladesh	4.1	303,039,633	6,682,557,302	303,970,186	7,511,869,424
Outside Bangladesh *		745,893,207	1,385,770,211	724,522,589	1,383,521,545
		1,048,932,840	8,068,327,513	1,028,492,775	8,895,390,969

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

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
4.1 In Bangladesh					
In current deposit account with					
Agrani Bank Limited		8,039,907	17,556,362	8,039,907	17,556,362
Sonali Bank Limited		51,532,019	35,023,733	51,532,019	35,023,733
		59,571,926	52,580,095	59,571,926	52,580,095
In special notice deposit account with					
Trust Bank Limited		38,742,852	73,068,651	38,742,852	73,068,651
Standard Chartered Bank		33,298,687	66,693,489	33,298,687	66,693,489
		72,041,539	139,762,140	72,041,539	139,762,140
In beneficiary owner (BO) account with					
IFIC Securities Limited		-	-	930,553	829,312,122
Latif Securities Limited		28,834	28,834	28,834	28,834
Asian Tiger Capital Partners Investments Limited		4,542,667	3,331,566	4,542,667	3,331,566
		4,571,501	3,360,400	5,502,054	832,672,522
In short term & fixed deposit account with banks and NBFIs					
Short term deposit					
Bank Asia Limited		-	900,000,000	-	900,000,000
Social Islami Bank Limited		-	450,000,000	-	450,000,000
Bank Alfalah Limited		-	850,000,000	-	850,000,000
Midland Bank Limited		-	450,000,000	-	450,000,000
		-	2,650,000,000	-	2,650,000,000
Fixed deposit					
Investment Corporation of Bangladesh		-	3,670,000,000	-	3,670,000,000
Peoples Leasing & Financial Services Limited		166,854,667	166,854,667	166,854,667	166,854,667
		166,854,667	3,836,854,667	166,854,667	3,836,854,667
		303,039,633	6,682,557,302	303,970,186	7,511,869,424
4.2 Maturity grouping of balance with other banks and FIs					
Receivable on demand		136,184,966	362,557,302	137,115,519	1,191,869,424
Up to 1 month		745,893,207	4,035,770,211	724,522,589	4,033,521,545
More than 1 month but not more than 3 months		166,854,667	3,670,000,000	166,854,667	3,670,000,000
More than 3 months but not more than 6 months		-	-	-	-
More than 6 months but not more than 1 year		-	-	-	-
More than 1 year but not more than 5 years		-	-	-	-
More than 5 years		-	-	-	-
		1,048,932,840	8,068,327,513	1,028,492,775	8,895,390,969
5 Money at call and on short notice					
Banking companies					
National Bank Limited		-	200,000,000	-	200,000,000
Modhumoti Bank Limited		450,000,000	230,000,000	450,000,000	230,000,000
Dhaka Bank Limited		-	1,900,000,000	-	1,900,000,000
Investment Corporation of Bangladesh		2,230,000,000	-	2,230,000,000	-
Bank Alfalah Limited		300,000,000	-	300,000,000	-
Midland Bank Limited		500,000,000	-	500,000,000	-
South Bangla Agriculture and Commerce Bank Limited		460,000,000	-	460,000,000	-
NRB Commercial Bank Limited		440,000,000	-	440,000,000	-
		4,380,000,000	2,330,000,000	4,380,000,000	2,330,000,000
6 Investments					
Government Securities	6.1	48,724,679,719	46,979,431,855	48,724,679,719	46,979,431,855
Other Investments	6.2	12,490,300,959	11,120,648,728	6,887,188,131	5,742,993,616
		61,214,980,678	58,100,080,583	55,611,867,850	52,722,425,471
6.1 Government securities					
Treasury bills	6.1.1	1,898,040,200	10,541,051,600	1,898,040,200	10,541,051,600
Treasury bonds	6.1.2	46,823,343,319	36,434,931,255	46,823,343,319	36,434,931,255
Prize bond		3,296,200	3,449,000	3,296,200	3,449,000
		48,724,679,719	46,979,431,855	48,724,679,719	46,979,431,855

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
6.1.1 Treasury bills					
91 Days Govt Treasury bill		399,201,200	2,699,526,000	399,201,200	2,699,526,000
182 Days Govt Treasury bill		1,498,839,000	3,640,558,100	1,498,839,000	3,640,558,100
364 Days Govt Treasury bill		-	4,200,967,500	-	4,200,967,500
		1,898,040,200	10,541,051,600	1,898,040,200	10,541,051,600
6.1.2 Treasury bonds					
2 years Treasury bond		7,545,115,386	11,283,962,191	7,545,115,386	11,283,962,191
5 years Treasury bond		17,078,954,983	12,503,630,124	17,078,954,983	12,503,630,124
10 years Treasury bond		13,665,994,156	7,240,941,278	13,665,994,156	7,240,941,278
15 years Treasury bond		6,824,246,493	3,684,146,776	6,824,246,493	3,684,146,776
20 years Treasury bond		1,709,032,301	1,722,250,886	1,709,032,301	1,722,250,886
		46,823,343,319	36,434,931,255	46,823,343,319	36,434,931,255
6.2 Other investments					
Unquoted shares		99,088,970	125,048,970	42,847,220	68,807,220
Quoted shares		5,140,694,323	5,595,547,248	1,867,558,302	2,526,209,347
Bond		1,800,000,000	-	1,800,000,000	-
Mutual funds		267,986,473	267,986,473	267,986,473	267,986,473
Foreign Investment		5,182,531,193	5,132,066,037	2,908,796,136	2,879,990,576
		12,490,300,959	11,120,648,728	6,887,188,131	5,742,993,616
Details of investment in shares [solo basis] are shown in "Annexure-B".					
6.3 Government securities classified according to Bangladesh Bank Circular					
Held for trading (HFT)		2,867,725,460	10,541,051,600	2,867,725,460	10,541,051,600
Held to maturity (HTM)		45,853,658,058	36,434,931,255	45,853,658,058	36,434,931,255
Other securities	6.1	3,296,200	3,449,000	3,296,200	3,449,000
		48,724,679,718	46,979,431,855	48,724,679,719	46,979,431,855
6.4 Maturity grouping of investments					
On demand		2,871,021,660	953,449,000	2,871,021,660	953,449,000
Up to 1 month		4,167,431,546	3,312,985,939	4,167,431,546	3,312,985,939
Over 1 month but not more than 3 months		3,113,020,977	7,130,355,380	-	4,061,017,479
Over 3 months but not more than 6 months		4,457,758,516	3,694,425,420	4,457,758,516	3,694,425,420
Over 6 months but not more than 1 years		1,577,272,899	6,865,721,529	1,577,272,899	6,865,721,529
Over 1 year but not more than 5 years		20,406,418,218	21,971,225,013	20,406,418,218	21,981,612,395
Over 5 years		24,902,454,033	14,171,918,301	22,131,965,011	11,853,213,708
		61,495,377,850	58,100,080,583	55,611,867,851	52,722,425,470
6.5 Disclosure regarding outstanding Repo and Reverse Repo					
Disclosure regarding outstanding Repo					
Sl.	Counterparty name	Agreement date	Reversal date	Amount	
				-	-
				-	-
Disclosure regarding outstanding Reverse Repo					
Sl.	Counterparty name	Agreement date	Reversal date	Amount	
1	Jamuna Bank Ltd.	30/12/2021	2/1/2022	969,687,720	
2	Mercantile Bank Ltd.	30/12/2021	2/1/2022	1,498,839,000	
3	Southeast Bank Ltd.	30/12/2021	2/1/2022	399,201,200	
Total				-	2,867,727,920
Disclosure regarding overall transaction of Repo and Reverse Repo					
Counterparty name		Minimum outstanding in Y2021	Maximum outstanding in Y2021	Daily average outstanding in Y2021	
Securities sold under Repo					
With Bangladesh Bank		-	-	-	
With other Banks and FIs		199,938,000	748,581,000	27,185,911	
Securities purchased under Reverse Repo					
From Bangladesh Bank		-	-	-	
From other Banks and FIs		399,201,200	1,498,839,000	41,489,469	

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
7 Loans and advances					
Loans, cash credit, overdraft etc.	7.1	287,762,185,345	247,051,243,375	286,490,180,371	246,004,105,427
Bill purchased and discounted	8	18,571,169,498	14,646,184,098	18,571,169,498	14,646,184,098
		306,333,354,843	261,697,427,473	305,061,349,869	260,650,289,525
7.1 Loans, cash credit, overdraft etc.					
Inside Bangladesh					
Term loan industrial		14,608,501,494	18,131,446,121	14,608,501,494	18,131,446,121
Term loan consumer finance		215,133,210	170,452,264	215,133,210	170,452,264
Agricultural loan		367,652,240	286,356,663	367,652,240	286,356,663
Term loan women entrepreneur		29,669,565	32,775,026	29,669,565	32,775,026
Term loan-others		96,952,673,686	76,226,478,748	96,952,673,686	76,226,478,748
House building loans		59,089,071,780	42,944,834,123	59,089,071,780	42,944,834,123
Staff loan		1,038,944,894	1,266,619,147	1,038,944,894	1,266,619,147
Transport loan		52,318,643	76,702,824	52,318,643	76,702,824
Loan general		2,514,115,437	3,277,257,317	2,514,115,437	3,277,257,317
Demand loan		8,136,930,250	8,658,568,399	8,136,930,250	8,658,568,399
Overdrafts		71,868,188,470	60,985,063,864	74,573,061,319	63,845,327,297
Cash credit		22,892,858,455	23,785,985,647	22,892,858,455	23,785,985,647
Credit card finance		148,003,802	143,384,520	148,003,802	143,384,520
Loan against trust receipt (LTR)		3,969,086,761	4,877,015,257	3,969,086,761	4,877,015,257
Lease finance		186,913,358	227,184,826	186,913,358	227,184,826
Margin loan		3,976,877,823	3,907,401,381	-	-
		286,046,939,868	244,997,526,127	284,774,934,894	243,950,388,179
Outside Bangladesh					
Term Loan-Foreign Currency (OBU)		1,715,245,477	2,053,717,248	1,715,245,477	2,053,717,248
		287,762,185,345	247,051,243,375	286,490,180,371	246,004,105,427
7.2 Net loans and advances including bills purchased and discounted					
Total loans and advances		306,333,354,843	261,697,427,473	305,061,349,869	260,650,289,525
Provision against loans and advances		(10,356,216,324)	(7,637,565,576)	(10,124,919,485)	(7,406,268,737)
Interest suspense account		(9,904,987,451)	(8,972,123,118)	(8,404,144,641)	(7,471,280,308)
		286,072,151,068	245,087,738,778	286,532,285,743	245,772,740,479
7.3 Residual maturity grouping of Loans, cash credit, overdraft etc.					
On demand		59,741,508,485	69,365,480,414	59,741,508,485	69,365,480,414
Up to 1 month		8,059,461,437	4,636,346,663	8,059,461,437	4,636,346,663
Over 1 month but not more than 3 months		19,910,043,232	19,768,001,992	18,638,038,258	18,720,864,045
Over 3 months but not more than 1 years		48,231,614,195	20,913,449,237	48,231,614,195	20,913,449,237
Over 1 year but not more than 5 years		72,224,624,641	55,795,097,917	72,224,624,641	55,795,097,917
Over 5 years		79,594,933,355	76,572,867,151	79,594,933,355	76,572,867,151
		287,762,185,345	247,051,243,375	286,490,180,371	246,004,105,427
7.4 Loans and advances under broad categories					
In Bangladesh					
Loans		190,296,265,571	159,419,930,431	189,024,260,597	158,372,792,483
Cash credit		22,892,858,455	23,785,985,647	22,892,858,455	23,785,985,647
Overdrafts		74,573,061,319	63,845,327,297	74,573,061,319	63,845,327,297
		287,762,185,345	247,051,243,375	286,490,180,371	246,004,105,427
Bill purchased and discounted	8	18,571,169,498	14,646,184,098	18,571,169,498	14,646,184,098
		306,333,354,843	261,697,427,473	305,061,349,869	260,650,289,525
7.5 Loans and advances on the basis of significant concentration					
Loans and advances to Directors, executives and others					
Loans and advances to directors and their allied concerns		-	-	-	-
Loans and advances to Managing Director, Senior Executives and Staffs		1,038,944,894	1,266,619,147	1,038,944,894	1,266,619,147
Advances to customers' groups		305,294,409,949	260,430,808,326	304,022,404,975	259,383,670,378
		306,333,354,843	261,697,427,473	305,061,349,869	260,650,289,525

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
7.6 Loans and advances allowed to each customer exceeding 10% of Bank's total capital					
Number of customers				25	28
Outstanding - Funded				105,830,439,425	107,020,256,369
Outstanding - Non-funded				24,245,200,000	13,890,600,000
Amount classified				2,896,395,441	-
Amount of loans and advances (comprising funded and non funded facilities) to each customer exceeding BDT 3,940.60 million [Y2020 BDT 3,129.00 million] representing 10% of the Bank's total capital (as defined in Bank Companies Act 1991 as amended) as at 31 December 2021 are furnished in Annexure-C.					
7.7 Industry wise position of loans and advances including bills purchased and discounted					
Agriculture		1,565,239,846	1,549,034,081	1,565,239,846	1,549,034,081
Jute		5,024,594,668	4,688,649,495	5,024,594,668	4,688,649,495
Textile		13,024,952,014	12,008,054,318	13,024,952,014	12,008,054,318
Garments		47,453,561,687	36,205,734,042	47,453,561,687	36,205,734,042
Chemical and chemical products		87,554,948	54,928,753	87,554,948	54,928,753
Cement		4,561,601,319	2,242,982,069	4,561,601,319	2,242,982,069
Bricks & ceramic		4,286,605,832	1,228,855,597	4,286,605,832	1,228,855,597
Food products & processing		4,893,129,859	5,614,527,142	4,893,129,859	5,614,527,142
Engineering & metal		6,264,389,567	5,970,450,060	6,264,389,567	5,970,450,060
Drugs & pharmaceuticals		1,649,611,902	882,241,618	1,649,611,902	882,241,618
Hospital & clinics		79,201,766	94,862,671	79,201,766	94,862,671
Paper & paper products		3,081,608,710	2,951,564,934	3,081,608,710	2,951,564,934
Other small industries		9,127,798,359	8,937,475,690	9,127,798,359	8,937,475,690
IT sector		4,571,697,852	4,488,377,896	4,571,697,852	4,488,377,896
Other service industries		25,356,805,913	27,835,622,387	25,356,805,913	27,835,622,387
Trade & commerce		23,578,635,978	23,358,849,646	23,578,635,978	23,358,849,646
Transport		1,154,798,383	1,214,043,298	1,154,798,383	1,214,043,298
Construction firms/companies		26,251,068,261	19,969,381,860	26,251,068,261	19,969,381,860
Housing societies/companies		33,196,690,742	31,426,089,915	33,196,690,742	31,426,089,915
Cold storage		23,053,798	53,439,785	23,053,798	53,439,785
Consumer finance		63,819,575,809	45,925,172,870	63,819,575,809	45,925,172,870
Energy		8,863,345,743	8,243,559,495	8,863,345,743	8,243,559,495
Telecommunication		10,174,041,517	9,655,497,612	10,174,041,517	9,655,497,612
NBFI's		176,529,899	8,201,326	176,529,899	8,201,326
Others		8,067,259,970	7,089,830,914	6,795,255,497	6,042,692,966
		306,333,354,343	261,697,427,473	305,061,349,869	260,650,289,525
7.8 Sector wise position of loans and advances including bills purchased and discounted					
Government sector		-	-	-	-
Other public sector		737,327,830	811,142,115	737,327,830	811,142,115
Private sector		305,419,496,614	260,880,665,339	304,147,492,140	259,833,527,391
Co-operative sector		176,529,899	5,620,019	176,529,899	5,620,019
		306,333,354,343	261,697,427,473	305,061,349,869	260,650,289,525
7.9 Geographical location-wise loans and advances including bills purchased and discounted					
Dhaka division		264,173,462,954	223,022,107,064	262,901,458,481	221,974,969,117
Chittagong division		22,050,088,518	20,697,570,914	22,050,088,518	20,697,570,914
Sylhet division		2,037,952,788	1,619,909,173	2,037,952,788	1,619,909,173
Rajshahi division		6,979,974,364	6,454,997,299	6,979,974,364	6,454,997,299
Khulna division		4,745,887,726	4,257,671,076	4,745,887,726	4,257,671,076
Barisal division		1,033,585,492	987,915,973	1,033,585,492	987,915,973
Rangpur division		3,268,512,452	2,922,144,063	3,268,512,452	2,922,144,063
Mymensingh division		2,043,890,048	1,735,111,910	2,043,890,048	1,735,111,910
		306,333,354,343	261,697,427,473	305,061,349,869	260,650,289,525
7.10 Business segment-wise concentration of loans and advances as per CL					
Corporate		212,395,870,335	186,464,843,732	211,123,865,862	185,417,705,784
SME		30,228,770,175	29,464,095,457	30,228,770,175	29,464,095,457
Short term agri credit		1,146,999,417	1,181,874,743	1,146,999,417	1,181,874,743
Consumer (including staff)		8,057,723,284	5,758,860,305	8,057,723,284	5,758,860,305
Others		54,503,991,131	38,827,753,236	54,503,991,131	38,827,753,236
		306,333,354,343	261,697,427,473	305,061,349,869	260,650,289,525

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
7.11 Loans and advances including bills purchased and discounted as per CL					
Continuous loan					
Consumer finance		6,241,306,092	3,359,204,861	6,241,306,092	3,359,204,861
Small and medium enterprise		19,388,791,567	20,555,584,599	19,388,791,567	20,555,584,599
Loans to BHs/MBs/SDs		100,259,020	10,572,037	100,259,020	10,572,037
Other continuous loans		70,666,560,545	62,251,447,133	69,394,556,071	61,204,309,185
		96,396,917,224	86,176,808,630	95,124,912,750	85,129,670,682
Demand loans					
Consumer finance		496,969,913	779,815,020	496,969,913	779,815,020
Small and medium enterprise		2,922,295,056	3,281,056,634	2,922,295,056	3,281,056,634
Other demand loans		31,588,150,723	29,115,536,486	31,588,150,723	29,115,536,486
		35,007,415,692	33,176,408,140	35,007,415,692	33,176,408,140
Term loan					
Consumer finance (including staff, other than HF)		1,319,447,279	1,619,840,424	1,319,447,279	1,619,840,424
Small and medium enterprise		7,917,683,552	5,627,454,224	7,917,683,552	5,627,454,224
Housing finance (HF)		54,403,732,111	38,746,079,105	54,403,732,111	38,746,079,105
Loans to BHs/MBs/SDs		-	71,102,094	-	71,102,094
Other fixed term loan		110,141,159,068	95,097,860,113	110,141,159,068	95,097,860,113
		173,782,022,009	141,162,335,960	173,782,022,009	141,162,335,960
Short term loan					
Short term agri credit		1,146,999,417	1,181,874,743	1,146,999,417	1,181,874,743
		306,333,354,343	261,697,427,473	305,061,349,869	260,650,289,525
7.12 Security/collateral-wise concentration of loans and advances including bills purchased and discounted					
Collateral of movable/immovable assets		261,126,002,710	212,556,605,934	261,126,002,710	212,556,605,934
Government guarantee		737,327,830	811,142,115	737,327,830	811,142,115
Export documents		963,376,785	1,075,423,583	963,376,785	1,132,057,075
Import documents		9,737,462,369	13,097,388,867	9,737,462,369	13,281,741,544
Fixed deposit receipts		7,097,306,728	7,537,789,233	7,097,306,728	7,537,789,233
Personal guarantee		9,164,693,768	7,768,832,141	9,164,693,768	7,768,832,141
Other securities		17,507,184,153	18,850,245,598	16,235,179,679	17,562,121,483
		306,333,354,343	261,697,427,473	305,061,349,869	260,650,289,525
7.13 Particulars of loans and advances					
i) Loans considered good in respect of which the Bank is fully secured				295,748,652,300	252,738,072,864
ii) Loans considered good for which the Bank holds no other security than the debtors' personal guarantee				148,003,802	143,384,520
iii) Loans considered good being secured by personal security of one or more persons in addition to the personal security of the debtors				9,164,693,768	7,768,832,141
iv) Loans adversely classified; provision not maintained there against				-	-
				305,061,349,869	260,650,289,525
v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons.				1,038,944,894	1,266,619,147
vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;				-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or employees of the Bank or any of them either separately or jointly with any other person				1,280,861,121	1,453,455,114
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or in the case of private companies as members				-	-
ix) Due from banking companies				-	-

