Focusing on Your Interests



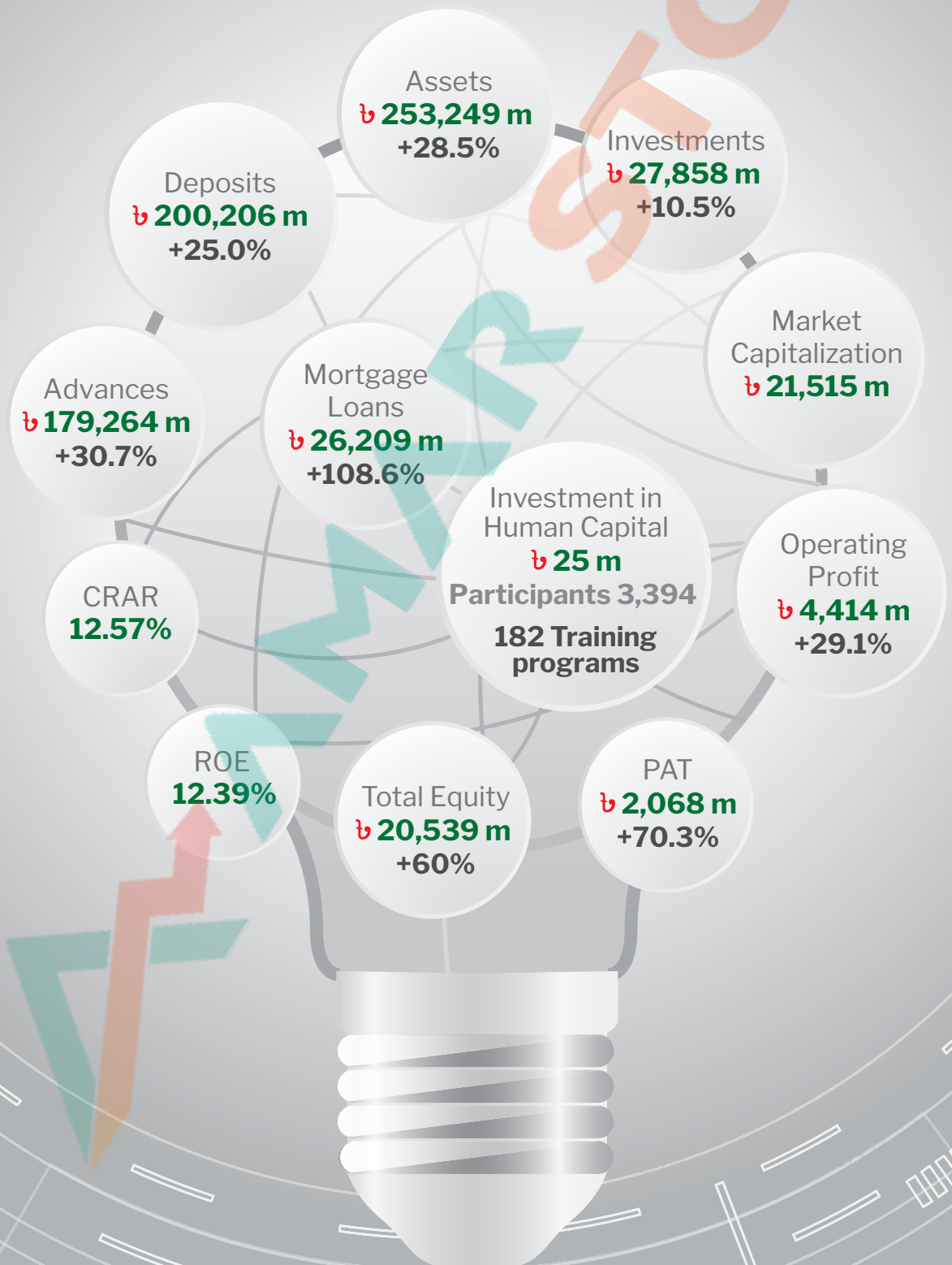
IFIC BANK



Focusing on Your Interests

Country's 1st public-private partnership bank model was established through IFIC Bank and it has been a journey of more than four decades for partnering progression with you. So, we have always been designing our services, products and benefits focusing on your interests. We are continuously investing on IT infrastructure, human resource, process and procedures, innovative services and products. We are ready to offer the best-in-class banking experience to you and believe these refinements help us 'going together, growing together'.