		Amount in BDT			
Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
x) a) Amount of classified loan on which interest has not been charged should be mentioned as follows:					
Increase/(decrease) in specific provision				259,951,069	(349,126,284)
Amount of loan written off				-	-
Amount recovered against the loans previously written off				310,726,957	363,275,164
b) Amount of provision kept against loans classified as bad/loss as at the Balance Sheet date				2,712,396,000	2,455,830,502
c) Amount of interest creditable to the interest suspense account				1,891,139,777	1,477,570,087
xi) Cumulative amount of written off loan:					
Opening balance				14,364,537,957	14,727,813,121
Recovery from written-off during the year*				(310,726,957)	(363,275,164)
				14,053,811,000	14,364,537,957
* Recovery from written-off loans during the year include interest waiver of BDT 90.42 million [Y2020: Interest waiver BDT 17.18 million].					
7.14 Cumulative amount of written off loans for which law suits have been filed					
Opening balance				20,972,282,771	20,972,282,771
During the year				-	-
				20,972,282,771	20,972,282,771
Out of this cumulative amount of written-off loans, no suit could be filed for recovery of Tk. 43.8 million for becoming time barred.					
7.15 Classification of loans and advances					
Unclassified					
Standard				280,432,083,081	245,050,321,578
Special mention account				6,041,061,997	5,254,206,092
				286,473,145,077	250,304,527,669
Classified					
Substandard				5,878,392,145	2,782,581,601
Doubtful				554,384,650	463,122,331
Bad/Loss				12,155,427,996	7,100,057,923
				18,588,204,792	10,345,761,856
				305,061,349,869	260,650,289,525
7.16 Movements of classified loans and advances					
Opening balance				10,345,761,856	12,265,471,777
Additions during the year				9,540,602,936	226,192,399
Reduction during the year				(1,298,160,000)	(2,145,902,320)
				18,588,204,792	10,345,761,856
8 Bills purchased and discounted					
Payable in Bangladesh	8.1	17,698,770,029	14,141,724,304	17,698,770,029	14,141,724,304
Payable outside Bangladesh	8.1	872,399,469	504,459,794	872,399,469	504,459,794
		18,571,169,498	14,646,184,098	18,571,169,498	14,646,184,098
8.1 Bill purchased and discounted					
Payable in Bangladesh					
Local bills/documents					
Inland documentary bill purchase (IDBP)		1,031,020,843	659,374,049	1,031,020,843	659,374,049
Payment against documents-cash		151,533,538	139,983,935	151,533,538	139,983,935
Payment against documents-EDF		14,106,404,764	9,880,117,837	14,106,404,764	9,880,117,837
Payment against documents-forced (Inland)		2,026,265,027	1,361,594,788	2,026,265,027	1,361,594,788
Payment against documents-forced (Foreign)		206,748,211	664,145,629	206,748,211	664,145,629
Payment against documents-Others		176,797,646	1,436,508,066	176,797,646	1,436,508,066
		17,698,770,029	14,141,724,304	17,698,770,029	14,141,724,304
Payable outside Bangladesh					
Foreign documentary bill purchase (FDBP)		525,299,859	263,473,626	525,299,859	263,473,626
Usance Bill Discounted (OBU)		347,099,610	240,986,168	347,099,610	240,986,168
		872,399,469	504,459,794	872,399,469	504,459,794
		18,571,169,498	14,646,184,098	18,571,169,498	14,646,184,098

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
8.2 Residual maturity grouping of bill purchased and discounted					
On demand		4,705,429,285	4,651,948,851	4,705,429,285	4,651,948,851
Up to 1 month		1,369,883,029	1,312,579,764	1,369,883,029	1,312,579,764
Over 1 month but not more than 3 months		4,828,618,440	1,026,523,210	4,828,618,440	1,026,523,210
Over 3 months but not more than 6 months		6,838,136,517	4,729,856,640	6,838,136,517	4,729,856,640
Over 6 months		829,102,227	2,925,275,633	829,102,227	2,925,275,633
		18,571,169,498	14,646,184,098	18,571,169,498	14,646,184,098
9 Fixed assets including premises, furniture and fixtures					
Cost/revalued:					
Land		2,423,609,559	2,423,609,559	2,423,609,559	2,423,609,559
Buildings and premises		1,902,617,204	1,902,617,204	1,902,617,204	1,902,617,204
Right of Use Assets		1,872,564,596	1,979,330,915	1,829,246,619	1,938,582,527
Wooden furniture		340,479,978	288,496,137	339,565,380	287,581,539
Steel furniture		198,592,399	111,193,993	198,592,399	111,193,993
Computer equipment		1,197,409,390	1,054,899,844	1,183,841,452	1,049,746,984
Office equipment		386,456,865	292,981,559	386,456,865	290,404,959
Electrical & gas equipment		1,403,276,130	1,085,482,116	1,400,699,530	1,085,482,115
Leasehold improvement		826,904,498	528,640,273	814,168,535	508,637,207
Vehicles		219,419,429	212,708,501	219,419,429	212,708,501
Soft furnishing		13,187,132	12,960,055	13,187,132	12,960,055
CBS and other softwares		1,165,198,086	1,108,927,318	1,162,925,786	1,107,209,905
		11,949,715,267	11,001,847,474	11,874,329,890	10,930,734,549
Capital work in progress		124,720,260	88,200,413	124,720,260	88,200,413
		12,074,435,527	11,090,047,887	11,999,050,150	11,018,934,962
Less: Accumulated depreciation		4,107,680,761	3,552,923,311	4,076,171,929	3,523,762,842
Written down value		7,966,754,765	7,537,124,576	7,922,878,221	7,495,172,120
Details of fixed assets [solo basis] are shown in "Annexure-D"					
10 Other assets					
Stationery and stamps		31,089,517	42,897,670	31,089,517	42,895,192
Suspense account	10.1	809,447,215	850,058,824	784,948,535	840,559,567
Advance, deposit and prepayments	10.2	765,190,540	612,538,170	734,274,564	609,890,947
Accrued interest & other income receivable	10.3	1,768,551,376	1,350,179,264	1,604,269,943	1,350,179,264
Investment in subsidiaries	10.4	-	-	2,634,706,100	2,234,342,260
Deferred tax assets	10.5	801,844,287	712,053,420	801,039,382	711,983,290
Others receivable		68,993,649	907,488,711	68,928,545	44,993,785
		4,245,116,584	4,475,216,060	6,659,256,586	5,834,844,305
10.1 Suspense account					
Advance against bills, new branches		86,064,559	61,807,914	86,064,559	61,807,914
Advance against TA / DA		351,450	1,012,700	351,450	1,012,700
Law charges		324,687,924	297,658,828	324,687,924	297,658,828
Sanchaypatra paid		69,620,739	239,526,291	69,620,739	239,526,291
Wage earners development bond paid		83,662,375	98,125,282	83,662,375	98,125,282
Investment bond		51,265,500	12,174,046	51,265,500	12,174,046
Sundry debtors		134,540,394	139,220,862	110,041,714	129,721,605
Cash incentive audit fees		1,997,100	-	1,997,100	-
Payment gateway receivable		57,257,174	532,901	57,257,174	532,901
		809,447,215	850,058,824	784,948,535	840,559,567
10.2 Advance, deposit and prepayments					
Rent		454,613,073	300,948,581	453,947,643	299,440,239
Security deposit including demand note		4,837,992	23,867,575	4,837,992	23,867,575
Car purchase		134,105,441	128,964,094	133,299,895	127,825,212
Money remittance company		18,553,419	265,800	18,553,419	265,800
Protested bills		44,543,206	47,820,206	44,543,206	47,820,206
Cash remittance		15,000,000	78,500,000	15,000,000	78,500,000
Supplier		64,092,409	28,793,262	64,092,409	28,793,262
Lease vehicle		-	896,021	-	896,021
Share money deposits		29,445,000	2,482,632	-	2,482,632
		765,190,540	612,538,170	734,274,564	609,890,947

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
10.3 Accrued interest & other income receivable					
Treasury bonds and bills		774,805,638	624,924,948	774,805,638	624,924,948
Receivables from Government		41,272,375	41,272,375	41,272,375	41,272,375
Interest accrued on loans and advances		697,368,089	648,268,049	610,428,089	648,268,049
Dividend receivable		248,795,358	26,187,279	171,453,925	26,187,279
Investment on term and call		6,309,916	9,526,613	6,309,916	9,526,613
		1,768,551,376	1,350,179,264	1,604,269,943	1,350,179,264
10.4 Investment in subsidiaries					
IFIC Securities Limited				2,199,994,000	2,199,994,000
IFIC Investment Limited				399,994,000	-
IFIC Money Transfer (UK) Limited				34,718,100	34,348,260
				2,634,706,100	2,234,342,260
10.5 Deferred tax assets					
Deferred tax assets have been recognized and measured as per <i>International Accounting Standards 12: Income Taxes</i> and BRPD Circular no. 11, dated 12 December 2011 based on the temporary difference in the carrying amount of the assets and liabilities in the financial statements and its tax base. Calculation of deferred tax assets is as follows:					
Deferred tax assets				1,054,078,589	955,727,024
Deferred tax liabilities				(253,039,206)	(243,743,733)
Deferred tax assets/(liabilities)				801,039,382	711,983,290
i) Deferred tax on provision for loans and advances classified as doubtful and bad & loss					
Carrying amount				2,770,106,247	2,510,293,263
Tax base				-	-
Deductible/(taxable) temporary difference				2,770,106,247	2,510,293,263
Tax rate				37.50%	37.50%
Closing deferred tax assets/(liabilities)				1,038,789,843	941,359,974
Opening deferred tax assets/(liabilities)				941,359,974	1,057,211,288
Deferred tax (expense)/income (A)				97,429,869	(115,851,314)
ii) Deferred tax on fixed assets					
Carrying amount				4,297,193,032	3,621,024,521
Tax base				3,673,101,148	3,021,720,566
Deductible/(Taxable) temporary difference				624,091,883	599,303,955
Tax rate				37.50%	37.50%
Closing deferred tax assets/(liabilities)				(234,034,456)	(224,738,983)
Opening deferred tax assets/(liabilities)				(224,738,983)	(194,057,071)
Deferred tax (expense)/income (B)				(9,295,473)	(30,681,912)
iii) Deferred tax on leased assets					
Right-of-Use Assets				1,072,592,599	1,354,456,802
Less: Lease Liabilities				(940,244,227)	(1,199,683,069)
Carrying amount				132,348,372	154,773,733
Tax base				173,118,360	193,085,866
Temporary difference				40,769,988	38,312,133
Tax rate				37.50%	37.50%
Closing deferred tax assets/(liabilities)				15,288,746	14,367,050
Opening deferred tax assets/(liabilities)				14,367,050	6,948,176
Deferred tax (expense)/income (C)				921,696	7,418,874
Deferred tax (expense)/income (A+B+C)				89,056,092	(139,114,352)
iv) Deferred tax on land revaluation surplus					
Carrying amount				475,118,759	475,118,759
Tax base				-	-
Temporary difference				(475,118,759)	(475,118,759)
Tax rate				4.00%	4.00%
Closing deferred tax assets/(liabilities)				(19,004,750)	(19,004,750)

As per IAS 12: Income Taxes, deferred tax liability arises on revalued amount from non-depreciable assets i.e. Land measured using revaluation model as per IAS 16 reflecting the tax consequences of recovering the carrying amount through sale. Deferred tax liability arises on revalued land amount was deducted from revaluation surplus [please refer to Note 20].

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
10.6 Income generating other assets					
Investment in subsidiary-IFIC Securities Limited				2,199,994,000	2,199,994,000
Investment in subsidiary-IFIC Investment Limited				399,994,000	-
Investment in subsidiary-IFIC Money Transfer (UK) Limited				34,718,100	34,348,260
				2,634,706,100	2,234,342,260
10.7 Non-Income generating other assets					
Stationery and stamps				31,089,517	42,895,192
Suspense account				784,948,535	840,559,567
Advance, deposit and prepayments				734,274,564	609,890,947
Accrued interest & other income receivable				1,604,269,943	1,350,179,264
Deferred tax assets				801,039,382	711,983,290
Receivable others				68,928,545	44,993,785
				4,024,550,486	3,600,502,045
11 Non-banking assets					
Income generating		-	-	-	-
Non-income generating	11.1	148,474,800	373,474,800	148,474,800	373,474,800
		148,474,800	373,474,800	148,474,800	373,474,800
Through the verdict of honorable court under section 33(7) of the Artharin Adalat Act 2003, the Bank has got absolute ownership on few mortgaged properties. These properties were recorded at Tk. 373,474,800 as non-banking assets in the year 2013.					
11.1 Non-income generating					
Balance at the beginning of the year		373,474,800	373,474,800	373,474,800	373,474,800
Less: Sale during the year		(225,000,000)	-	(225,000,000)	-
		148,474,800	373,474,800	148,474,800	373,474,800
12 Borrowing from other banks, financial institutions and agents					
In Bangladesh	12.1	14,562,035,508	12,512,987,412	14,562,035,508	12,512,987,412
Outside Bangladesh	12.2	-	508,806,600	-	508,806,600
		14,562,035,508	13,021,794,012	14,562,035,508	13,021,794,012
12.1 In Bangladesh					
Term borrowing					
Obligation under lease finance		-	3,181,639	-	3,181,639
		-	3,181,639	-	3,181,639
Short term borrowing					
Pubali Bank Limited		257,400,000	-	257,400,000	-
		257,400,000	-	257,400,000	-
Refinance from Bangladesh Bank					
Export Development Fund (EDF)		11,350,018,583	9,666,178,492	11,350,018,583	9,666,178,492
Small and Medium Enterprise (SME)		274,936,122	324,677,867	274,936,122	324,677,867
Long Term Financing Facility (LTFF)		280,679,345	34,162,919	280,679,345	34,162,919
Stimulus Package		2,399,001,458	2,484,786,495	2,399,001,458	2,484,786,495
		14,304,635,508	12,509,805,773	14,304,635,508	12,509,805,773
		14,562,035,508	12,512,987,412	14,562,035,508	12,512,987,412
12.2 Outside Bangladesh					
Nepal Bangladesh Bank Limited		-	508,806,600	-	508,806,600
		-	508,806,600	-	508,806,600
Borrowing from outside Bangladesh was used for Off-shore Banking unit.					
12.3 Secured and unsecured borrowing from other banks, financial institutions and agents					
Secured borrowing		-	-	-	-
Unsecured borrowing		14,562,035,508	13,021,794,012	14,562,035,508	13,021,794,012
		14,562,035,508	13,021,794,012	14,562,035,508	13,021,794,012

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
12.4 Maturity grouping of borrowing from other banks, financial institutions and agents					
Payable					
On demand		-	-	-	-
Up to 1 month		2,499,312,871	1,482,457,108	2,499,312,871	1,482,457,108
Over 1 month but not more than 3 months		6,248,310,681	4,191,908,871	6,248,310,681	4,191,908,871
Over 3 months but not more than 1 year		5,576,258,646	7,088,478,478	5,576,258,646	7,088,478,478
Over 1 year but not more than 5 years		238,153,309	123,803,291	238,153,309	123,803,291
Over 5 years		-	135,146,264	-	135,146,264
		14,562,035,508	13,021,794,012	14,562,035,508	13,021,794,012

13 Subordinated debt

Institution wise subscription, redemption, and outstanding amount of the Principal of the Bond are as follows:

Subscribers	Subscribed Amount	Redemption of Principal	Outstanding 31 December 2021	Outstanding 31 December 2020
A. IFIC Bank 1st Subordinated debt				
Sonali Bank Limited	1,000,000,000	600,000,000	400,000,000	600,000,000
Janata Bank Limited	1,000,000,000	600,000,000	400,000,000	600,000,000
Rupali Bank Limited	1,000,000,000	600,000,000	400,000,000	600,000,000
Agrani Bank Limited	500,000,000	300,000,000	200,000,000	300,000,000
	3,500,000,000	2,100,000,000	1,400,000,000	2,100,000,000
B. IFIC Bank 2nd Subordinated debt				
Agrani Bank Limited	1,500,000,000	-	1,500,000,000	-
Janata Bank Limited	1,000,000,000	-	1,000,000,000	-
Dutch Bangla Bank Limited	1,000,000,000	-	1,000,000,000	-
Eastern Bank Limited	1,000,000,000	-	1,000,000,000	-
Mercantile Bank Limited	500,000,000	-	500,000,000	-
	5,000,000,000	-	5,000,000,000	-
	8,500,000,000	2,100,000,000	6,400,000,000	2,100,000,000

A. The Bank issued 1st Non-Convertible, Redeemable, Unsecured Floating Rate Subordinated Bond of BDT 3,500,000,000 with consent of Bangladesh Securities and Exchange Commission vide letter no. BSEC/CI/DS-32/2015/644 dated 28 December 2015 and Bangladesh Bank vide letter no. BRPD (BFIS) 661/ 14B (P)/2016-938 dated 8 February 2016. The tenure of the bond is 7 years and the redemption of the Bond has been started from the year 2019 and the Bond will be fully redeemed in the year 2023.

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

14 Deposits and other accounts

Current deposit and other accounts	14.1	124,268,243,060	92,689,795,114	124,658,938,392	92,715,704,209
Bills payable	14.2	2,455,215,075	2,547,263,402	2,455,215,075	2,547,263,402
Savings bank deposits	14.3	25,716,666,242	25,343,706,980	25,716,666,242	25,343,706,980
Fixed deposits	14.4	180,311,135,461	175,760,802,599	180,311,312,466	175,762,350,267
		332,751,259,838	296,341,568,095	333,142,132,175	296,369,024,858

14.1 Current deposit and other accounts

Current accounts		28,601,010,805	20,541,856,918	28,991,706,137	20,567,766,013
IFIC AAMAR account		84,534,779,576	63,263,202,940	84,534,779,576	63,263,202,940
IFIC Shohoj Account		2,206,278,446	869,665,186	2,206,278,446	869,665,186
Foreign currency deposit		465,580,396	330,848,835	465,580,396	330,848,835
Resident foreign currency deposit		47,351,241	48,287,936	47,351,241	48,287,936
Exporters foreign currency account		4,927,473,452	5,189,408,559	4,927,473,452	5,189,408,559
Margin on letters of credit		2,442,055,354	1,462,856,896	2,442,055,354	1,462,856,896
Margin on letters of guarantee		427,373,315	393,140,325	427,373,315	393,140,325
Sundry deposit	14.1.1	616,340,475	590,527,519	616,340,475	590,527,519
		124,268,243,060	92,689,795,114	124,658,938,392	92,715,704,209

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
14.1.1 Sundry deposit					
Sundry creditor		63,022,290	109,042,803	63,022,290	109,042,803
Lease deposit		12,184,388	14,727,414	12,184,388	14,727,414
Risk fund-lease, CCS & others		218,057	224,303	218,057	224,303
Clearing collection		41,720,060	22,903,192	41,720,060	22,903,192
Card deposit		239,180,556	125,603,536	239,180,556	125,603,536
Sundry deposit BFF		25,912,400	25,912,400	25,912,400	25,912,400
FDD issued but not presented		13,596,339	13,323,391	13,596,339	13,323,391
Key deposit		6,179,275	5,977,675	6,179,275	5,977,675
CIB Charges		-	3,173,013	-	3,173,013
Other sundry deposits		214,327,110	269,639,792	214,327,110	269,639,792
		616,340,475	590,527,519	616,340,475	590,527,519
14.2 Bills payable					
Payment order		2,448,304,854	2,539,556,145	2,448,304,854	2,539,556,145
Demand draft		5,019,143	5,728,179	5,019,143	5,728,179
Security deposit receipt		1,891,078	1,979,078	1,891,078	1,979,078
		2,455,215,075	2,547,263,402	2,455,215,075	2,547,263,402
14.3 Savings bank deposit					
Savings account		20,023,803,605	19,488,529,745	20,023,803,605	19,488,529,745
Super savings plus		4,188,104,934	4,430,654,105	4,188,104,934	4,430,654,105
Payroll savings		424,005,964	385,717,213	424,005,964	385,717,213
Sanchita-female savings		1,079,925,267	1,038,072,461	1,079,925,267	1,038,072,461
Interest payable on savings deposit		826,472	733,456	826,472	733,456
		25,716,666,242	25,343,706,980	25,716,666,242	25,343,706,980
14.4 Fixed deposit					
Special notice deposit (SND)		23,223,232,783	30,028,622,318	23,223,409,788	30,030,169,986
Term deposit	14.4.1	144,220,156,154	134,376,901,295	144,220,156,154	134,376,901,295
Recurring deposit	14.4.2	12,275,043,362	10,660,411,907	12,275,043,362	10,660,411,907
Non resident foreign currency deposit (NFCD)		5,644,223	6,385,181	5,644,223	6,385,181
Export retention quota (ERQ)		587,058,939	688,481,898	587,058,939	688,481,898
		180,311,135,461	175,760,802,599	180,311,312,466	175,762,350,267
14.4.1 Term deposit					
Fixed deposits		132,543,381,638	120,912,851,010	132,543,381,638	120,912,851,010
Double return deposit scheme		4,590,934,371	5,059,921,698	4,590,934,371	5,059,921,698
Three years deposit plus		3,467,505	3,044,250	3,467,505	3,044,250
Monthly income scheme		4,533,385,577	5,174,309,817	4,533,385,577	5,174,309,817
Monthly income scheme - Arjon		28,250,000	27,950,000	28,250,000	27,950,000
Interest payable on term deposit		2,520,737,063	3,198,824,520	2,520,737,063	3,198,824,520
		144,220,156,154	134,376,901,295	144,220,156,154	134,376,901,295
14.4.2 Recurring deposit					
Pension savings scheme (PSS)		5,349,419,726	6,261,776,512	5,349,419,726	6,261,776,512
Pension savings scheme - Joma		7,274,258	5,678,197	7,274,258	5,678,197
Flexi DPS - Freedom		1,235,735,258	1,279,477,985	1,235,735,258	1,279,477,985
Millionaire dream plan		593,715,441	558,566,205	593,715,441	558,566,205
School savings plan		20,760,138	28,883,953	20,760,138	28,883,953
IFIC Aamar Bhubishawt		4,645,038,197	2,166,063,856	4,645,038,197	2,166,063,856
Interest payable on recurring deposit		423,100,344	359,965,199	423,100,344	359,965,199
		12,275,043,362	10,660,411,907	12,275,043,362	10,660,411,907
14.5 Deposit and other accounts of the banks					
Deposit from banks	14.8	5,932,059,665	116,847,774	5,932,059,665	116,847,774
Deposit from customers		326,819,200,173	296,224,720,321	327,210,072,510	296,252,177,084
		332,751,259,838	296,341,568,095	333,142,132,175	296,369,024,858
14.6 Payable on demand and time deposit					
Demand deposits					
Current deposits		116,447,526,618	85,747,181,227	116,838,398,955	85,774,637,990
Savings deposits		2,314,499,962	2,280,933,628	2,314,499,962	2,280,933,628
Sundry deposit		3,485,769,146	2,446,524,742	3,485,769,146	2,446,524,742
Bills payable		2,455,215,075	2,547,263,402	2,455,215,075	2,547,263,402
		124,703,010,801	93,021,902,999	125,093,883,138	93,049,359,762

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Time deposits					
Savings deposits		23,402,166,280	23,062,773,351	23,402,166,280	23,062,773,351
Fixed deposits		149,741,345,048	140,124,876,059	149,741,345,048	140,124,876,059
Special notice deposits		23,223,409,788	30,030,169,985	23,223,409,788	30,030,169,985
Deposits under schemes		11,681,327,921	10,101,845,701	11,681,327,921	10,101,845,701
		208,048,249,037	203,319,665,096	208,048,249,037	203,319,665,096
		332,751,259,838	296,341,568,095	333,142,132,175	296,369,024,858
14.7 Sector-wise concentration of deposits and other accounts					
Government deposits		4,355,948,240	7,529,049,900	4,355,948,240	7,529,049,900
Other public sector		29,589,959,210	36,338,930,114	29,589,959,210	36,338,930,114
Deposit from banks		5,932,059,665	116,847,774	5,932,059,665	116,847,774
Foreign currency deposits		5,440,405,089	5,568,545,330	5,440,405,089	5,568,545,330
Private sectors		287,432,887,634	246,788,194,978	287,823,759,971	246,815,651,741
		332,751,259,838	296,341,568,095	333,142,132,175	296,369,024,858
14.8 Residual maturity grouping of deposits and other accounts					
Maturity grouping of deposit from banks					
On demand		-	-	-	-
Up to 1 month		1,092,059,665	116,847,774	1,092,059,665	116,847,774
Over 1 month but not more than 3 months		4,840,000,000	-	4,840,000,000	-
Over 3 months but not more than 1 year		-	-	-	-
Over 1 year but not more than 5 years		-	-	-	-
Over 5 years		-	-	-	-
		5,932,059,665	116,847,774	5,932,059,665	116,847,774
Maturity grouping of deposit from customers excluding bills payable					
On demand		4,311,178,360	5,949,154,679	4,311,178,360	5,949,154,679
Up to 1 month		39,972,353,212	40,783,082,019	39,972,353,212	40,810,538,782
Over 1 month but not more than 3 months		64,964,805,498	47,894,233,494	64,964,805,498	47,899,155,066
Over 3 months but not more than 1 year		67,147,490,488	64,596,057,382	67,147,490,488	64,596,057,382
Over 1 year but not more than 5 years		31,112,128,393	32,739,167,299	31,112,128,393	32,739,167,299
Over 5 years		116,856,029,148	101,715,762,047	117,246,901,485	101,710,840,474
		324,363,985,099	293,677,456,919	324,754,857,436	293,704,913,681
Maturity grouping of bills payable					
On demand		245,521,507	254,726,340	245,521,507	254,726,340
Up to 1 month		491,043,015	509,452,680	491,043,015	509,452,680
Over 1 month but not more than 3 months		491,043,015	509,452,680	491,043,015	509,452,680
Over 3 months but not more than 1 year		245,521,507	254,726,340	245,521,507	254,726,340
Over 1 year but not more than 5 years		491,043,015	509,452,680	491,043,015	509,452,680
Over 5 years		491,043,015	509,452,680	491,043,015	509,452,680
		2,455,215,075	2,547,263,402	2,455,215,075	2,547,263,402
		332,751,259,838	296,341,568,095	333,142,132,175	296,369,024,857
14.9 Unclaimed deposits		48,054,519	35,803,244	48,054,519	35,803,244
As per Bank Company Act 1991, Section 35 and BB circular letter no. BRPD 10 dated 12 September 2018, if any money or valuable asset (except deposits from Government, minor or litigation) is unclaimed for ten years or above as of 31 December every year, a three months' notice will be given to depositors respective. Based on the response from the concerned depositors by following three months, amount will be paid to them otherwise unclaimed deposit will be deposited to Bangladesh Bank by 30 April 2022. We reported BDT 48,054,519 as 10 years and above unclaimed deposit amount as on 31 December 2021 (cut off basis) to Bangladesh Bank.					
15 Other liabilities					
Specific provision for classified loans and advance	15.1	2,997,527,787	2,737,576,718	2,997,527,787	2,737,576,718
General provision for unclassified loans and advance	15.2	5,192,351,537	3,699,988,858	4,961,054,698	3,468,692,019
Special general provision COVID-19	15.3	2,166,337,000	1,200,000,000	2,166,337,000	1,200,000,000
Provision for loans and advance		10,356,216,324	7,637,565,576	10,124,919,485	7,406,268,737
Provision for off balance sheet items	15.4	621,730,502	435,409,089	621,730,502	435,409,089
Provision for diminution in value of investments	15.5	358,478,621	354,475,761	358,478,621	354,475,761
Provision for nostro account	15.6	-	10,646,778	-	10,646,778
Provision for other assets	15.7	466,301,366	452,469,411	466,301,366	452,469,411
Provision for loans, investments and other assets		11,802,726,813	8,890,566,615	11,571,429,974	8,659,269,776

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Provision for taxation net off AIT	15.8	1,998,094,538	1,465,960,929	2,014,520,058	1,534,605,772
Interest suspense accounts	15.9	9,904,987,451	8,972,123,118	8,404,144,641	7,471,280,308
Incentive bonus	15.10	301,450,000	1,662,000	300,000,000	-
Unclaimed dividend account	15.11	-	7,736,018	-	7,736,018
Start-up fund	15.12	25,375,187	-	25,375,187	-
Lease Liability		975,132,232	1,233,531,392	940,244,227	1,199,683,069
Rebate to good borrowers		21,870,000	21,870,000	21,870,000	21,870,000
Interest payable on borrowing and bond		164,838,687	31,336,762	164,838,687	31,336,762
Accrued expenses		195,642,297	109,026,021	146,996,973	104,222,561
Withholding Tax payable to government *		339,532,006	362,976,044	339,508,941	362,830,343
Withholding VAT payable to government *		124,135,680	111,520,816	124,122,430	111,388,832
Excise duty payable to government *		361,821,170	291,542,361	361,821,170	291,542,361
Revaluation of investment abroad		30,946,297	30,946,297	30,946,297	30,946,297
Payable against Govt Bond & Sanchaypatra		36,387,851	88,416,642	36,387,851	88,416,642
Others		170,356,248	190,550,054	170,210,968	190,229,318
		26,453,296,458	21,809,765,070	24,652,417,404	20,105,358,060

* Subsequently deposited to government exchequer.

15.1 Specific provision for classified loans and advances

Provision held at the beginning of the year		2,737,576,718	3,086,703,002	2,737,576,718	3,086,703,002
Add: Recoveries of amounts previously written off		220,307,550	161,055,817	220,307,550	161,055,817
Add: Specific provision for the year	41	39,643,519	(510,182,101)	39,643,519	(510,182,101)
		2,997,527,787	2,737,576,718	2,997,527,787	2,737,576,718

15.1.1 Specific provision required for classified loans and advances

Status of loans and advances	Base for provision	Rate (%)	Required provision	
			31 December 2021	31 December 2020
Sub-standard	1,075,182,253	20%	215,036,451	223,947,988
Sub-standard-Cottage, Micro and Small	222,610,933	5%	11,130,547	3,096,005
Sub-standard- Short term agri. credit	25,090,841	5%	1,254,542	239,462
Doubtful	78,558,054	50%	39,279,027	36,148,313
Doubtful-Cottage, Micro and Small	90,931,195	20%	18,186,239	17,965,711
Doubtful- Short term agri. credit	4,899,611	5%	244,981	348,736
Bad/loss*	2,387,948,143	100%	2,712,396,000	2,455,830,503
	3,885,221,030		2,997,527,787	2,737,576,718
Specific provision maintained (note-15.1)			2,997,527,787	2,737,576,718
Excess/(short)			-	-

* As per Bangladesh Bank instruction, BDT 30 million has been maintained as an additional provision against rescheduling loans against 2% down payment in line with the BRPD Circular No. 05 dated 16 May 2019. The Bank has also maintained provision of BDT 295 million up to Y2021 out of BDT 1,473 million as per Bangladesh Bank letter no. DBI-1/32/2021/927 dated 31 March 2021 and remaining amount of BDT 1,178 million to be maintained proportionately in next four years as per the Bangladesh Bank letter no. DOS(CAMS)1157/01(II)-C/2022-1282 dated 9 March 2022.

15.2 General provision for un-classified loans & advances

Provision held at the beginning of the year		3,677,041,823	2,690,833,981	3,445,744,984	2,459,537,142
Adjustment of previously written off loan		-	148,377,233	-	148,377,233
Provision made/(release) during the year	41	1,494,686,262	837,830,609	1,494,686,262	837,830,609
		5,171,728,085	3,677,041,823	4,940,431,246	3,445,744,984
Off-shore Banking Unit (OBU)					
Provision held at the beginning of the year		22,947,035	26,429,201	22,947,035	26,429,201
Provision made/(release) during the year	41	(2,323,583)	(3,482,166)	(2,323,583)	(3,482,166)
		20,623,452	22,947,035	20,623,452	22,947,035
		5,192,351,537	3,699,988,858	4,961,054,698	3,468,692,019

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
15.2.1 General provision required for un-classified loans and advances					
Status of loans and advances		Base for provision	Rate (%)	Required provision	
				31 December 2021	31 December 2020
Standard					
Small and medium enterprise		22,991,085,415	0.25%	57,477,714	59,495,145
Consumer finance (house building)		52,379,186,226	1.00%	523,791,862	381,061,698
Loans to LP/BHs/MBs/SDs share etc.		100,259,020	2.00%	2,005,180	1,633,483
Consumer finance		6,715,244,121	2.00%	134,304,882	85,637,802
Consumer finance (card)		117,735,582	2.00%	2,354,712	2,144,689
Short term agri. and micro-credit		926,126,919	1.00%	9,261,269	11,028,830
Staff loan		1,038,944,894	0.00%	-	-
Other unclassified loan*		184,828,682,318	1.00%	4,116,236,537	2,813,311,889
		269,097,264,497		4,845,432,156	3,354,313,536
Special Mention Account (SMA)					
Small and medium enterprise		210,977,279	0.25%	527,443	393,676
Consumer finance (house building)		684,312,064	1.00%	6,843,121	2,227,205
Consumer finance		49,545,735	2.00%	990,915	45,282
Consumer finance (card)		2,918,869	2.00%	58,377	52,558
Other unclassified loan **		4,480,426,902	1.00%	86,579,235	88,712,728
		5,428,180,850		94,999,091	91,431,449
Off-shore banking unit					
Un-classified loans		2,062,345,087	1.00%	20,623,451	22,947,034
		2,062,345,087		20,623,451	22,947,034
				4,961,054,698	3,468,692,019
General provision maintained (note-15.2)				4,961,054,698	3,468,692,019
Excess/(short)				-	-
*The Bank has maintained provision of BDT 1,445 million up to Y2021 out of BDT 2,890 million as per Bangladesh Bank letter no. DBI-1/32/2020/1543 dated 14 June 2020 and remaining amount of BDT 1,445 million to be maintained proportionately in next four years as per Bangladesh Bank letter no. DOS(CAMS)1157/01(II)-C/2022-1282 dated 9 March 2022.					
Provision requirement of BDT 2,511.9 million against loans and advances to be maintained proportionately in next four years as per Bangladesh Bank letter no DOS(CAMS)1157/01(II)-C/2022-1282 dated 9 March 2022.					
** 1% additional provision has been maintained against the restructured loan in line with the BRPD Circular No. 04, dated 29 January 2015. Details Restructured Loan are shown in Annexure-J.					
15.3 Special general provision COVID-19					
Provision held at the beginning of the year		1,200,000,000	-	1,200,000,000	-
Provision made/(release) during the year	41.0	966,337,000	1,200,000,000	966,337,000	1,200,000,000
		2,166,337,000	1,200,000,000	2,166,337,000	1,200,000,000
1% additional provision has been maintained against the facilities for which payment was deferred during COVID-19 as per BRPD Circular No. 56 dated 10 December 2020 and in addition to that another 2% provision has been maintained as per BRPD Circular No. 50 dated 14 December 2021.					
15.4 Provision for off-balance sheet					
Provision held at the beginning of the year		435,409,089	460,901,538	435,409,089	460,901,538
Provision made/(release) during the year	41	186,321,413	(25,492,449)	186,321,413	(25,492,449)
		621,730,502	435,409,089	621,730,502	435,409,089
15.4.1 Provision required for off-balance sheet exposure					
Status		Base for provision	Rate (%)	Required provision	
				31 December 2021	31 December 2020
Acceptances and endorsements		28,484,724,497	1.00%	284,847,245	163,509,516
Letters of guarantee *		8,612,473,288	1.00%	98,630,765	93,095,955
Irrevocable letters of credit		23,825,249,182	1.00%	238,252,492	178,803,618
Required provision				621,730,502	435,409,089
Provision maintained (note-15.3)				621,730,502	435,409,089
Excess/(short)				-	-
As per Bangladesh Bank instruction, BDT 537,544 and BDT 11,968,588 have been maintained as an additional provision against a letter of guarantee of M/s. Hannan Works and M/s ATCO International, respectively.					
15.5 Provision for diminution in value of investments					
Provision held at the beginning of the year		354,475,761	651,829,320	354,475,761	651,829,320
Provision made/(release) during the year	41	4,002,860	(297,353,559)	4,002,860	(297,353,559)
		358,478,621	354,475,761	358,478,621	354,475,761

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
15.6 Provision for nostro account					
Provision held at the beginning of the year		10,646,778	10,659,195	10,646,778	10,659,195
Provision made/(release) during the year	41.1	125,412	(12,417)	125,412	(12,417)
Written off during the year		(10,772,190)	-	(10,772,190)	-
		-	10,646,778	-	10,646,778
15.7 Provision for other assets					
Provision held at the beginning of the year		452,469,411	416,485,498	452,469,411	416,485,498
Provision made/(release) during the year	41.1	13,831,955	35,983,913	13,831,955	35,983,913
		466,301,366	452,469,411	466,301,366	452,469,411
15.7.1 Particulars of required provision for other assets					
Status	Base for provision	Rate (%)	Required provision		
			31 December 2021	31 December 2020	
Other assets for 6-12 months	26,407,670	50%	13,203,835	9,942,485	
Other assets for more than 12 months	408,554,326	100%	408,554,326	394,706,721	
Protested bills	44,543,206	100%	44,543,206	47,820,206	
Required provision			466,301,366	452,469,411	
Provision maintained (note-15.7)			466,301,366	452,469,411	
Excess/(Short)			-	-	
15.8 Provision for taxation net off AIT					
A. Provision for tax					
Provision held at the beginning of the year		8,398,477,805	7,569,815,580	8,133,240,938	7,317,502,199
Provision made during the year		2,712,105,506	975,923,486	2,578,825,776	963,000,000
		11,110,583,311	8,545,739,066	10,712,066,714	8,280,502,199
Less: Settlement of tax on stock dividend		(80,993,694)	(147,261,261)	(80,993,694)	(147,261,261)
Less: Settlement of Years 2016 and 2017		(2,392,119,744)	-	(2,392,119,744)	-
		8,637,469,873	8,398,477,805	8,238,953,276	8,133,240,938
B. Advance income tax					
Opening balance on 1 January		6,932,516,876	5,818,370,764	6,598,635,166	5,507,367,245
Add: Payment made during the year		2,098,978,203	1,114,146,112	2,017,917,796	1,091,267,921
Less: Settlement of Years 2016 and 2017		(2,392,119,744)	-	(2,392,119,744)	-
Closing balance		6,639,375,335	6,932,516,876	6,224,433,218	6,598,635,166
Provision for taxation (A-B)		1,998,094,538	1,465,960,929	2,014,520,058	1,534,605,772
Advance Income Tax and Provision for Income Tax has been offset in accordance with IAS 12, para 71 with retrospective effect.					
15.8.1 Reconciliation of effective tax (Bank only)					
Particulars	31 December 2021		31 December 2020		
	%	Taka	%	Taka	
Profit before Income tax as per Profit & Loss Account		4,465,040,901		1,664,361,889	
Income Tax as per applicable tax rate	37.50%	1,674,390,338	37.50%	624,135,708	
Factors affecting the tax charge for current year:					
Non deductible expense/(Tax Savings)	26.11%	1,165,824,243	33.71%	560,988,475	
Tax savings from reduced tax rates from dividend	-0.98%	(43,885,345)	-0.70%	(11,726,174)	
Tax savings from reduced tax rates from capital gains on Share	-6.85%	(305,952,159)	0.00%	-	
Provision adjustment	1.98%	88,448,699	-14.15%	(235,525,525)	
Change in recognised deductible temporary differences	-1.99%	(89,056,092)	8.36%	139,114,352	
Total income tax expenses	55.76%	2,489,769,685	64.71%	1,076,986,837	
15.9 Interest suspense account					
Balance at the beginning of the year		8,972,123,118	8,134,196,969	7,471,280,308	6,633,354,159
Add: Amount transferred to interest suspense account		1,891,139,777	1,477,570,087	1,891,139,777	1,477,570,087
Less: Amount transferred to interest income account		(958,275,444)	(639,643,938)	(958,275,444)	(639,643,938)
		9,904,987,451	8,972,123,118	8,404,144,641	7,471,280,308

Amount in BDT

Particulars	Note	Group		Bank		
		31 December 2021	31 December 2020	31 December 2021	31 December 2020	
15.10 Incentive bonus						
Balance at the beginning of the year		-	250,000,000	-	250,000,000	
Add: Provision made during the year		301,450,000	1,662,000	300,000,000	-	
Less: Paid during the year		-	(250,000,000)	-	(250,000,000)	
		301,450,000	1,662,000	300,000,000	-	
15.11 Unclaimed dividend account						
More than 3 years		-	-	-	-	
More than 4 years		-	-	-	-	
More than 5 years & above		-	7,736,018	-	7,736,018	
		-	7,736,018	-	7,736,018	
Unclaimed or undistributed dividend amounting BDT 7,677,503.50 has been transferred to the Capital Market Stabilization Fund (CMSF) as per the notification: SEC/SRMIC/165-2020/part-1/166 dated 06 July 2021 issued by the Bangladesh Securities and Exchange Commission (BSEC).						
15.12 Start-up fund						
Transfer from previous year profit		5,622,475	-	5,622,475	-	
Transferred from current year profit		19,752,712	-	19,752,712	-	
		25,375,187	-	25,375,187	-	
Start-up fund has recognized according to Bangladesh Bank SME&SP Circular no. 05 dated 26 April 2021 on 1% of profit after tax.						
16 Share Capital						
16.1 Authorized Capital						
4,000,000,000 ordinary shares of Taka 10 each		40,000,000,000	40,000,000,000	40,000,000,000	40,000,000,000	
16.2 Issued, subscribed and fully paid up capital						
8,000,000 ordinary shares of Taka 10 each issued for cash		80,000,000	80,000,000	80,000,000	80,000,000	
4,400,000 ordinary shares of Taka 10 each issued as rights share	16.2.1	44,000,000	44,000,000	44,000,000	44,000,000	
563,821,907 ordinary shares of Taka 10 each issued as rights share	16.2.2	5,638,219,070	5,638,219,070	5,638,219,070	5,638,219,070	
1,124,645,654 [Year 2020: 1,043,651,961] ordinary shares of Taka 10 each issued for bonus share		11,246,456,540	10,436,519,610	11,246,456,540	10,436,519,610	
		17,008,675,610	16,198,738,680	17,008,675,610	16,198,738,680	
16.2.1	The Bank raised paid-up capital of Tk. 44,000,000 through Rights Issue of 440,000 no. of ordinary shares at a ratio of 1R:2 i.e. one rights share for two existing share at par in the year 1989 which was completed in the month of January 1990, before change of denomination from Tk. 100 to Tk. 10 which was effected from 4 December 2011.					
16.2.2	The Bank raised paid-up capital of Tk. 5,638,219,070 through Rights Issue of 563,821,907 no. of ordinary shares at a ratio of 1R:1 i.e. one rights share for one existing share at par in the year 2017.					
16.3 Issued, subscribed and fully paid up Capital-Shareholders' Category						
1,143,857,969 [Year 2020: 1,089,388,542 ordinary shares of Taka 10 each fully paid held by the Sponsors, Directors, Institutions, Foreign investors & General Public.		11,438,579,690	10,893,885,420	11,438,579,690	10,893,885,420	
557,009,592 [Year 2020: 530,485,326 ordinary shares of Taka 10 each fully paid held by the Government of the People's Republic of Bangladesh.		5,570,095,920	5,304,853,260	5,570,095,920	5,304,853,260	
		17,008,675,610	16,198,738,680	17,008,675,610	16,198,738,680	
16.4 Shareholding by category						
Category	31 December 2021			31 December 2020		
	No. of Share	%	Taka	No. of Share	%	Taka
Sponsors & Directors	104,503,264	6.14	1,045,032,640	66,603,111	4.11	666,031,110
Government (Director also)	557,009,592	32.75	5,570,095,920	530,485,326	32.75	5,304,853,260
Sub-Total	661,512,856	38.89	6,615,128,560	597,088,437	36.86	5,970,884,370
Institutions	341,002,821	20.05	3,410,028,210	470,454,459	29.04	4,704,544,590
Foreign investors	18,213,583	1.07	182,135,830	12,717,884	0.79	127,178,840
General investors	680,138,301	39.99	6,801,383,010	539,613,088	33.31	5,396,130,880
Sub-Total	1,039,354,705	61.11	10,393,547,050	1,022,785,431	63.14	10,227,854,310
Total	1,700,867,561	100	17,008,675,610	1,619,873,868	100	16,198,738,680

The Government is representing in the Board of the Bank by nomination 03 (Three) Directors and as such, Sponsors & Directors are at present holding 38.89% shares of the Bank.