HIGHLIGHTS OF YEAR 2017



IFIC BANK

আইএফআইসি

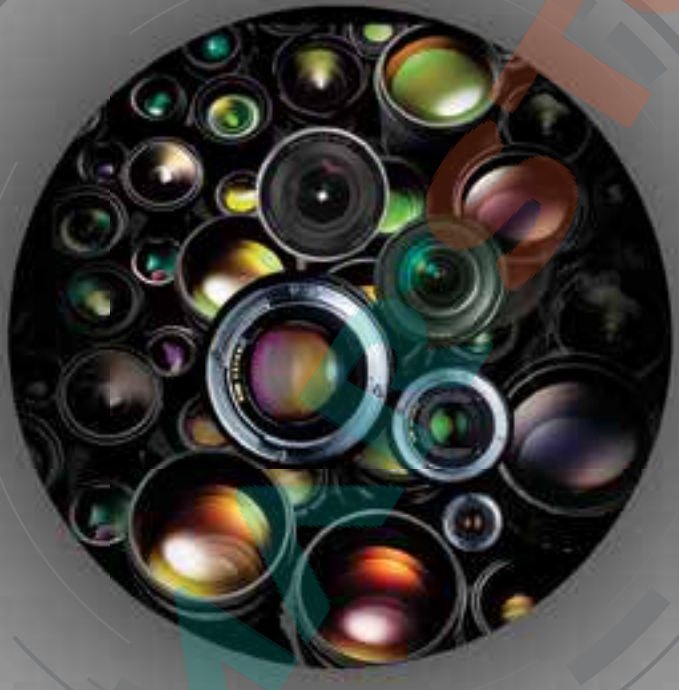
আমার একাউন্ট

সুবিধা যেমনই চাই
হিসাব একটাই





- এক একাউন্টেই সব ব্যাংকিং কার্যক্রম
- সহজ ও সাশ্রয়ী
- এফডিআর-এর মতো আকর্ষণীয় মুনাফা
- তাৎক্ষণিক সাশ্রয়ী ঋণ সুবিধা
- ক্রেডিট কার্ডের উত্তম বিকল্প
- সীমাহীন লেনদেনের সুবিধা



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LETTER OF TRANSMITTAL

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

Annual Report for the year ended 31 December 2017

Dear Sir,

We are pleased to present before you a copy of the Annual Report 2017 along with Audited Financial Statements including consolidated and separate Balance Sheet as at 31 December 2017, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement for the year ended 31 December 2017 with the notes thereto of IFIC Bank Limited and its Subsidiaries for your kind information and record.

Yours sincerely,

Md. Mokammel Hoque
Company Secretary

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VISION

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



MISSION

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

We are committed to the welfare and economic prosperity of the people and the community, for we derive from them our inspiration and drive for onward progress to prosperity.

In an intensely competitive and complex financial and business environment, we particularly focus on growth and profitability of all concerned.

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CORE VALUES

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



ETHICAL PRINCIPLES

Code of Conduct

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

Code of Conduct/Ethics is the integrity measure and a guiding principle to operate the Bank and to conduct daily business with customers, vendors, competitors, regulators, other agencies, media and anyone else who has a stake in the Bank or with whom the Bank has a contact. IFIC Bank's Code of Conduct/Ethics sets forth the guiding principles by which we operate our Bank and conduct our daily business with our customers, vendors, competitors, regulators, different agencies, media and anyone else with whom we have contact.

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

Member of all levels of the Bank are individually as well as collectively committed and responsible to excel in practice of corporate governance principles in its institutions and activities by placing due attention on compliance of best ethical standards for enhancing its credibility and transparency.