Amount in BDT

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

16.5 Distribution of paid up capital

Holding of share	31 December 2021			31 December 2020		
	No. of holder	Total shares	%	No. of holder	Total shares	%
1 to 500 shares	18,350	3,184,371	0.19	14,608	2,051,350	0.13
501 to 5,000 shares	25,299	49,539,780	2.91	14,325	29,969,707	1.85
5,001 to 10,000 shares	5,166	40,079,371	2.36	3,888	29,134,724	1.80
10,001 to 20,000 shares	3,500	52,209,270	3.07	2,692	39,307,003	2.43
20,001 to 30,000 shares	1,504	38,155,499	2.24	1,151	28,833,294	1.78
30,001 to 40,000 shares	716	25,365,319	1.49	544	19,086,097	1.18
40,001 to 50,000 shares	565	26,531,614	1.56	449	20,831,451	1.28
50,001 to 100,000 shares	1,090	80,345,915	4.72	783	56,545,941	3.49
100,001 to 1,000,000 shares	930	243,338,968	14.31	697	201,241,451	12.42
More than 1,000,000 shares	114	1,142,117,454	67.15	130	1,192,872,850	73.64
Total	57,234	1,700,867,561	100	39,267	1,619,873,868	100

16.6 Shareholding of Directors

Sl.	Name of the Directors	Status	Holding %	Closing Position	Opening Position
1	Mr. Salman F Rahman	Chairman	2.00	34,026,928	32,406,599
2	Mr. Ahmed Shayan Fazlur Rahman*	Vice-Chairman	2.11	35,906,336	34,196,512
3	Mr. A. R. M. Nazmus Sakib**	Director	2.03	34,570,000	N/A
4	Ms. Rabeya Jamali	Independent Director	Nil	Nil	Nil
5	Mr. Sudhangshu Shekhar Biswas	Independent Director	Nil	Nil	Nil
6	Ms. Quamrun Naher Ahmed***	Govt. nominated Director			
7	Mr. Md. Zafar Iqbal, ndc***	Govt. nominated Director	32.75	557,009,592	530,485,326
8	Mr. Md. Golam Mostofa***	Govt. nominated Director			
9	Mr. Mohammad Shah Alam Sarwar	Managing Director & CEO	Nil	Nil	Nil

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

** Represents M/s. Tradenext International Limited against its holding of 2.03% shares in the Bank.

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

16.7 Capital Adequacy Ratio (BASEL-III)

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

Common Equity Tier 1 (going-concern capital)**Common Equity Tier 1 Capital**

Paid-up capital	16.2	17,008,675,610	16,198,738,680	17,008,675,610	16,198,738,680
Statutory reserve	17	7,757,784,033	6,864,775,853	7,757,784,033	6,864,775,853
General reserve	18	155,071,397	155,071,397	155,071,397	155,071,397
Retained earnings	21	5,060,974,278	4,248,076,927	2,022,156,139	1,775,205,220
		29,982,505,318	27,466,662,857	26,943,687,179	24,993,791,150
Less: Regulatory Adjustments:					
Deduction from Tier-1 Capital (95% of deferred tax assets)		986,850,351	907,940,673	986,850,351	907,940,673
Total Common Equity Tier 1 Capital		28,995,654,967	26,558,722,185	25,956,836,829	24,085,850,478
Additional Tier 1 Capital		-	-	-	-
Total Tier 1 Capital		28,995,654,967	26,558,722,185	25,956,836,829	24,085,850,478
Tier-2 (Gone-Concern Capital)					
General provision		7,980,419,039	5,335,397,947	7,749,122,200	5,104,101,108
Subordinated debt that meet the qualifying criteria for Tier 2		5,700,000,000	2,100,000,000	5,700,000,000	2,100,000,000
Total Tier-2 Capital		13,680,419,039	7,435,397,947	13,449,122,200	7,204,101,108
Total Regulatory Capital (A)		42,676,074,006	33,994,120,132	39,405,959,029	31,289,951,586
Total assets including off-balance sheet items		481,786,790,565	411,561,723,387	477,261,384,088	407,277,806,011
Total risk-weighted Assets		307,228,347,016	262,206,655,232	300,759,135,061	255,638,666,438
Required capital @12.5% (B)		38,403,543,377	32,775,831,904	37,594,891,883	31,954,833,305
Total capital surplus/(Deficit) C=(A-B)		4,272,530,629	1,218,288,228	1,811,067,146	(664,881,718)

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Capital to Risk-weighted Asset Ratio (CRAR):					
Common Equity Tier 1 to RWA		9.44%	10.13%	8.63%	9.42%
Tier - 1 Capital to RWA		9.44%	10.13%	8.63%	9.42%
Tier - 2 Capital to RWA		4.45%	2.84%	4.47%	2.82%
Capital to Risk-weighted Asset Ratio (CRAR)		13.89%	12.96%	13.10%	12.24%
Details computation of risk-weighted assets [solo basis] are shown in "Annexure - E"					
17 Statutory reserve					
Balance at the beginning of the year		6,864,775,853	6,531,903,475	6,864,775,853	6,531,903,475
Transferred from profit during the year		893,008,180	332,872,378	893,008,180	332,872,378
		7,757,784,033	6,864,775,853	7,757,784,033	6,864,775,853
18 General reserve					
		155,071,397	155,071,397	155,071,397	155,071,397
General reserve also includes the surplus provision of Tk. 99,300,000 against the restructured large loan of RR Holdings which was transferred from the specific provision in the year 2015 as per BRPD Circular No. 04 dated 29 January 2015 and extra ordinary foreign exchange gain of Tk. 28,559,248 transferred from profit in the year 2010.					
19 Revaluation reserve against securities					
HTM securities	19.1	80,926,888	80,968,715	80,926,888	80,968,715
HFT securities	19.2	-	26,880,411	-	26,880,411
		80,926,888	107,849,126	80,926,888	107,849,126
19.1 Revaluation reserve HTM securities					
Balance at the beginning of the year		80,968,715	48,258,777	80,968,715	48,258,777
Addition/(adjustment) during the year		(41,827)	32,709,938	(41,827)	32,709,938
		80,926,888	80,968,715	80,926,888	80,968,715
19.2 Revaluation reserve HFT securities					
Balance at the beginning of the year		26,880,411	1,862,360	26,880,411	1,862,360
Addition/(adjustment) during the year		(26,880,411)	25,018,051	(26,880,411)	25,018,051
		-	26,880,411	-	26,880,411
20 Revaluation reserve against fixed assets					
Balance at the beginning of the year		96,309,954	115,314,704	96,309,954	115,314,704
Transfer to deferred tax liability		-	(19,004,750)	-	(19,004,750)
		96,309,954	96,309,954	96,309,954	96,309,954
As per IAS 16: Property, Plant and Equipment and instruction contained in BRPD Circular No. 10, dated 25 November 2002 issued by Bangladesh Bank, gain on revaluation of land of BDT 115,314,704 has been directly credited to the revaluation reserve. Deferred tax liability arises reflecting the tax consequences of recovering the carrying amount through sale as per IAS 12: Income Taxes, was deducted from revaluation reserve.					
20.a Consolidated foreign currency translation reserve					
IFIC Money Transfer (UK) Limited		1,271,025	1,442,548	-	-
Investment in joint venture/associate (NBBL)		61,620,037	119,996,466	-	-
Investment in joint venture/associate (OE LLC)		13,674,448	12,649,392	-	-
		76,565,511	134,088,406	-	-
21 Surplus in profit and loss account					
Balance at the beginning of the year		-	-	1,775,205,220	3,018,442,662
Net profit after tax for the year		-	-	1,975,271,216	562,247,536
Transfer to statutory reserve during the year		-	-	(893,008,180)	(332,872,378)
Transfer to Start-up fund for the year 2020		-	-	(5,622,475)	-
Transfer to Start-up fund for the year 2021		-	-	(19,752,712)	-
Issue of bonus shares		-	-	(809,936,930)	(1,472,612,600)
		-	-	2,022,156,139	1,775,205,220

Amount in BDT

Particulars	Note	Group		Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
22 Consolidated surplus in profit and loss account					
IFIC Bank Limited	21	2,022,156,139	1,775,205,220	-	-
IFIC Securities Limited		717,600,621	372,552,596	-	-
IFIC Investment Limited		143,615,332	-	-	-
IFIC Money Transfer (UK) Limited		(20,838,384)	(19,110,491)	-	-
Share of profit of investment in joint venture/associate (NBBL)		2,231,375,877	2,152,120,471	-	-
Share of profit of investment in joint venture/associate (OE LLC)		94,676,544	70,358,359	-	-
Exchange (gain)/loss on investment in joint venture/associate (NBBL)		(113,937,401)	(90,399,836)	-	-
Exchange (gain)/loss on investment in joint venture/associate (OE LLC)		(13,674,449)	(12,649,393)	-	-
		5,060,974,278	4,248,076,927	-	-
23 Non-controlling interest (NCI)					
IFIC Securities Limited	23.1	7,957	7,016	-	-
IFIC Investment Limited	23.2	8,154	-	-	-
		16,111	7,016	-	-
23.1 NCI of IFIC Securities Limited					
Opening balance on 1 January		7,016	6,880	-	-
Add: Share of profit during the year		941	136	-	-
		7,957	7,016	-	-
23.2 NCI of IFIC Investment Limited					
Opening balance on 1 January		6,000	-	-	-
Add: Share of profit during the year		2,154	-	-	-
		8,154	-	-	-
24 Contingent liabilities					
Acceptances and endorsements	24.1	28,484,724,497	16,350,951,601	28,484,724,497	16,350,951,601
Letters of guarantee	24.2	8,612,473,288	8,058,992,366	8,612,473,288	8,058,992,366
Irrevocable Letters of credit	24.3	23,825,249,182	17,880,361,773	23,825,249,182	17,880,361,773
Bills for collection	24.4	10,461,428,013	8,193,373,111	10,461,428,013	8,193,373,111
		71,383,874,980	50,483,678,851	71,383,874,980	50,483,678,851
24.1 Acceptances and endorsements					
Back to back bills (local currency)		279,594,776	279,594,776	279,594,776	279,594,776
Back to back bills (foreign currency)		28,205,129,721	16,071,356,825	28,205,129,721	16,071,356,825
		28,484,724,497	16,350,951,601	28,484,724,497	16,350,951,601
24.2 Letters of guarantee					
Letters of guarantee (local currency)		8,451,368,584	7,979,200,054	8,451,368,584	7,979,200,054
Letters of guarantee (foreign currency)		161,104,705	79,792,312	161,104,705	79,792,312
		8,612,473,288	8,058,992,366	8,612,473,288	8,058,992,366
Money for which the bank is contingently liable in respect of guarantee issued favouring:					
Directors		-	-	-	-
Government		4,349,960,402	3,819,557,827	4,349,960,402	3,819,557,827
Banks and other financial institutions		1,594,105,404	1,454,967,826	1,594,105,404	1,454,967,826
Others		2,668,407,482	2,784,466,712	2,668,407,482	2,784,466,712
		8,612,473,288	8,058,992,366	8,612,473,288	8,058,992,366
24.3 Irrevocable letters of credit					
Letter of credit (LC) - cash sight		11,534,190,132	9,102,343,168	11,534,190,132	9,102,343,168
Letter of credit (LC) - back to back		11,964,378,367	8,539,680,148	11,964,378,367	8,539,680,148
Letter of credit (LC) - cash usance		326,680,683	238,338,457	326,680,683	238,338,457
		23,825,249,182	17,880,361,773	23,825,249,182	17,880,361,773
24.4 Bills for collection					
Inland bills collection		6,249,875	20,994,127	6,249,875	20,994,127
Foreign bills collection		-	745,436	-	745,436
Inland documentary bills for collection		3,781,575,951	2,826,418,019	3,781,575,951	2,826,418,019
Foreign documentary bills for collection		6,673,602,187	5,345,215,529	6,673,602,187	5,345,215,529
		10,461,428,013	8,193,373,111	10,461,428,013	8,193,373,111

Notes to the Financial Statements
as at and for the year ended 31 December 2021

Amount in BDT

Particulars	Note	Group		Bank	
		2021	2020	2021	2020
25 Income statement					
Income					
Interest, discount and similar income	26, 28	25,369,527,255	24,434,346,321	25,125,136,415	24,423,150,019
Dividend income	28	195,329,961	105,135,607	250,773,401	67,006,708
Fees, commission and brokerage	29.1	2,081,459,201	1,436,618,238	1,959,006,200	1,378,286,199
Gains less losses arising from dealing in securities	28	3,396,418	169,849,269	3,396,418	169,849,269
Gains less losses arising from investment securities	28.1	1,392,216,029	(37,605,869)	1,158,787,392	(46,234,087)
Gain less losses arising from dealing in foreign currencies	29.2	568,328,774	534,781,144	592,891,397	543,386,446
Other operating income	30	444,137,820	706,398,847	179,627,407	183,919,695
		30,054,395,458	27,349,523,556	29,269,618,629	26,719,364,250
Expenses					
Interest, fee and commission	27	15,426,170,206	18,292,521,314	15,432,682,362	18,294,764,064
Administrative expenses	31-38	4,380,087,463	3,458,777,278	4,344,926,231	3,414,988,464
Other operating expenses	39, 40	1,480,838,334	1,284,711,031	1,432,363,237	1,282,611,363
Depreciation on banking assets		901,139,237	832,687,471	891,981,061	825,346,640
		22,188,235,240	23,868,697,094	22,101,952,891	23,817,710,531
Profit before provision		7,866,160,219	3,480,826,463	7,167,665,738	2,901,653,719
26 Interest income					
Term loan-industrial		1,574,609,239	1,628,539,825	1,574,609,239	1,628,539,825
Term Loan-Agricultural Loan		23,875,859	218,334,668	23,875,859	218,334,668
Term loan-consumer finance		15,854,964	21,870,644	15,854,964	21,870,644
Term Loan-Housing Finance		4,426,459,852	3,559,324,300	4,426,459,852	3,559,324,300
Term Loan-Transport loan		5,279,891	9,434,971	5,279,891	9,434,971
Term Loan-Lease finance		13,808,828	28,168,085	13,808,828	28,168,085
Term Loan-Foreign Currency (OBU)		98,140,220	114,091,566	98,140,220	114,091,566
Term loan-others		5,837,455,494	5,353,517,834	5,837,455,494	5,353,517,834
Overdrafts		6,095,697,640	5,622,943,151	6,337,567,478	5,656,951,752
Cash credit		1,621,197,016	2,046,145,455	1,621,197,016	2,046,145,455
Credit card		18,853,494	21,280,806	18,853,494	21,280,806
Demand loan		573,475,447	805,860,564	573,475,447	805,860,564
Loan general		114,727,658	139,764,200	114,727,658	139,764,200
Loan against trust receipt (LTR)		367,431,232	624,022,742	367,431,232	624,022,742
Staff loan		38,342,720	51,889,992	38,342,720	51,889,992
Overdue interest		451,958,461	85,746,752	451,958,461	85,746,752
Interest on Margin Loan		486,260,678	45,204,904	-	-
Interest income from loans and advances		21,763,428,693	20,376,140,458	21,519,037,853	20,364,944,156
Inland documentary bill purchased (IDBP)		71,918,990	88,308,397	71,918,990	88,308,397
Usance Bill Discounted (OBU)		6,243,059	2,762,355	6,243,059	2,762,355
Payment against document (cash)		22,141,000	34,647,736	22,141,000	34,647,736
Payment against document (forced)		18,093,421	65,513,791	18,093,421	65,513,791
Payment against document (EDF)		212,487,581	228,831,992	212,487,581	228,831,992
Payment against document (inland)		82,502,537	106,514,037	82,502,537	106,514,037
Payment against document (others)		114,544,366	171,589,828	114,544,366	171,589,828
Interest income from bills paid and discounted		527,930,954	698,168,136	527,930,954	698,168,136
Money at call on short notice		42,056,070	76,031,361	42,056,070	76,031,361
Balance held outside Bangladesh		211,042	4,244,218	211,042	4,244,218
Balance held inside Bangladesh		1,472,859	15,671,857	1,472,859	15,671,857
		22,335,099,618	21,170,256,030	22,090,708,778	21,159,059,728
27 Interest paid on deposits, borrowings etc.					
Interest paid on deposits					
Current deposit		4,525,427,036	3,880,233,972	4,531,771,164	3,882,456,003
Saving bank deposit		550,015,768	791,146,403	550,015,768	791,146,403
Special notice deposit		1,005,233,762	984,009,748	1,005,401,790	984,030,467
Fixed deposit		7,255,752,336	10,371,264,329	7,255,752,336	10,371,264,329
Non resident FC deposit		123,168	128,694	123,168	128,694
Resident FC deposit		223,240	232,330	223,240	232,330
Pension savings scheme		777,164,013	675,533,737	777,164,013	675,533,737
Monthly income scheme		858,994,636	1,152,769,204	858,994,636	1,152,769,204
Foreign currency deposit		309,275	275,125	309,275	275,125
		14,973,243,234	17,855,593,542	14,979,755,390	17,857,836,292

Amount in BDT

Particulars	Note	Group		Bank	
		2021	2020	2021	2020
Interest paid on borrowings					
Call borrowing		4,387,917	-	4,387,917	-
Term borrowing		12,107,792	41,798,192	12,107,792	41,798,192
Repurchase agreement (repo)		639,695	-	639,695	-
Bangladesh Bank- Refinance		60,776,501	29,107,429	60,776,501	29,107,429
Payment against lease obligation		79,987	965,511	79,987	965,511
Interest on subordinated bond		237,145,222	214,816,096	237,145,222	214,816,096
Bangladesh Bank- EDF		136,442,065	149,779,870	136,442,065	149,779,870
Bangladesh Bank- LTFF Refinance		1,347,793	460,674	1,347,793	460,674
		452,926,972	436,927,772	452,926,972	436,927,772
		15,426,170,206	18,292,521,314	15,432,682,362	18,294,764,064
28 Investment income					
Interest income					
Interest on Treasury bills and bonds		2,778,513,935	2,883,603,926	2,778,513,935	2,883,603,926
Interest on term placement		255,913,702	380,486,365	255,913,702	380,486,365
Interest on reverse repo		3,396,418	169,849,269	3,396,418	169,849,269
Gain/(loss) on share sale	28.1	1,392,216,029	(37,605,869)	1,158,787,392	(46,234,087)
Dividend income - local		195,329,961	105,135,607	97,964,771	67,006,708
Dividend income - Foreign		-	-	152,808,630	-
		4,625,370,045	3,501,469,298	4,447,384,848	3,454,712,181
Dividend income from foreign investment is recognised for the year 2020 & 2021 from Nepal Bangladesh Bank Limited.					
28.1 Gain from sale of shares of listed companies					
Gain on share sale		1,479,843,243	114,342,288	1,246,414,606	105,714,070
Less: Loss on sale of share		(87,627,214)	(151,948,157)	(87,627,214)	(151,948,157)
		1,392,216,029	(37,605,869)	1,158,787,392	(46,234,087)
29 Commission, exchange and brokerage					
Commission	29.1	1,989,988,916	1,404,346,361	1,959,006,200	1,378,286,199
Exchange gain/(loss)	29.2	568,328,774	534,781,144	592,891,397	543,386,446
Brokerage		91,470,285	32,271,877	-	-
		2,649,787,975	1,971,399,382	2,551,897,596	1,921,672,645
29.1 Commission					
Bills purchased (Inland)		209,468	378,851	209,468	378,851
Remittances (inland)		5,000,170	5,332,826	5,000,170	5,332,826
Remittances (foreign)		3,344,406	2,698,332	3,344,406	2,698,332
Letter of guarantee (LG)-local		113,633,479	78,561,809	115,473,479	78,561,809
Letter of credit (back to back)		549,825,171	368,549,339	549,825,171	368,549,339
Letter of credit (cash)		220,864,610	139,946,305	220,864,610	139,946,305
Letter of credit (others)		109,714,080	90,205,668	109,714,080	90,205,668
Wage earners development bond		1,747,813	3,076,563	1,747,813	3,076,563
Local documentary bills collection (LDBC)		1,671,889	1,405,617	1,671,889	1,405,617
Inward foreign documentary bills collection (IFDBC)		209,482,386	119,797,564	209,482,386	119,797,564
Foreign documentary bills collection (FDBC)		1,229,000	1,565,400	1,229,000	1,565,400
Foreign bills collection (FBC)		61,937	312,315	61,937	312,315
Add confirmation		36,374,659	19,281,121	36,374,659	19,281,121
Bill collection commission OBU		3,050,869	2,121,951	3,050,869	2,121,951
Loan origination fees		131,793,918	121,682,941	131,793,918	121,682,941
Service charge on accounts		298,601,049	232,920,153	297,832,749	231,699,153
Fees and Commission-Cards		130,055,756	76,904,084	130,055,756	76,904,084
Sanchaypatra		20,541,353	94,857	20,541,353	94,857
Foreign correspondent charges		39,369,530	36,476,969	39,369,530	36,476,969
Negotiation against contract		29,699,599	20,434,948	29,699,599	20,434,948
Rebate from foreign correspondent		50,611,091	44,982,180	50,611,091	44,982,180
Commission others		33,106,683	33,321,471	1,052,267	8,482,309
		1,989,988,916	1,404,346,361	1,959,006,200	1,378,286,199

					Amount in BDT	
Particulars	Note	Group		Bank		
		2021	2020	2021	2020	
29.2 Exchange gain/(loss)						
Exchange gain from revaluation of FC		568,328,774	534,781,144	592,891,397	543,386,446	
		568,328,774	534,781,144	592,891,397	543,386,446	
30 Other operating income						
Locker rent		16,101,238	17,409,164	16,101,238	17,409,164	
Cheque Book charge recovery		44,716,810	31,005,994	44,716,810	31,005,994	
SWIFT charges recovery		19,272,402	17,819,054	19,272,402	17,819,054	
Fund transfer fee		12,528,826	6,483,291	12,528,826	6,483,291	
Management fee - Foreign		-	12,725,625	-	12,725,625	
Miscellaneous earning		95,136,323	98,476,567	87,008,130	98,476,567	
		187,755,600	183,919,695	179,627,407	183,919,695	
Miscellaneous earnings includes BDT 1,110,652 (Y2021) and BDT 29,451,603 (Y2020) against forfeited amount returned from Provident Fund according to the Instruction of Financial Reporting Council [FRC] directives Dated 7 July 2020.						
31 Salary and allowances						
Basic salary		1,285,781,721	1,156,201,134	1,268,281,592	1,141,032,381	
House rent allowance		569,626,067	495,138,791	566,492,159	492,149,903	
Conveyance allowance		72,466,788	66,832,905	72,064,888	66,442,905	
Medical allowances		123,153,014	110,557,941	122,455,788	109,903,849	
Entertainment allowance		33,930,177	41,094,808	33,601,903	40,758,808	
Other allowances		83,506,209	173,686,304	82,630,855	162,486,736	
Leave encashment		13,262,261	11,534,992	13,262,261	11,534,992	
Bonus		635,162,467	211,738,155	632,753,587	208,829,005	
Leave fare assistance		99,698,312	101,741,173	99,015,512	101,058,373	
Provident fund- Bank's contribution		101,221,254	105,369,591	101,221,254	105,369,591	
Contribution to gratuity fund		99,000,000	96,800,000	99,000,000	96,800,000	
		3,116,808,269	2,570,695,794	3,090,779,799	2,536,366,543	
Total number of employees in the Bank at the year ended 31 December 2021 were 4,023 (Year 2020: 3,011). Number of employees for the year ended 31 December 2021 who were paid remuneration less than Tk. 36,000 was nil (Year 2020: nil).						
32 Rent, taxes, insurance, electricity etc.						
Rent paid		296,807,831	91,172,266	294,116,956	88,516,316	
Rates & taxes		18,438,488	20,751,796	18,389,233	20,463,431	
Insurance premium		255,434,110	210,437,076	255,295,237	210,336,241	
Electricity & water		138,369,603	96,244,408	137,258,976	95,411,536	
		709,050,031	418,605,546	705,060,401	414,727,523	
Total office rent expenses for year ended 31 December 2021 are Tk. 730,240,878. Due to application of IFRS 16: Leases, Tk. 444,221,643 has been distributed as depreciation (Annexure-D) and interest expense (note 40). Required withholding tax and VAT on total rental expense have been deducted and deposited accordingly. Details are disclosed in Note 2.2.1.6.						
33 Legal expenses						
Legal expenses		4,712,972	3,608,201	3,800,210	1,551,463	
Professional fees		13,344,682	7,104,778	12,190,764	5,376,010	
		18,057,653	10,712,980	15,990,974	6,927,473	
34 Postage, stamp, telecommunication etc.						
Postage expenses		17,014,794	8,209,120	17,014,794	8,200,462	
Telephone		25,653,724	19,845,981	25,465,129	19,709,636	
Communication facilities		75,580,443	45,814,707	75,193,085	45,393,199	
		118,248,961	73,869,808	117,673,008	73,303,297	
35 Stationery, printing, advertisement etc.						
Printing stationery		7,520,777	5,212,473	7,113,634	4,875,872	
Security stationery		22,793,694	11,609,553	22,793,694	11,609,553	
Petty stationery		47,514,952	30,834,314	47,514,952	30,834,314	
Computer stationery		14,959,115	18,256,250	14,959,115	18,256,250	
Advertisement and publicity		293,708,085	293,061,560	293,518,545	293,012,611	
		386,496,624	358,974,150	385,899,940	358,588,600	

Amount in BDT

Particulars	Note	Group		Bank	
		2021	2020	2021	2020
36 Managing Director's salary					
Basic salary		16,970,250	15,427,500	16,970,250	15,427,500
House rent allowance		1,200,000	1,200,000	1,200,000	1,200,000
Provident fund- Bank's contribution		1,697,025	1,542,750	1,697,025	1,542,750
Festival bonus		3,085,500	2,805,000	3,085,500	2,805,000
		22,952,775	20,975,250	22,952,775	20,975,250
In addition to the above, the Managing Director was paid BDT 1 million as incentive bonuses in both years and BDT 1.40 million as LFA in Y2021 (Y2020: 1.28 million).					
37 Directors' fees					
Meeting attendance fees		4,346,400	1,892,000	2,736,000	1,672,000
		4,346,400	1,892,000	2,736,000	1,672,000
Each Director is paid Tk. 8,000 for attending each meeting as per the latest BRPD Circular no. 11, dated 04 October 2015.					
38 Auditors' fees					
Statutory annual audit fees		2,976,749	3,051,750	2,683,333	2,427,778
Interim audit fees		1,150,000	-	1,150,000	-
		4,126,749	3,051,750	3,833,333	2,427,778
39 Depreciation and repair of bank's assets					
Depreciation					
Buildings and premises		47,045,580	47,174,472	47,045,580	47,174,472
Right of Use Assets		404,270,111	459,560,011	399,082,663	454,886,479
Wooden furniture		25,664,811	21,167,011	25,573,351	21,075,551
Steel furniture		7,109,923	4,127,431	7,109,923	4,127,431
Computer equipment		101,146,471	72,234,039	99,277,886	71,735,012
Office equipment		28,555,215	18,099,158	28,555,215	18,099,158
Electrical & gas equipment		126,498,179	93,716,939	126,176,104	93,429,031
Leasehold improvement		53,008,826	32,195,064	51,320,219	30,567,987
Vehicles		15,836,413	20,653,101	15,836,413	20,653,101
Soft furnishing		833,836	795,240	833,836	795,240
CBS and other softwares		91,169,873	62,965,003	91,169,873	62,803,177
		901,139,237	832,687,471	891,981,061	825,346,640
Repairs and maintenance					
Property maintenance and repairs		251,992,227	190,568,721	250,350,701	188,896,442
Vehicles maintenance and repairs		42,559,744	47,152,118	42,281,964	47,152,118
		294,551,971	237,720,839	292,632,665	236,048,560
		1,195,691,208	1,070,408,309	1,184,613,726	1,061,395,200
40 Other expenses					
Entertainment		32,887,694	29,493,167	32,455,183	29,255,717
Petrol, oil and lubricants	40.1	58,919,333	60,024,751	58,919,333	60,020,446
Training and internship	40.2	3,671,157	7,220,475	3,671,157	7,220,475
Traveling expenses	40.3	31,410,570	50,455,579	30,949,982	49,944,253
Casual and contractual service	40.4	376,316,204	278,546,048	376,162,590	278,347,717
Loss on sales of fixed assets	40.5	15,244,486	4,914,422	15,244,486	2,186,382
Subscription and donation		35,669,719	114,892,574	33,584,390	114,460,720
Corporate Social Responsibility (CSR)		105,642,441	121,089,235	105,642,441	121,089,235
Books, newspapers and magazines, etc.		882,911	1,548,345	882,911	1,540,085
Interest on leased assets		47,980,443	57,923,933	45,138,980	55,213,409
NID verification charge		2,082,272	769,180	2,082,272	769,180
Reward and recognition		214,950	368,500	214,950	368,500
Uniforms and liveries		900,793	1,091,778	900,793	1,091,778
AGM and EGM expense		6,222,866	5,775,504	6,042,066	5,607,504
Business development		6,857,139	10,308,231	6,777,139	10,308,231
Crockeries		2,443,083	1,938,907	2,429,688	1,921,977
Security services		218,987,415	153,479,739	218,002,054	152,654,361
Bank charges and commission		23,372,459	12,762,582	7,798,385	6,974,650
Recovery and sales agent		4,611,310	32,792,499	4,611,310	32,792,499
Visa card expense		104,904,440	51,478,038	104,904,440	51,478,038
Branch Charge		11,959,226	11,399,903	11,959,226	11,399,903
Bond & Rights Share issue		46,419,315	1,433,987	46,419,315	1,433,987
Miscellaneous		48,686,137	37,282,816	24,937,481	50,483,758
		1,186,286,363	1,046,990,192	1,139,730,572	1,046,562,803

Expenses incurred by the Bank shown in these Financial Statements are inclusive of VAT where applicable as per Value Added Tax and Supplementary Duty Act, 2012.

Amount in BDT

Particulars	Note	Group		Bank	
		2021	2020	2021	2020
40.1 Petrol, oil and lubricants					
Petrol, oil and lubricants - pool car		21,095,744	16,157,450	21,095,744	16,153,145
Petrol, oil and lubricants - car purchase scheme		37,823,589	43,867,301	37,823,589	43,867,301
		58,919,333	60,024,751	58,919,333	60,020,446
40.2	Training and internship expense includes daily allowance and traveling allowances.				
40.3	Traveling expense represents foreign and local travel which include daily allowances and traveling allowance.				
40.4 Casual and contractual service					
Driver salary - car purchase scheme		41,053,692	47,494,362	41,053,692	47,494,362
DSA salary and incentive		141,081,945	105,955,051	141,081,945	105,955,051
Casual and contractual - staff		194,180,567	125,096,635	194,026,953	124,898,304
		376,316,204	278,546,048	376,162,590	278,347,717
40.5 Gain/ (loss) on sales of fixed assets					
Cost of fixed assets sold					
Wooden furniture		4,855,781	10,279,262	4,855,781	5,987,739
Steel furniture		1,545,838	1,076,428	1,545,838	1,076,428
Computer equipment		43,746,793	8,217,109	43,746,793	8,217,109
Office equipment		6,396,610	3,915,606	6,396,610	3,579,423
Electrical & gas equipment		38,551,605	17,915,510	38,551,605	14,754,679
Leasehold improvement		18,363,112	13,800,069	18,363,112	10,976,260
Vehicles		4,355,027	-	4,355,027	-
Soft furnishing		392,353	488,372	392,353	488,372
Software		13,000	315,333	13,000	315,333
Non-banking assets		225,410,120	-	225,410,120	-
		343,630,238	56,007,690	343,630,238	45,395,344
Less : Accumulated depreciation					
Wooden furniture		4,386,345	8,295,722	4,386,345	5,686,424
Steel furniture		1,230,816	577,031	1,230,816	577,031
Computer equipment		43,528,643	8,181,015	43,528,643	8,181,015
Office equipment		6,394,948	3,902,157	6,394,948	3,571,502
Electrical & gas equipment		37,454,354	16,855,608	37,454,354	14,158,524
Leasehold improvement		15,267,391	10,150,954	15,267,391	8,045,185
Vehicles		4,355,022	-	4,355,022	-
Soft furnishing		387,087	488,338	387,087	488,338
Software		12,999	315,327	12,999	315,327
		113,017,606	48,766,152	113,017,606	41,023,346
Written down value		230,612,632	7,241,537	230,612,632	4,371,997
Sale proceeds of above fixed assets		215,368,146	2,327,116	215,368,146	2,185,616
Gain / (loss) on sales of fixed assets		(15,244,486)	(4,914,422)	(15,244,486)	(2,186,382)
40.a Details of investment in joint ventures/associates - under equity method					
i) Nepal Bangladesh Bank Limited					
Opening balance		4,614,483,965	4,025,376,164	-	-
Add/ (less): Share of post acquisition profit during the year		232,064,035	509,435,617	-	-
Add/ (less): Cash dividend of Y2020 & Y2021		(152,808,630)	-	-	-
Add/ (less): Effect of changes in foreign currency exchange rate		(58,376,429)	79,672,184	-	-
Closing balance		4,635,362,942	4,614,483,965	-	-
The Board of Directors of the Bank has decided to sell the entire promoter shares of Nepal Bangladesh Bank Limited (NBBL) held and owned by IFIC Bank Limited on 13 February 2022, as such no share of profit has been recognized in the book of accounts from 15 July 2021 i.e. from last audited financial statements (FY 2077-78).					
ii) Oman Exchange LLC					
Opening balance		157,380,003	133,400,738	-	-
Add/ (less): Share of post acquisition profit/(loss) during the year		24,318,185	13,043,534	-	-
Add/ (less): Effect of changes in foreign currency exchange rate		1,025,057	10,935,731	-	-
Closing balance		182,723,244	157,380,003	-	-

Amount in BDT

Particulars	Note	Group		Bank	
		2021	2020	2021	2020
iii) Share of post acquisition profit during the year					
Nepal Bangladesh Bank Limited		232,064,035	509,435,617	-	-
Oman Exchange LLC		24,318,185	13,043,534	-	-
		256,382,220	522,479,151	-	-
iv) Investment in joint ventures/associates-under equity method					
A. Book value of investment					
Nepal Bangladesh Bank Limited		2,456,304,428	2,432,766,863	-	-
Oman Exchange LLC		88,046,700	87,021,644	-	-
		2,544,351,129	2,519,788,507	-	-
B. Cumulative share of post acquisition profit					
Nepal Bangladesh Bank Limited		2,179,058,513	2,181,717,102	-	-
Oman Exchange LLC		94,676,544	70,358,359	-	-
		2,273,735,057	2,252,075,462	-	-
Total (A+B)		4,818,086,186	4,771,863,968	-	-
41 Provision for loans, investments and other assets					
Specific provision	15.1	39,643,519	(510,182,101)	39,643,519	(510,182,101)
General provision	15.2	1,494,686,262	837,830,609	1,494,686,262	837,830,609
Provision for off-shore banking unit	15.2	(2,323,583)	(3,482,166)	(2,323,583)	(3,482,166)
Special general provision COVID-19	15.3	966,337,000	1,200,000,000	966,337,000	1,200,000,000
Provision for off-balance sheet exposure	15.4	186,321,413	(25,492,449)	186,321,413	(25,492,449)
Provision for loans and advances		2,684,664,610	1,498,673,893	2,684,664,610	1,498,673,893
Provision for diminution in value of investments	15.5	4,002,860	(300,613,649)	4,002,860	(297,353,559)
Other provisions	41.1	13,957,367	35,971,496	13,957,367	35,971,496
		2,702,624,837	1,234,031,740	2,702,624,837	1,237,291,830
41.1 Other provisions					
Provision for nostro account	15.6	125,412	(12,417)	125,412	(12,417)
Provision for other assets	15.7	13,831,955	35,983,913	13,831,955	35,983,913
		13,957,367	35,971,496	13,957,367	35,971,496
42 Provision for taxation					
Current tax		2,712,105,506	975,923,486	2,578,825,776	963,000,000
Deferred tax expense/(income)	42.1	(89,790,868)	137,874,939	(89,056,092)	139,114,352
		2,622,314,639	1,113,798,425	2,489,769,685	1,102,114,352
42.1 Deferred tax expense/(income)					
Deferred tax on provision for loans and advances (DF & BL)	10.5	(97,429,869)	115,851,314	(97,429,869)	115,851,314
Deferred tax on fixed assets	10.5	8,560,697	29,442,499	9,295,473	30,681,912
Deferred tax on leased assets	10.5	(921,696)	(7,418,874)	(921,696)	(7,418,874)
		(89,790,868)	137,874,939	(89,056,092)	139,114,352
43 Receipts from other operating activities					
Rent received		16,101,238	17,409,164	16,101,238	17,409,164
Other receipts		171,654,362	166,510,531	163,526,169	166,510,531
Capital gain/(loss)	28.1	1,392,216,029	(37,605,869)	1,158,787,392	(46,234,087)
		1,579,971,629	146,313,826	1,338,414,799	137,685,608
44 Cash paid for other operating activities					
Postage, stamp, telecommunication etc.		118,248,961	73,869,808	117,673,008	73,303,297
Rent paid		732,931,754	91,172,266	730,240,878	88,516,316
Rates, taxes & utilities		18,438,488	20,751,796	18,389,233	20,463,431
Insurance premium		255,434,110	210,437,076	255,295,237	210,336,241
Electricity & water		138,369,603	96,244,408	137,258,976	95,411,536
Traveling expenses		31,410,570	50,455,579	30,949,982	49,944,253
Auditors' fees		4,126,749	3,051,750	3,833,333	2,427,778
Directors' fees		4,346,400	1,892,000	2,736,000	1,672,000
Legal expenses		18,057,653	10,712,980	15,990,974	6,927,473
Repairs and maintenance		294,551,971	237,720,839	292,632,665	236,048,560
Other expenses		1,056,700,864	907,462,253	1,014,153,830	891,679,849
		2,672,617,123	1,703,770,755	2,619,154,117	1,676,730,733

					Amount in BDT	
Particulars	Note	Group		Bank		
		2021	2020	2021	2020	
45 (Increase)/decrease of other assets						
Stationery and stamps		31,089,517	42,897,670	31,089,517	42,895,192	
Suspense account		809,447,215	850,058,824	784,948,535	840,559,567	
Advance, deposit and prepayments		765,190,540	419,452,304	734,274,564	416,805,081	
Receivable others		68,993,649	933,675,990	68,928,545	44,993,785	
Closing other assets		1,674,720,921	2,246,084,788	1,619,241,161	1,345,253,625	
Opening other assets		2,246,084,788	1,825,059,157	1,345,253,625	1,819,482,063	
		571,363,867	(421,025,631)	(273,987,536)	474,228,438	
46 Increase/(decrease) of other liabilities						
Withholding Tax payable to government		339,532,006	362,976,044	339,508,941	362,830,343	
Withholding VAT payable to government		124,135,680	111,520,816	124,122,430	111,388,832	
Excise duty payable to government		361,821,170	291,542,361	361,821,170	291,542,361	
Dividend payable		-	7,736,018	-	7,736,018	
Revaluation of investment abroad		30,946,297	30,946,297	30,946,297	30,946,297	
Payable against Govt. Bond & Sanchaypatra		36,387,851	88,416,642	36,387,851	88,416,642	
Others		170,356,248	295,585,180	170,210,968	190,229,318	
Closing other liabilities		1,063,179,252	1,188,723,358	1,062,997,657	1,083,089,811	
Opening other liabilities		1,183,801,787	849,840,462	1,078,168,240	827,498,078	
		(120,622,535)	338,882,897	(15,170,583)	255,591,733	
47 Cash and cash equivalents						
Cash in hand		7,206,054,519	4,088,663,229	7,205,942,452	4,084,799,668	
Balance with Bangladesh Bank and its agent Bank (s)		17,859,246,555	14,407,730,302	17,859,246,555	14,407,730,302	
Balance with other banks and financial Institutions		1,048,932,840	8,068,327,513	1,028,492,775	8,895,390,969	
Money at call and on short notice		4,380,000,000	2,330,000,000	4,380,000,000	2,330,000,000	
Prize Bonds		3,296,200	3,449,000	3,296,200	3,449,000	
		30,497,530,113	28,898,170,044	30,476,977,982	29,721,369,939	
48 Reconciliation of statement of cash flows from operating activities						
Profit before provision				7,167,665,738	2,901,653,719	
Add/(less): Adjustment						
Depreciation on fixed asset				800,811,189	762,543,463	
Amortization on software				91,169,873	62,803,177	
Recovery of written off loans				220,307,550	161,055,817	
Interest receivable				(254,090,679)	(233,210,102)	
Interest payable on deposits				(481,277,384)	(934,958,360)	
Bonus payable				300,000,000	(250,000,000)	
Rent paid - lease adjustment				(436,123,923)	(181,129,504)	
Accrued Expense				42,774,412	20,662,108	
Interest on leased assets				45,138,980	55,213,409	
				328,710,017	(537,019,991)	
Changes in operating assets and liabilities						
Changes in loans & advances				(43,329,432,564)	(31,923,593,834)	
Changes in deposit and other accounts				37,387,966,613	39,097,966,512	
Changes in other assets				(273,987,536)	474,228,438	
Changes in other liabilities				(15,170,583)	255,591,733	
				(6,230,624,070)	7,904,192,849	
Income tax paid				(2,017,917,796)	(1,238,529,182)	
Net cash flows from/(used in) operating activities				(752,166,111)	9,030,297,394	

Particulars	Note	Amount in BDT			
		Group		Bank	
		2021	2020	2021	2020
49 Number of ordinary shares outstanding					
Balance at the beginning of the year		1,619,873,868	1,472,612,608	1,619,873,868	1,472,612,608
Add: Bonus share issued		80,993,693	147,261,260	80,993,693	147,261,260
		1,700,867,561	1,619,873,868	1,700,867,561	1,619,873,868
50 Earnings Per Share (EPS)*					
Net profit after tax		2,541,217,648	1,132,996,161	1,975,271,216	562,247,536
Number of ordinary shares outstanding		1,700,867,561	1,700,867,561	1,700,867,561	1,700,867,561
Earning Per Share (EPS)		1.49	0.67	1.16	0.33
The consolidated and separate EPS of the Bank as of Y2021 is higher compared to Y2020 due to higher level of Net Interest Income, Investment Income and Fee based income.					
51 Net Operating Cash Flow per Share*					
Net cash flows from operating activities		(329,091,587)	8,386,116,858	(752,166,111)	9,030,297,394
Number of ordinary shares outstanding		1,700,867,561	1,700,867,561	1,700,867,561	1,700,867,561
Net Operating Cash Flow per Share		(0.19)	4.93	(0.44)	5.31
The consolidated and separate NOCFPS of the Bank as of Y2021 is lower compared to Y2020 due to higher growth in lending vis-à-vis deposit.					
52 Net Asset Value (NAV) per Share*					
Net assets value at the end of the year		30,236,307,671	27,804,910,343	27,120,924,021	25,197,950,230
Number of ordinary shares outstanding		1,700,867,561	1,700,867,561	1,700,867,561	1,700,867,561
Net Asset Value (NAV) per Share		17.78	16.35	15.95	14.81

* Previous year's figure has been restated.

53 Verification of financial statements through Document Verification System (DVS)

Pursuant to BRPD circular letter no. 4 dated 04 January 2021 Banks are required to preserve the updated statutory audit report of the clients in loan file during approval/renewal of the facilities. As per BRPD circular letter no. 35 dated 06 July 2021, the statutory audit report and Financial Statements needs to be verified through the Document Verification System (DVS) developed by the Institute of Chartered Accountants of Bangladesh (ICAB). Financial Reporting Council (FRC) vide its letter no 178/FRC/APR/2021/27(23) dated 7 December 2021 has instructed to disclose the percentage (%) of the loan file covered under the compliance of these BRPD Circular in the financial statements of the Bank. The Bank has obtained the master access on the DVS system on 16 February 2022 and started implementing the compliance.

54 Events after the reporting period

The Board of Directors in its 823rd Meeting held on 16 March 2022 recommended 5% stock dividend for the year ended 31 December 2021 which will be placed for approval of the shareholders in the forthcoming 45th Annual General Meeting of the Bank.

Balance with other Banks and Financial Institutions-Outside Bangladesh
as at 31 December 2021

Annexure-A

Name of the Bank and Financial Institutions	Account type	Currency type	31 December 2021			31 December 2020		
			FC amount	Conversion rate	Equivalent BDT	FC amount	Conversion rate	Equivalent BDT
AB Bank Ltd., Mumbai	CD	USD	(3,093,469)	85.80	(265,419,648)	395,913	84.80	33,573,878
Amana Bank, Sri Lanka	CD	USD	34,646	85.80	2,972,649	11,790	84.80	999,805
Bank of Bhutan, Phuentosoling	CD	USD	77,927	85.80	6,686,107	77,927	84.80	6,608,266
Citi Bank N.A. New York	CD	USD	(66,669)	85.80	(5,720,201)	1,290,776	84.80	109,459,226
Commerz Bank AG, Frankfurt	CD	USD	132,949	85.80	11,407,002	870,894	84.80	73,852,764
Commerz Bank AG, Frankfurt	CD	EUR	122,362	97.38	11,915,946	259,390	103.87	26,943,552
Habib Bank, New York	CD	USD	307,824	85.80	26,411,256	642,042	84.80	54,445,833
Habib Bank AG, Zurich	CD	CHF	48,938	93.81	4,590,694	16,161	95.87	1,549,398
ICIC Bank Ltd., India	CD	USD	367,032	85.80	31,491,382	777,170	84.80	65,904,870
J.P. Morgan Chase Bank AG, Frankfurt	CD	EUR	4,060	97.38	395,347	27,150	103.87	2,820,185
J.P. Morgan Chase Bank, New York	CD	USD	3,558,974	85.80	305,359,998	3,139,002	84.80	266,190,838
J.P. Morgan Chase Bank, Sydney	CD	AUD	115,585	62.20	7,188,947	60,073	64.50	3,874,664
Mashreq Bank, PSC, India	CD	USD	244,784	85.80	21,002,448	323,691	84.80	27,449,330
Masreq Bank PSC, New York	CD	USD	879,048	85.80	75,422,310	1,283,113	84.80	108,809,368
MCB Bank Ltd, Pakistan	CD	USD	127,028	85.80	10,899,038	149,715	84.80	12,696,015
Nepal Bangladesh Bank Ltd., Nepal	CD	USD	278,543	85.80	23,898,988	198,346	84.80	16,819,930
Sonali Bank Limited, Kolkata	CD	USD	13,714	85.80	1,176,629	152,559	84.80	12,937,139
Standard Chartered Bank, New York	CD	USD	3,400,262	85.80	291,742,517	4,900,230	84.80	415,544,859
Standard Chartered Bank, Kolkata	CD	USD	984,646	85.80	84,482,649	645,508	84.80	54,739,795
Standard Chartered Bank, London	CD	GBP	392,179	115.73	45,385,720	140,208	114.49	16,053,022
Standard Chartered Bank, London	CD	USD	122,970	85.80	10,550,818	122,970	84.80	10,427,984
Standard Chartered Bank, Tokyo	CD	JPY	4,593,396	0.75	3,428,511	14,114,314	0.82	11,555,389
Wells Fargo Bank, New York	CD	USD	224,400	85.80	19,253,483	592,745	84.80	50,265,436
Total			12,871,128		724,522,589	30,191,685		1,383,521,545

Details of investment in shares

as at 31 December 2021

Annexure-B

Amount in BDT

Name of the Company	Face value	No. of share	Cost/share	Cost price	Mkt or NAV price/share	Total value	Gain/(loss)
Unquoted shares							
Karma Sangsthan Bank	100	200,000	100.00	20,000,000	211.77	42,354,278	22,354,278
Central Depository Bangladesh Limited	10	2,284,722	10.00	22,847,220	37.27	85,147,469	62,300,249
				42,847,220		127,501,747	84,654,527
Quoted shares							
Under General Fund							
Bangladesh Submarine Cable	10	125,000	206.80	25,849,413	210.10	26,262,500	413,088
Beximco Limited	10	3,305,000	67.90	224,401,081	148.40	490,462,000	266,060,919
Beximco Pharmaceuticals Limited	10	3,040,600	105.26	320,041,062	192.70	585,923,620	265,882,558
British American Tobacco Bangladesh Company Limited	10	15,000	463.26	6,948,852	635.60	9,534,000	2,585,148
BSRM Steels Limited	10	150,000	77.22	11,582,910	71.10	10,665,000	(917,910)
Doreen Power Generations and Systems Limited	10	20,000	67.33	1,346,698	67.80	1,356,000	9,302
Energypac Power Generation Limited	10	619,500	41.90	25,960,000	39.60	24,532,200	(1,427,800)
Fareast Life Insurance Limited	10	979,224	125.11	122,511,641	53.70	52,584,329	(69,927,312)
Grameen phone Limited	10	25,000	367.69	9,192,230	349.50	8,737,500	(454,730)
GPH Ispat Limited	10	67,500	58.00	3,915,155	53.00	3,577,500	(337,655)
The IBN SINA Pharmaceutical Industry Ltd.	10	30,000	274.29	8,228,700	271.30	8,139,000	(89,700)
IDLC Finance Limited	10	520,000	77.86	40,487,941	60.30	31,356,000	(9,131,941)
JMI Syringes & Medical Devices Ltd.	10	5,000	359.45	1,797,267	333.70	1,668,500	(128,767)
Mir Akhter Hossain Limited	10	64,000	90.94	5,820,397	62.00	3,968,000	(1,852,397)
National Housing Finance & Investment Limited	10	5,288,910	7.38	39,010,000	49.70	262,858,827	223,848,827
Olympic Industries Limited	10	45,000	163.83	7,372,413	160.60	7,227,000	(145,413)
Power Grid Company Limited	10	200,000	69.13	13,825,061	59.60	11,920,000	(1,905,061)
Reliance Insurance Limited	10	67,816	106.30	7,208,800	87.50	5,933,900	(1,274,900)
Square Pharmaceuticals Limited	10	154,025	214.32	33,010,445	214.30	33,007,558	(2,887)
Summit Power Limited	10	208,545	49.92	10,411,536	38.90	8,112,401	(2,299,136)
TITAS Gas Transmission and Distribution Limited	10	1,665,760	76.60	127,592,706	36.30	60,467,088	(67,125,618)
United Power Generation & Distribution Co. Ltd.	10	12,456	251.73	3,135,589	244.20	3,041,755	(93,834)
Unique Hotel and Resorts Limited	10	200,000	105.15	21,029,385	50.20	10,040,000	(10,989,385)
Walton Hi-Tech Industries Limited	10	11,000	1,376.49	15,141,398	1,148.80	12,636,800	(2,504,598)
Total				1,085,820,678		1,674,011,477	588,190,799
Under Special Fund as per BB DOS Circular number 1, dated 10 February 2020							
Beximco Pharmaceuticals Limited	10	7,371,650	106.05	781,737,625	192.70	1,420,516,955	638,779,330
Beximco Green-Sukuk Al Istisna'a	100	8,000,000	100.00	800,000,000	100.00	800,000,000	-
Total				1,581,737,625		2,220,516,955	638,779,330
Perpetual Bond							
AB Bank Limited	1,000	1,000,000	1,000.00	1,000,000,000	1,000.00	1,000,000,000	-

Mutual funds

IFIC Bank 1 st Mutual Fund	10	37,951,655	6.59	250,000,000	9.66	366,461,181	116,461,181
ICB Employee 1 st Mutual Fund	10	1,339,500	13.43	17,986,473	8.23	11,021,406	(6,965,067)
				267,986,473		377,482,587	109,496,114

Foreign Investment: In associate/joint venture

Nepal Bangladesh Bank Limited		41,246,717	59.55	2,456,304,428	305.18	12,587,771,568	10,131,467,140
Oman Exchange LLC		627,841	140.24	88,046,700	255.32	160,301,924	72,255,223
				2,544,351,129		12,748,073,492	10,203,722,363
Other foreign Investment: MCB Bank Limited, Pakistan		175,508	2,076.52	364,445,008	73.68	12,931,453	(351,513,554)
Total foreign investment				2,908,796,136		12,761,004,945	9,852,208,809
Total				6,887,188,132		18,160,517,711	11,273,329,579

Required provision for investment in shares

Amount in BDT

Particulars	Cost price	Market value	Req. Provision
Unquoted shares	42,847,220	127,501,747	-
Quoted- general Fund ¹	1,085,820,678	1,674,011,477	-
Quoted- under special fund ¹	1,581,737,625	2,220,516,955	-
Mutual funds ²	267,986,473	377,482,587	6,965,067
Sub-total	2,978,391,995	4,399,512,766	6,965,067
Foreign Investment: In associate/joint venture	2,544,351,129	12,748,073,492	-
Other foreign investment-MCB Bank Ltd.	364,445,008	12,931,453	351,513,554
Grand Total	5,887,188,132	17,160,517,711	358,478,621

¹ Provision against quoted- general Fund has been made following DOS circular no. 4 dated 24 November 2011

² Provision against Mutual Fund made in line with the directives contained in Bangladesh Bank DOS Circular number 03 and 10 dated 12 March and 28 June 2015 respectively.
Calculation as under:

Name of the Company	No. of share	Cost/Share	NAV/share	NAV x 85%	MV/share	Higher of C & D	(NAVx85%) - CP	Required Provision
	A	B		C	D	E	F=(E-B)	G=(A x F)
IFIC Bank 1 st MF	37,951,655	6.59	11.36	9.66	5.50	9.66	-	-
ICB EP 1 st MF	1,339,500	13.43	9.68	8.23	7.30	8.23	(5.20)	6,965,067
Total provision required								6,965,067

Loans and advances allowed to each customer exceeding 10% of Bank's total capital
as at 31 December 2021

BDT in million

Sl.	Name of the group	Name of clients	Outstanding as on 31 December 2021			Amount classified
			Funded	Non-funded	Total	
1	SQ	SQ Celsius Ltd.	2,756.55	968.90	3,725.45	-
		SQ Birichina Ltd.	2,032.19	2,970.80	5,002.99	-
Sub Total:			4,788.75	3,939.70	8,728.45	-
2	Silver Line	Silver Composite Textile Mills Ltd.	3,247.08	1,039.70	4,286.78	-
		Silver Line Composite Textile Mill Ltd.	2,074.83	1,216.00	3,290.83	-
		Sundarban Air Travel	-	5.00	5.00	-
Sub Total:			5,321.91	2,260.70	7,582.61	-
3	Knit Concern	Knit Concern Ltd.	1,785.83	3,151.00	4,936.83	-
		KC Apparels Ltd.	52.19	302.90	355.09	-
		Pack Concern Ltd.	44.67	13.60	58.27	-
		KC Lingerie Ltd.	853.62	844.90	1,698.52	-
		Zas Concern Ltd.	13.96	6.50	20.46	-
		JMJ Mollah Cold Storage Ltd.	23.05	-	23.05	-
		Surecell Medical (BD) Ltd.	10.58	-	10.58	-
Sub Total:			2,783.90	4,355.80	7,139.70	-
4	Uttara	Uttara Traders(Pvt.) Ltd.	3,330.24	3,016.90	6,347.14	-
Sub Total:			3,330.24	3,016.90	6,347.14	-
5	Doha-Global	Dohatec Newmedia Ltd.	1,686.03	42.60	1,728.63	-
		Global Voice Telecom Ltd.	2,491.87	1,351.30	3,843.17	-
Sub Total:			4,177.90	1,393.90	5,571.80	-
6	Islam	Islam Garments Ltd.	2,911.51	2,435.50	5,347.01	-
		Islam Knit Designs Ltd.	104.65	19.90	124.55	-
		Euro Jeans Ltd.	43.79	-	43.79	-
Sub Total:			3,059.94	2,455.40	5,515.34	-
7	Pran Group	Agricultural Marketing Ltd.	44.53	-	44.53	-
		Banga Building Materials Ltd.	202.00	1,090.10	1,292.10	-
		Banga Millers Ltd.	28.35	-	28.35	-
		Durable Plastic Ltd.	74.01	142.50	216.51	-
		Pran Dairy Ltd.	182.48	2,549.50	2,731.98	-
Sub Total:			531.37	4,946.70	5,478.07	-
8	Habib Hotel	Habib Hotel International Ltd.	5,467.60	-	5,467.60	-
Sub Total:			5,467.60	-	5,467.60	-
9	Nassa	Nassa Properties Ltd.	3,777.93	-	3,777.93	-
		Nassa Spinners & Garments	709.74	408.60	1,118.34	-
		Nassa Supreme Wash Ltd.	414.63	25.00	439.63	-
Sub Total:			4,902.30	433.60	5,335.90	-
10	Uttara Jute	Uttara Jute Fibres & Industries Ltd.	4,860.01	319.30	5,179.31	-
Sub Total:			4,860.01	319.30	5,179.31	-
11	ENA	Ena Properties Ltd.	2,121.91	28.20	2,150.11	2,121.91
		Northern Power Solutions Ltd.	2,052.04	111.00	2,163.04	-
		Ena Building Products Ltd.	308.54	-	308.54	308.54
		Sakoatex Ltd.	492.98	11.10	504.08	465.94
Sub Total:			4,975.47	150.30	5,125.77	2,896.40
12		Northstone Construction & Engineering Ltd.	4,812.44	-	4,812.44	-
Sub Total:			4,812.44	-	4,812.44	-

Sl.	Name of the group	Name of clients	Outstanding as on 31 December 2021			Amount classified
			Funded	Non-funded	Total	
13		Absolute Construction & Engineering Ltd.	4,761.38	-	4,761.38	-
		Sub Total:	4,761.38	-	4,761.38	-
14	Teambuild	Teambuild Construction & Engineering Ltd.	4,722.27	-	4,722.27	-
		Sub Total:	4,722.27	-	4,722.27	-
15		Serve Construction & Engineering Ltd.	4,685.44	-	4,685.44	-
		Sub Total:	4,685.44	-	4,685.44	-
16		Sristi Real Estate Ltd.	4,644.81	-	4,644.81	-
		Sub Total:	4,644.81	-	4,644.81	-
17		Global LPG Ltd.	4,622.66	-	4,622.66	-
		Sub Total:	4,622.66	-	4,622.66	-
18		Central Land & Buildings Ltd.	4,476.66	-	4,476.66	-
		Sub Total:	4,476.66	-	4,476.66	-
19	Wisdom	Wisdom Attires Ltd.	4,040.26	362.70	4,402.96	-
		Three Star Farm House	26.34	-	26.34	-
		Sub Total:	4,066.60	362.70	4,429.30	-
20	Navana	Navana Ltd.	684.98	410.90	1,095.88	-
		Navana Real Estate Ltd.	2,994.47	-	2,994.47	1,026.61
		Navana Interlinks Ltd.	123.82	74.00	197.82	-
		Navana Electronics Ltd.	108.55	8.20	116.75	-
		Sub Total:	3,911.83	493.10	4,404.93	-
21	Phonix	Appollo Ispat Complex Ltd.	4,215.84	117.10	4,332.94	-
		Sub Total:	4,215.84	117.10	4,332.94	-
22		Quick Real Estate Ltd.	4,272.92	-	4,272.92	-
		Sub Total:	4,272.92	-	4,272.92	-
23	Sikder	Powerpac Mutiara Keraniganj Ltd.	2,173.72	-	2,173.72	-
		R & R Holdings Ltd.	2,058.89	-	2,058.89	-
		Sub Total:	4,232.62	-	4,232.62	-
24		Raj Housing Ltd.	4,216.20	-	4,216.20	-
		Sub Total:	4,216.20	-	4,216.20	-
25		Crystal Construction Ltd.	3,989.38	-	3,989.38	-
		Sub Total:	3,989.38	-	3,989.38	-
		Grand Total:	105,830.44	24,245.20	130,075.64	2,896.40

Schedule of fixed assets including premises, furniture and fixture
as at 31 December 2021

Annexure - D

Particulars	Cost					Depreciation/Amortization				Written down value as at 31 December 2021
	Balance as at 1 January 2021	Addition during the year	Transfer from CWIP	Disposal during the year	Balance as at 31 December 2021	Balance as at 1 January 2021	Charged during the year	Disposal during the year	Balance as at 31 December 2021	
Land	2,423,609,559	-	-	-	2,423,609,559	-	-	-	-	2,423,609,559
Buildings and premises	1,902,617,204	-	-	-	1,902,617,204	422,008,536	47,045,580	-	469,054,116	1,433,563,088
Right of Use Assets	1,938,582,527	286,833,602	-	396,169,510	1,829,246,619	584,125,725	399,082,663	226,554,368	756,654,020	1,072,592,599
Wooden furniture	287,581,539	56,839,622	-	4,855,781	339,565,380	147,092,121	25,573,351	4,386,345	168,279,126	171,286,254
Steel furniture	111,193,993	54,150,007	34,794,237	1,545,838	198,592,399	49,804,274	7,109,923	1,230,816	55,683,381	142,909,018
Computer equipment	1,049,746,984	114,394,766	63,446,495	43,746,793	1,183,841,452	743,955,942	99,277,886	43,528,643	799,705,185	384,136,267
Electrical & gas equipment	1,085,482,116	353,769,019	-	38,551,605	1,400,699,530	562,544,470	126,176,104	37,454,354	651,266,220	749,433,310
Office equipment	290,404,959	95,556,327	6,892,189	6,396,610	386,456,865	219,524,399	28,555,215	6,394,948	241,684,666	144,772,199
Leasehold improvement	508,637,207	280,619,980	43,274,460	18,363,112	814,168,535	208,944,409	51,320,219	15,267,391	244,997,237	569,171,298
Vehicles	212,708,501	11,065,955	-	4,355,027	219,419,429	171,833,744	15,836,413	4,355,022	183,315,135	36,104,294
CBS and other softwares	1,107,209,905	23,420,561	32,308,320	13,000	1,162,925,786	402,183,786	91,169,873	12,999	493,340,660	669,585,126
Soft furnishing	12,960,055	619,430	-	392,353	13,187,132	11,745,436	833,836	387,087	12,192,184	994,948
Total	10,930,734,549	1,277,269,269	180,715,701	514,389,628	11,874,329,890	3,523,762,842	891,981,061	339,571,974	4,076,171,929	7,798,157,960
Capital work in progress *	88,200,413	217,235,548	(180,715,701)	-	124,720,260	-	-	-	-	124,720,260

* Capital work in progress represents the amount paid for Centralized Security Monitoring, Fusion Banking Essence and different types of Software.

Particulars	Cost					Depreciation/Amortization				Written down value as at 31 December 2020
	Balance as at 1 January 2020	Addition during the year	Transfer from CWIP	Disposal during the year	Balance as at 31 December 2020	Balance as at 1 January 2020	Charged during the year	Disposal during the year	Balance as at 31 December 2020	
Land	2,423,609,559	-	-	-	2,423,609,559	-	-	-	-	2,423,609,559
Buildings and premises	1,902,617,204	-	-	-	1,902,617,204	374,834,064	47,174,472	-	422,008,536	1,480,608,668
Right of Use Assets	951,944,753	1,045,628,181	-	58,990,406	1,938,582,527	134,709,167	454,886,479	5,469,921	584,125,725	1,354,456,803
Wooden furniture	254,570,346	38,998,932	-	5,987,739	287,581,539	131,702,993	21,075,551	5,686,424	147,092,121	140,489,419
Steel furniture	77,057,552	25,087,869	10,125,000	1,076,428	111,193,993	46,253,874	4,127,431	577,031	49,804,274	61,389,718
Computer equipment	863,236,002	77,513,866	117,214,225	8,217,109	1,049,746,984	680,401,945	71,735,012	8,181,015	743,955,942	305,791,043
Electrical & gas equipment	902,371,888	197,864,906	-	14,754,679	1,085,482,115	483,273,963	93,429,031	14,158,524	562,544,470	522,937,645
Office equipment	242,661,330	51,323,052	-	3,579,423	290,404,959	204,996,742	18,099,158	3,571,502	219,524,399	70,880,560
Leasehold improvement	329,274,712	173,277,081	17,061,674	10,976,260	508,637,207	186,421,607	30,567,987	8,045,185	208,944,409	299,692,798
Vehicles	147,985,565	17,122,936	-	-	165,108,501	115,581,655	11,833,728	-	127,415,383	37,693,118
Leased vehicles	47,600,000	-	-	-	47,600,000	35,598,988	8,819,373	-	44,418,361	3,181,639
Software	693,375,354	33,888,255	380,261,630	315,333	1,107,209,905	339,695,937	62,803,177	315,327	402,183,786	705,026,119
Soft furnishing	12,646,335	802,092	-	488,372	12,960,055	11,438,534	795,240	488,338	11,745,436	1,214,619
Total	8,848,950,600	1,661,507,170	524,662,529	104,385,750	10,930,734,549	2,744,909,469	825,346,640	46,493,267	3,523,762,842	7,406,971,707
Capital work in progress *	297,219,437	315,643,505	(524,662,529)	-	88,200,413	-	-	-	-	88,200,413

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

Computation of Risk Weighted Assets
Annexure -E

Solo Basis

as at 31 December 2021

1.0 Risk Weighted Assets for Credit Risk Balance Sheet Exposures
BDT in Million

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
1	2	3	4	5	6 = (4x5)
a.	Cash		0	7,205.94	-
b.	Claims on Bangladesh Government (other than PSEs) and Bangladesh Bank		0	63,716.20	-
c.	Claims on other Sovereigns & Central Banks		0.5	-	-
d.	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		0	-	-
e.	Claims on Multilateral Development Banks (MDBs):			-	
	i) IBRD, IFC, ADB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		0	-	-
	ii) Others MDBs	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	-	-
f.	Claims on Public Sector Entities (other than Government) in Bangladesh	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	20.00	10.00
g.	Claims on Banks and NBFIs			-	
	i) Maturity over 3 months	1	0.20	451.72	90.34
		2,3	0.50	94.25	47.12
		4,5	1.00	38.61	38.61
		6	1.50	-	-
		Unrated	1.00	169.87	169.87
	ii) Maturity less than 3 months		0.20	6,205.33	1,241.07
h.	Claims on Corporate (excluding equity exposure)	1	0.20	14,092.88	2,818.58
		2	0.50	28,117.19	14,058.59
		3,4	1.00	84,239.06	84,239.06
		5,6	1.50	-	-
		Unrated	1.25	17,616.15	22,020.18
h(1)	Claims on SME	SME 1	0.20	-	-
		SME 2	0.40	574.36	229.74
		SME 3	0.60	3,679.13	2,207.48
		SME 4	0.80	1,481.12	1,184.90
		SME 5	1.20	23.78	28.54
		SME 6	1.50	-	-
		Unrated (small enterprise & <BDT 3m)	0.75	2,211.91	1,658.94
		Unrated (small enterprise having ≥ BDT 3m&Medium enterprise)	1.00	8,253.64	8,253.64

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
i.	Claims under Credit Risk Mitigation	PSE		-	-
		Banks & NBFIs		-	-
		Corporate		14,977.73	5,489.95
		Retail		532.09	18.30
		SME		981.37	127.02
		Consumer finance		2,246.92	103.54
		Residential property		7.37	3.64
		Commercial real estate		-	-
j.	Claims categorized as retail portfolio (excluding SME, Consumer Finance and Staff loan) up to 1 crore		0.75	1,190.37	892.78
k.	Consumer finance		1.00	1,742.18	1,742.18
l.	Claims fully secured by residential property		0.50	67,260.90	33,630.45
m.	Claims fully secured by Commercial real estate		1.00	33,007.87	33,007.87
n.	1. Past Due Claims that is past due for 60 days or more (Risk weights are to be assigned net of specific provision):			-	
	i) Where specific provisions are less than 20 percent of the outstanding amount of the past due claim		1.50	13,215.00	19,822.50
	ii) Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim		1.00	1,776.71	1,776.71
	iii) Where specific provisions are more than 50 percent of the outstanding amount of the past due claim		0.50	285.31	142.66
	2. Claims fully secured against residential property that are past due for more than 60 days and/or impaired and specific provision held there-against is less than 20% of outstanding amount		1.00	1,741.90	1,741.90
	3. Loans and claims fully secured against residential property that are past due for more than 60 days and/or impaired and specific provision held there-against is no less than 20% of outstanding amount		0.75	79.20	59.40
o.	Capital Market Exposure		1.25	-	-
p.	Investment in equity and other regulatory capital instruments issued by other banks and merchant Banks/Brokerage Houses/Exchange Houses which are not listed in the Stock Exchanges (other than those deducted from capital) held in banking book		1.25	1,110.89	1,388.62
q.	Investments in venture capital		1.50	-	-
r.	Investments in premises, plant and equipment and all other fixed assets		1.00	7,922.88	7,922.88
s.	Claims on all fixed assets under operating lease		1.00	139.46	139.46
t.	All other assets			-	-
	i) Claims on GoB & BB		0.00	969.36	-
	ii) Staff loan/Investment		0.20	1,038.94	207.79
	iii) Cash items in Process of Collection		0.20	-	-
	iv) Claims on Off-shore Banking Units (OBU)		1.00	-	-
	v) Other assets (net off specific provision, if any)		1.00	6,854.45	6,854.45
Sub-Total				395,272.06	253,368.75

2.0 Risk Weighted Amount for Credit Risk Off-Balance Sheet Exposures
BDT in Million

Sl. No.	Exposure Type	BB's Rating Grade*	Risk Weight	Exposure	RWA
1	2	3	4	5	6 = (4x5)
a)	Claims on Bangladesh Government and Bangladesh Bank		0		
b)	Claims on other Sovereigns & Central Banks*				
c)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		0		
d)	Claims on Multilateral Development Banks (MDBs):				
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		0		
	ii) Others MDBs	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
f)	Claims on Banks & NBFIs				
	i) Maturity over 3 months	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
	ii) Maturity less than 3 months		0.20		
g)	Claims on Corporate (excluding equity exposure)	1	0.20	7,984.55	1,596.91
		2	0.50	11,373.88	5,686.94
		3,4	1.00	11,109.07	11,109.07
		5,6	1.50	-	-
		Unrated	1.25	3,728.71	4,660.89
h)	Claims under retail exposure		0.75	4.39	3.30
h(1)	Claims under SME Credit Rating-wise exposure	1	0.20	0.77	0.15
		2	0.40	58.55	23.42
		3	0.60	1,388.05	832.83
		4	0.80	246.88	197.50
		5	1.20	-	-
		6	1.50	-	-
		Unrated (small enterprise & <BDT 3.00m)	0.75	58.77	44.08
		Unrated (small enterprise having ≥ BDT 3.00m & Medium enterprise)	1.00	640.98	640.98
i)	Consumer Loan		1.00		
j)	Claims fully secured by residential property		0.50		
k.)	Claims fully secured by commercial real estate		1.00		
l)	Investments in venture capital		1.50		
m)	All other assets		1.00		
Sub-Total				36,594.59	24,796.06

3.0 Capital Charge for Market Risk (Balance Sheet Exposures)

BDT in Million

Sl. No.	Market Risk	Capital Charge	Risk Weight	RWA
a	Interest Rate Related Instruments	-	10.00	(0.10)
b	Equities	822.61	10.00	8,226.08
c	Foreign Exchange Position	101.71	10.00	1,017.15
d	Commodities	-	-	-
Sub-Total		924.32		9,243.23

4.0 Capital Charge for Operational Risk (Basic Indicator Approach)

Sl. No.	Operational Risk	Capital Charge	Risk Weight	RWA
a	Gross Income	1,335.11	10.00	13,351.09
Sub-Total		1,335.11	10.00	13,351.09
Grand Total Risk Weighted Assets				300,759.14

Related party disclosures

Annexure -F

Name of Directors and their interest in different entities
as at 31 December 2021

SI No.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
1	Mr. Salman F Rahman	Chairman	Chairman	Bangladesh Enterprise Institute
			Chairman	Abahani Limited
			Vice Chairman	Bangladesh Export Import Co. Ltd.
			Vice Chairman	Beximco Pharmaceuticals Ltd.
			Vice Chairman	Beximco Synthetics Ltd.
			Vice Chairman	Shinepukur Ceramics Ltd.
			Vice Chairman	Independent Television Ltd.
			Vice Chairman	Beximco Holdings Ltd.
			Vice Chairman	Beximco Computers Ltd.
			Vice Chairman	Beximco Pharma Center for Bio & Industrial Research Ltd.
			Vice Chairman	Beximco Property Development and Management Ltd.
			Vice Chairman	Sonali Ansh Limited
			Vice Chairman	Esses Exporters Ltd.
			Shareholder	Beximco Power Company Ltd.
Shareholder	Beximco Engineering Ltd.			
Shareholder	I & I Services Ltd.			
2	Mr. Ahmed Shayan Fazlur Rahman	Vice-Chairman	Chairman	Beximco Communications Limited
			Chairman	Escorp LPG Limited
			Chairman	Beximco Petroleum Limited
			Chairman	Escorp Cylinders Limited
			Chairman (Nominee Director)	Beximco LPG Unit-1 Limited
			Chairman (Nominee Director)	Beximco LPG Unit-2 Limited
			Chairman (Nominee Director)	Giga Tech Limited
			Managing Director (Nominee Director)	Beximco Power Company Limited
			Managing Director (Nominee Director)	Escorp Holdings Limited
			Managing Director (Nominee Director)	OK Company Limited
			Managing Director	Eses Holdings Limited
			Shareholder	Crescent Fashion and Design Limited
			Shareholder	SFR Estates Limited
Stakeholder	New Dacca Industries Limited			
3	Mr. A. R. M. Nazmus Sakib	Director	Chairman (Nominated by IFIC Bank)	Nepal Bangladesh Bank Limited, Nepal
			Chairman (Nominated by IFIC Bank)	IFIC Money Transfer (UK) Limited
			Director (Nominated by IFIC Bank)	Oman Exchange LLC
			Director (Nominated by IFIC Bank)	IFIC Investment Limited
			Stakeholder	Tradenext International Limited
4	Ms. Rabeya Jamali	Independent Director	Director (Nominated by IFIC Bank)	IFIC Investment Limited
			Director (Nominated by IFIC Bank)	IFIC Money Transfer (UK) Limited
			Alternate Director (Nominated by IFIC Bank)	Nepal Bangladesh Bank Limited, Nepal
			Partner	Jamali & Morshed
			Independent Director	Confidence Cement Limited

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

Related party transactions

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

Nature of Transaction	Amount in BDT	
	31 December 2021	31 December 2020
1) Name of the Party : IFIC Securities Limited		
Relationship with the company : Subsidiary		
A. Capital investment	2,199,994,000	2,199,994,000
B. Current & SND Account	111,347,480	82,462,094
C. BO account balance	930,553	829,312,122
D. Loan	2,704,872,849	2,860,263,433
2) Name of the Party : IFIC Money Transfer (UK) Limited		
Relationship with the company : Subsidiary		
Capital investment	34,718,100	34,348,260
3) Name of the Party : IFIC Investment Limited		
Relationship with the company : Subsidiary		
A. Capital investment	399,994,000	-
B. Current & SND Account	368,410,705	-

4) Name of the Party : Oman Exchange LLC

Relationship with the company : Associate

Capital investment	88,046,700	87,021,644
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5) Name of the Party : Nepal Bangladesh Bank Limited

Relationship with the company : Associate

A. Capital investment	2,456,304,428	2,432,766,863
B. Borrowing	-	508,806,600
C. Cash Dividend received	152,808,630	-

6) Name of the Party : IFIC Gratuity fund

Saving Account	132,905,567	36,650,172
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7) Name of the Party : IFIC Provident fund

Saving Account	35,735,646	24,032,937
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iv) Lending facility of Director and their related concern:

Name of the Borrower	Related Director	Relation with the Bank	Loan Type & Date of expiry	Relation with Borrower	Amount
Beximco Computers Limited	Mr. Salman F Rahman	Chairman	Guarantee (09.03.22)	Vice Chairman	12,750,000
Beximco Computers Limited	Mr. Salman F Rahman	Chairman	Guarantee (19.01.22)	Vice Chairman	563,000
Beximco Computers Limited	Mr. Salman F Rahman	Chairman	Guarantee (10.03.22)	Vice Chairman	3,400,000
Beximco Foods Limited	Mr. Salman F Rahman	Chairman	LC One off	Vice Chairman	1,190,000
Ms. Rabeya Jamali	-	Independent Director	Credit Card (31.12.2026)	-	50,345
Giga Tech Limited	Mr. Ahmed Shayan Fazlur Rahman	Vice Chairman	Guarantee (31.12.21)	Chairman	1,880,000

This facilities are allowed at 100% margin in the form of FDR other than Credit Card.

In case of approval of Loan to related parties, the Bank follows the BRPD circular no. 04 dated 23 February 2014 and requirement of section 27(1) of the Banking Companies Act 1991 as amended.

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

Bank has executed maintenance agreement with Beximco Computers Limited for maintenance of Nostro Reconciliation Software with a fees of BDT 50,000 per year, Bangladesh Bank Taka Account Reconciliation software with a fees of BDT 50,000 per year and Bangladesh Bank Foreign Exchange Return software with a fee of BDT 95,000 per month and also an agreement with Giga Tech Limited for implementation of EKYC Solution with a fees of BDT 29,895,000. Bank has also a service agreement with Bangladesh Export Import Co. Limited for Broadband Internet Service with a fees of BDT 60,000 per month. Bank also paid BDT 11,133,481 and BDT 30,000 to Independent Television Ltd. & Independent Publications Ltd for advertising & promoting bank's products and BDT 50,232 to Akash DTH in the year ended 31 December 2021.

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

Investee Entity	Related Director	Relation with the Bank	Relation with Investee Entity	Investment at Cost
Beximco Pharmaceuticals Limited	Mr. Salman F Rahman	Chairman	Vice Chairman	1,101,778,687
Beximco Limited	Mr. Salman F Rahman	Chairman	Vice Chairman	224,401,081
Beximco Green-Sukuk Al Istisna'a	Mr. Salman F Rahman	Chairman	Vice Chairman	800,000,000

Disclosure on Audit Committee of the Bank
Annexure -G
a) Particulars of members of the Audit Committee

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

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

b) Particulars of meetings held by the Audit Committee during the period from 01 January to 31 December 2021

Sl.	Meeting No	Meeting held on
1	157 th Audit Committee Meeting	21.01.2021
2	158 th Audit Committee Meeting	28.01.2021
3	159 th Audit Committee Meeting	14.02.2021
4	160 th Audit Committee Meeting	28.02.2021
5	160 th Adjourned Audit Committee Meeting	03.03.2021
6	161 st Audit Committee Meeting	21.03.2021
7	162 nd Audit Committee Meeting	31.03.2021
8	163 rd Audit Committee Meeting	11.04.2021
9	164 th Audit Committee Meeting	25.04.2021
10	165 th Audit Committee Meeting	25.05.2021
11	166 th Audit Committee Meeting	08.06.2021
12	167 th Audit Committee Meeting	21.06.2021
13	168 th Audit Committee Meeting	05.07.2021
14	169 th Audit Committee Meeting	16.07.2021
15	170 th Audit Committee Meeting	27.07.2021
16	171 st Audit Committee Meeting	11.08.2021
17	172 nd Audit Committee Meeting	31.08.2021
18	173 rd Audit Committee Meeting	19.09.2021
19	174 th Audit Committee Meeting	18.10.2021
20	175 th Audit Committee Meeting	28.10.2021
21	176 th Audit Committee Meeting	15.11.2021
22	177 th Audit Committee Meeting	29.11.2021
23	178 th Audit Committee Meeting	15.12.2021
24	179 th Audit Committee Meeting	29.12.2021

Evaluation of the Audit Committee regarding strengthening of Internal Control System

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

As per guideline of Bangladesh Bank, the Audit Committee, in the meetings held during the year 2021, reviewed and evaluated various issues/reports/findings on financial reporting process, the system of internal control, the audit process and the process for monitoring compliance with laws and regulations and its own code of business conduct submitted by ICCD.

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

All audited/Un-audited yearly/quarterly Financial Statements submitted during the year 2021 have been explained and endorsed to the Audit Committee whether the statements reflect the complete and concrete information, and whether the statements are prepared according to the existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank and Bangladesh Securities and Exchange Commission.

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

Segment Reporting

Annexure - H

The Bank reports its operations under geographical location and business segment as per IFRS:8 *Operating Segment*
Profit and Loss Account for the year ended 31 December 2021

Amount in BDT

Particulars	IFIC Bank Limited				Subsidiaries			Associates		Adjustment	Consolidated
	Inside Bangladesh		Adjustment	Total	IFIC Securities Limited	IFIC Investment Limited	IFIC Money Transfer (UK) Limited	Nepal Bangladesh Bank Limited	Oman Exchange LLC		
	Conventional Banking	Off- Shore Banking Unit									
Interest income	21,986,325,499	104,383,279	-	22,090,708,778	486,260,678	-	-	-	-	(241,869,838)	22,335,099,618
Interest paid on deposits and borrowings, etc.	15,432,682,362	69,367,180	(69,367,180)	15,432,682,362	243,709,838	-	-	-	-	(250,221,994)	15,426,170,206
Net interest income	6,553,643,137	35,016,099	(69,367,180)	6,658,026,416	242,550,840	-	-	-	-	8,352,156	6,908,929,412
Investment income	4,447,384,848	-	-	4,447,384,848	159,471,483	171,322,344	-	-	-	(152,808,630)	4,625,370,045
Commission, exchange and brokerage	2,549,197,689	2,699,907	-	2,551,897,596	91,470,285	-	32,054,416	(23,537,566)	(1,025,057)	(1,840,000)	2,649,019,675
Other operating income	179,276,445	350,962	-	179,627,407	7,526,042	6,344,128	1,538,479	-	-	(6,512,156)	188,523,900
	7,175,858,982	3,050,869	-	7,178,909,851	258,467,810	177,666,472	33,592,895	(23,537,566)	(1,025,057)	(161,160,786)	7,462,913,620
Total operating income	13,729,502,119	38,066,968	(69,367,180)	13,836,936,267	501,018,650	177,666,472	33,592,895	(23,537,566)	(1,025,057)	(152,808,630)	14,371,843,032
Salary and allowances	3,090,779,799	-	-	3,090,779,799	11,180,515	4,360,559	10,487,397	-	-	-	3,116,808,269
Rent, taxes, insurance, electricity, etc.	705,060,401	-	-	705,060,401	883,189	-	3,106,441	-	-	-	709,050,031
Legal expenses	15,990,974	-	-	15,990,974	-	28,750	2,037,929	-	-	-	18,057,653
Postage, stamps, telecommunication, etc.	117,673,008	-	-	117,673,008	387,358	-	188,595	-	-	-	118,248,961
Stationery, printing, advertisement, etc.	385,899,940	-	-	385,899,940	316,223	101,225	179,236	-	-	-	386,496,624
Managing Director's salary	22,952,775	-	-	22,952,775	-	-	-	-	-	-	22,952,775
Directors' fees	2,736,000	-	-	2,736,000	959,200	651,200	-	-	-	-	4,346,400
Auditors' fees	3,833,333	-	-	3,833,333	182,250	111,166	-	-	-	-	4,126,749
Depreciation and repairs of Bank's assets	1,184,613,726	-	-	1,184,613,726	8,053,721	277,780	2,745,980	-	-	-	1,195,691,208
Other expenses	1,139,730,572	-	-	1,139,730,572	19,049,508	10,931,072	16,575,211	-	-	-	1,186,286,363
Total operating expenses	6,669,270,529	-	-	6,669,270,529	41,011,964	16,461,752	35,320,789	-	-	-	6,762,065,033
Operating profit	7,060,231,590	38,066,968	(69,367,180)	7,167,665,738	460,006,686	161,204,720	(1,727,893)	(23,537,566)	(1,025,057)	(152,808,630)	7,609,777,999
Share of profit of joint ventures/associates	-	-	-	-	-	-	-	232,064,035	24,318,185	-	256,382,220
Profit before provision	7,060,231,590	38,066,968	(69,367,180)	7,167,665,738	460,006,686	161,204,720	(1,727,893)	208,526,470	23,293,128	(152,808,630)	7,866,160,219
Provision against loans and advances	2,684,664,610	-	-	2,684,664,610	-	-	-	-	-	-	2,684,664,610
Provision for diminution in value of investments	4,002,860	-	-	4,002,860	-	-	-	-	-	-	4,002,860
Provisions for other assets	13,957,367	-	-	13,957,367	-	-	-	-	-	-	13,957,367
Total provision	2,702,624,837	-	-	2,702,624,837	-	-	-	-	-	-	2,702,624,837
Profit before taxation	4,357,606,753	38,066,968	(69,367,180)	4,465,040,901	460,006,686	161,204,720	(1,727,893)	208,526,470	23,293,128	(152,808,630)	5,163,535,382
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-
Current tax	2,578,825,776	-	-	2,578,825,776	115,692,496	17,587,234	-	-	-	-	2,712,105,506
Deferred tax	(89,056,092)	-	-	(89,056,092)	(734,776)	-	-	-	-	-	(89,790,868)
	2,489,769,685	-	-	2,489,769,685	114,957,720	17,587,234	-	-	-	-	2,622,314,639
Net profit after taxation	1,867,837,068	38,066,968	(69,367,180)	1,975,271,216	345,048,966	143,617,486	(1,727,893)	208,526,470	23,293,128	(152,808,630)	2,541,220,743

The Bank reports its operations under geographical location and business segment as per IFRS:8 Operating Segment
Balance Sheet as at 31 December 2021

Particulars	IFIC Bank Limited				Subsidiaries			Associates		Adjustment	IFIC Bank & it's subsidiaries
	Inside Bangladesh		Adjustment	Total	IFIC Securities Limited	IFIC Investment Limited	IFIC Exchange (UK) Ltd.	Nepal Bangladesh Bank Limited	Oman Exchange LLC		
	Conventional Banking	Off- Shore Banking Unit									
PROPERTY AND ASSETS											
Cash	25,065,189,007	-	-	25,065,189,007	38,608	782	72,677	-	-	-	25,065,301,074
Balance with other banks and financial institute	1,028,492,775	20,699,554	(20,699,554)	1,028,492,775	111,347,480	-	21,370,618	-	-	(112,278,033)	1,048,932,840
Money at call and on short notice	4,380,000,000	-	-	4,380,000,000	-	-	-	-	-	-	4,380,000,000
Investments	55,611,867,850	-	-	55,611,867,850	3,169,262,727	160,115,044	-	-	-	2,273,735,057	61,214,980,678
Loans and advances	302,999,004,782	2,062,345,087	-	305,061,349,869	3,976,877,823	-	-	-	-	(2,704,872,849)	306,333,354,843
Fixed assets	7,922,878,221	-	-	7,922,878,221	43,512,930	-	363,614	-	-	-	7,966,754,765
Other assets	6,654,266,230	4,990,356	-	6,659,256,586	169,508,177	26,187,487	24,870,435	-	-	(2,634,706,100)	4,245,116,585
Non-banking assets	148,474,800	-	-	148,474,800	-	-	-	-	-	-	148,474,800
Total Assets	403,810,173,665	2,088,034,997	(20,699,554)	405,877,509,108	7,470,547,745	186,303,313	46,677,343	-	-	(3,178,121,925)	410,402,915,584
LIABILITIES AND CAPITAL											
Borrowings from other banks, financial institutio	14,562,035,508	2,046,330,000	(2,046,330,000)	14,562,035,508	2,704,872,849	-	-	-	-	(2,704,872,849)	14,562,035,508
Subordinated debt	6,400,000,000	-	-	6,400,000,000	-	-	-	-	-	-	6,400,000,000
Deposits and other accounts	333,142,132,175	-	-	333,142,132,175	90,123,200	-	-	-	-	(480,995,537)	332,751,259,838
Other Liabilities	24,648,779,377	3,638,027	-	24,652,417,404	1,757,949,118	11,403,344	31,526,591	-	-	-	26,453,296,458
Total Liabilities	378,752,947,060	2,049,968,027	(2,046,330,000)	378,756,585,087	4,552,945,167	11,403,344	31,526,591	-	-	(3,185,868,386)	380,166,591,804
Capital/Shareholders' equity											
Paid up capital	17,008,675,610	-	-	17,008,675,610	2,200,000,000	-	34,718,111	-	-	(2,234,718,111)	17,008,675,610
Statutory reserve	7,757,784,033	-	-	7,757,784,033	-	-	-	-	-	-	7,757,784,033
General reserve	155,071,397	-	-	155,071,397	-	-	-	-	-	-	155,071,397
Revaluation reserve against securities	80,926,888	-	-	80,926,888	-	-	-	-	-	-	80,926,888
Revaluation reserve against fixed assets	96,309,954	-	-	96,309,954	-	-	-	-	-	-	96,309,954
Foreign currency translation reserve	-	-	-	-	-	-	1,271,025	61,620,037	13,674,448	-	76,565,511
Surplus in profit and loss account	2,022,156,139	38,066,968	(38,066,968)	2,022,156,139	717,600,621	143,615,332	(20,838,384)	2,231,375,877	94,676,544	(127,611,851)	5,060,974,278
	27,120,924,021	38,066,968	(38,066,968)	27,120,924,021	2,917,600,621	143,615,332	15,150,752	2,292,995,914	108,350,993	(2,362,329,962)	30,236,307,671
Minority Interest	-	-	-	-	7,957	8,154	-	-	-	-	16,111
Total shareholders' equity	27,120,924,021	38,066,968	(38,066,968)	27,120,924,021	2,917,608,578	143,623,486	15,150,752	2,292,995,914	108,350,993	(2,362,329,962)	30,236,323,782
Total liabilities and shareholders' equity	405,873,871,081	2,088,034,995	(2,084,396,968)	405,877,509,108	7,470,553,745	155,026,831	46,677,343	2,292,995,914	108,350,993	(5,548,198,349)	410,402,915,584

**Financial highlights of the Bank (solo basis)
as at and for the year ended 31 December 2021**

Sl.	Particulars	Currency/ percentage	31 December 2021	31 December 2020
1	Paid up capital	BDT	17,008,675,610	16,198,738,680
2	Total capital	BDT	39,405,959,029	31,289,951,586
3	Capital surplus/(deficit)	BDT	1,811,067,146	(664,881,718)
4	Total assets	BDT	405,877,509,108	356,794,127,160
5	Total deposits	BDT	333,142,132,175	296,369,024,858
6	Total loan & advances	BDT	305,061,349,869	260,650,289,525
7	Total contingent liabilities & commitments	BDT	71,383,874,980	50,483,678,851
8	Credit deposit ratio	%	85.06	82.40
9	Percentage of classified loan against total loans & advances	%	6.09	3.97
10	Profit after tax & provision	BDT	1,975,271,216	562,247,536
11	Amount of classified loans	BDT	18,588,204,792	10,345,761,856
12	Provision kept against classified loans	BDT	2,997,527,787	2,737,576,718
13	Cost of fund	%	3.91	5.41
14	Interest earning assets	BDT	358,619,125,465	317,877,110,625
15	Non-interest earning assets	BDT	47,258,383,643	38,917,016,535
16	Return on Investment (ROI)	%	8.21	7.03
17	Return on Assets (ROA)	%	0.52	0.17
18	Income from investment	BDT	4,447,384,848	3,454,712,181
19	Earnings per share	BDT	1.16	0.33
20	Net income per share	BDT	1.16	0.33
21	Net Asset Value (NAV)	BDT	27,120,924,021	25,197,950,230
22	Net Asset Value (NAV) per share	BDT	15.95	14.81
23	Net Operating Cash Flow Per Share (NOCFPS)	BDT	(0.44)	5.31
24	Price earning ratio	Times	14.55	45.98

Annexure - J

Disclosure of Restructured Loan

as at and for the year ended 31 December 2021

BDT in Million

Sl.	Name of the Borrower	Type of Loan	Date of restructure	Down Payment		Due Date of 1st Installment	Outstanding Amount			Total Provision as at 31 December 2021		Present Status	Outstanding as at 31 December 2020
				Required	Realized		At the time of taking NOC from BB	New/Fresh Disbursement amount after NOC	Outstanding as at 31 December 2021	Required	Maintained		
1	Power Pac - Mutiara KPP Plant Ltd.	TL (O)	2nd time 01.01.18	N/A	N/A	07.04.2018 (Interest portion)	1,833.20	Nil	2,173.72	43.47	43.47	SMA(RST)	2,084.01
2	M/s R&R Holdings	TL (O)-1	2nd time 01.01.18	N/A	N/A	07.04.2018 (Interest portion)	936.20	Nil	1,106.27	22.13	22.13	SMA(RST)	1,063.03
3	M/s R&R Holdings	TL (O)-2	2nd time 01.01.18	N/A	N/A	07.04.2018 (Interest portion)	803.90	Nil	952.62	19.05	19.05	SMA(RST)	912.90
Total				-	-		3,573.30		4,232.62	84.65	84.65		4,059.94

Statement of Tax Position
as at 31 December 2021

Accounting year	Assessment year	Tax provision in Financial Statements	Tax as per assessment	Excess/ (shortage) provision	Advance income tax paid	Remarks
Balance of provision for up to Y2017 (except Y2005 & Y2010)		402,868,278	-	402,868,278	-	Assessments up to Y2017 (except Y2005 & Y2010) have been completed by the Tax Authority and there is no tax liability remained outstanding
2005	2006-2007	140,397,922		140,397,922	-	Tax authority has filed reference application before Honorable High Court Division of Supreme Court
2010	2011-2012	1,454,854,994	1,508,170,344	(53,315,350)	1,385,538,554	Honorable High Court Division of Supreme Court
2018	2019-2020	1,080,000,000	1,199,674,275	(119,674,275)	1,082,582,450	Taxes Appellate Tribunal: Hearing was held on 03.11.2021 and Bank is waiting for tribunal order.
2019	2020-2021	1,700,000,000	1,699,489,718	510,282	1,402,427,849	Commissioner of Taxes (Appeals): Hearing was held on 16.02.2022 and Bank is waiting for appeal order.
2020	2021-2022	963,000,000	1,301,128,677	(338,128,677)	1,124,700,195	Assessment order has been completed which is under review of the management for next course of action
2021	2022-2023	2,578,825,776	2,578,825,776	-	1,229,184,170	Not yet due
Total		8,319,946,971	8,287,288,790	32,658,180	6,224,433,218	

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Off-shore Banking Unit

Balance Sheet

as at 31 December 2021

Particulars	Note	31 December 2021		31 December 2020	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash		-	-	-	-
Cash in hand (including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currency)		-	-	-	-
Balance with other banks and financial institutions		241,254	20,699,554	904,854	76,732,600
In Bangladesh		241,254	20,699,554	904,854	76,732,600
Outside Bangladesh		-	-	-	-
Money at call and on short notice		-	-	-	-
Investments		-	-	-	-
Government securities		-	-	-	-
Other investments		-	-	-	-
Loans and advances	3	24,036,656	2,062,345,087	27,059,831	2,294,703,416
Loans, cash credits, overdrafts etc.	3.1	19,991,206	1,715,245,477	24,218,050	2,053,717,248
Bills purchased and discounted	3.2	4,045,450	347,099,610	2,841,781	240,986,168
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	4	58,162	4,990,356	61,203	5,190,073
Non banking assets		-	-	-	-
Total assets		24,336,072	2,088,034,996	28,025,888	2,376,626,090
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from other banks, financial Institutions and agents	5	23,850,000	2,046,330,000	27,686,395	2,347,836,793
Deposit and other accounts		-	-	-	-
Current deposits and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed Deposits		-	-	-	-
Other liabilities	6	42,401	3,638,027	57,430	4,870,086
Total liabilities		23,892,401	2,049,968,027	27,743,825	2,352,706,879
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
General Reserve		-	-	-	-
Revaluation reserve against securities		-	-	-	-
Revaluation reserve against fixed assets		-	-	-	-
Surplus in profit and loss account	7	443,670	38,066,968	282,063	23,919,211
Total shareholders' equity		443,670	38,066,968	282,063	23,919,211
Total liabilities and shareholders' equity		24,336,072	2,088,034,996	28,025,888	2,376,626,090

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Off-shore Banking Unit

Profit and Loss Account

for the year ended 31 December 2021

Particulars	Note	2021		2020	
		USD	Taka	USD	Taka
Interest income	8	1,216,588	104,383,279	1,377,977	116,853,921
Interest paid on deposits, borrowings etc.	9	808,475	69,367,180	1,120,937	95,056,661
Net interest income		408,113	35,016,099	257,040	21,797,260
Investment Income		-	-	-	-
Commission, exchange and brokerage	10	31,467	2,699,907	15,151	1,284,818
Other operating income	11	4,090	350,962	9,872	837,133
Total operating income		443,670	38,066,968	282,063	23,919,211
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamp, telecommunication etc.		-	-	-	-
Stationery, printing, advertisement etc.		-	-	-	-
Managing Director's salary		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Charges on loan loss		-	-	-	-
Depreciation and repair of bank's assets		-	-	-	-
Other expenses		-	-	-	-
Total operating expenses		-	-	-	-
Profit/(Loss) before provision		443,670	38,066,968	282,063	23,919,211
Provision for loans, investments and other assets					
Specific Provision		-	-	-	-
General Provision		-	-	-	-
Provision for off-balance sheet exposures		-	-	-	-
Provision for diminution in value of investments		-	-	-	-
Provision for other assets		-	-	-	-
Total provision		-	-	-	-
Profit/(Loss) before taxes		443,670	38,066,968	282,063	23,919,211

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

Off-Shore Banking Unit
Notes to the Financial Statements
as at and for the year ended 31 December 2021

1 Status of the unit

Off-shore Banking Units of IFIC Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission from Bangladesh Bank vide letter no. BRPD (P-3) 744 (104)/2009-4233 dated 17 November 2009. The Bank commenced the operation of its Off-shore Banking Unit on 10 May 2010. Presently the Bank has 1 (one) unit in Dhaka. The principal activity of the unit is to provide all kinds of commercial banking services to its customers through its off-shore Banking Unit in Bangladesh.

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

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

2.2 Foreign currencies transaction and translation to presentation currency

Foreign currency transactions are converted into equivalent USD using the ruling exchange rates on the dates of respective transactions as per IAS 21: *The Effects of Changes in Foreign Exchange Rates*.

Particulars	Note	31 December 2021		31 December 2020	
		USD	Taka	USD	Taka
3 Loans and advances					
3.1 Loans, cash credits, overdrafts etc.					
Term loan		19,991,206	1,715,245,477	24,218,050	2,053,717,248
		19,991,206	1,715,245,477	24,218,050	2,053,717,248
3.2 Bills purchased and discounted					
Inside Bangladesh		4,045,450	347,099,610	2,841,781	240,986,168
Outside Bangladesh		-	-	-	-
		4,045,450	347,099,610	2,841,781	240,986,168
		24,036,656	2,062,345,087	27,059,831	2,294,703,416
4 Other assets					
Interest receivable on term loan		32,211	2,763,742	46,860	3,973,758
Interest receivable on bills discount		25,951	2,226,614	14,343	1,216,315
		58,162	4,990,356	61,203	5,190,073
5 Borrowing from other banks, financial Institutions and its agents					
In Bangladesh:					
IFIC Bank Limited		23,850,000	2,046,330,000	27,686,395	2,347,836,793
		23,850,000	2,046,330,000	27,686,395	2,347,836,793
6 Other liabilities					
Interest on borrowing from abroad		-	-	-	-
Due to Head Office		42,401	3,638,027	57,430	4,870,086
		42,401	3,638,027	57,430	4,870,086
7 Surplus in profit and loss account					
Opening balance		282,063	23,919,211	422,036	35,830,868
Less: Adjustment/ payment for the year		(282,063)	(23,919,211)	(422,036)	(35,830,868)
Add: Addition during the year		443,670	38,066,968	282,063	23,919,211
		443,670	38,066,968	282,063	23,919,211

Particulars	Note	2021		2020	
		USD	Taka	USD	Taka
8 Interest income					
Term Loan		1,143,825	98,140,220	1,345,402	114,091,566
Bills discount		72,763	6,243,059	32,575	2,762,355
Interest on loans and advances		1,216,588	104,383,279	1,377,977	116,853,921
9 Interest paid on deposits, borrowings etc.					
Interest paid on IFIC Bank Limited		808,475	69,367,180	1,120,937	95,056,661
		808,475	69,367,180	1,120,937	95,056,661
10 Commission, exchange and brokerage					
Income-Fees & Commission		31,467	2,699,907	15,151	1,284,818
		31,467	2,699,907	15,151	1,284,818
11 Other operating income					
Income-Other Operating		4,090	350,962	9,872	837,133
		4,090	350,962	9,872	837,133