IFIC Bank always employs its resources, policies, procedures, processes, systems and recognizes the honesty, integrity, sound judgment of its employees essential to its reputation and success. These principles are applied to all the employee of the Bank and all of its wholly owned subsidiaries to achieve its goal putting the public interest first. These principles are delineated below:

Responsibility
As a financial institution entity, the responsibility of IFIC Bank includes responsibility to its shareholders, customers, community/society even commitment to the environment to preserve the lawful benefits and interests of its stakeholders. Management makes best effort to maximize Bank profit fulfilling customer needs ensuring customers satisfaction. While lending/financing apart from business aspect, Bank has firm commitment to environmental and climatic protections to support the process of sustainable economic growth of the country.

Property & Information of IFIC Bank
Key responsibility of an employee of IFIC Bank Limited is to protect and safeguard the organization's property by following the operational and IT security manual, policy & guideline meticulously, ensure information confidentiality of its clients with utmost security. Unless asked by any lawful and competent court/authority, exchanging or disclosing of information will be treated as a serious violation of ethical standard and shall be treated as a breach of contract.

Conflict of Interest
Whatsoever the circumstances, the employee must avoid all situations that might lead to a real or apparent material conflict between themselves regarding their interests, duties and responsibilities as employees of the Bank. Availing any kind of undue or illegal benefit/facilities irrespective of any form, insider trading, abusing confidential information are treated as malpractice and deviation from the required standard of services.

Fair Dealing to Counter Parties
All relationships with external counter-parties are conducted in professional and impartial manner. IFIC Bank Limited seeks to outperform its competitors fairly and honestly through superior performance and never through unethical or illegal business practices. Vendor selection and hiring decisions are made objectively and in the best interest of the organization based on evaluation of integrity, suitability, price, delivery of goods/service, quality and other pertinent factors. Employee's personal relationship with contractors, suppliers and vendors shall be disclosed to the appropriate level of authority at the time of entering into the negotiation and should not influence decisions made on behalf of the Bank.

Anti-Money Laundering & Combating Terrorism Financing
IFIC Bank Limited prohibits doing business with drug traffickers, money launderers and other criminal activity very strictly. IFIC Bank formulates Anti-Money Laundering guidelines and ensures best practice to take appropriate preventive measures against fraud and money laundering and co-operate with other Banks and relevant institutions, establishments and government agencies for this purpose.

Transparent & Accurate Reporting
IFIC Bank Limited ensures its Financial, Tax and other reports and communication are true, complete and accurate and must not be misleading. Employees will ensure that records, data and information owned, collected, used and managed by him/her

for the organization are accurate and complete, maintaining highest degree of integrity. IFIC Bank Limited maintains transparency of records as per the policy of the organization in sufficient details so that these may reflect accurately the Organization's transactions.

Zero Tolerance to Violence in the Workplace
IFIC Bank Limited strictly prohibits any acts of violence or threats of violence by any employee against any other person at any time. Mutual understanding and respect toward all employees is an essential element for excellence in professionalism, existence of safe and healthy work place, and maintenance of a corporate culture, which serves the needs of the community. The organization has to bear zero tolerance for violence against any member of the workforce or its property

Employee Conduct outside the Office Premises
Employees and representatives of IFIC Bank Limited shall realize that their conduct outside the workplace reflect on their place of employment and thus shall take necessary actions to ensure that the above mentioned service conduct must encompass outside workplace activities as well so that behavior/ actions do not compromise the business interests, safety and security or confidentiality of their place of employment.

Fair & Equitable Employment Opportunity
IFIC Bank Limited is committed to ensure equal opportunity in employment on the basis of meritocracy i.e. individual merit and personal qualification. The Bank is also committed to provide a work environment free from any harassment on ground of religion, age, gender, family background, ethnicity, personal appearance etc. To ensure energizing workplace, the Bank is responsible to keep the workplace friendly, congenial, transparent and emphasize on co-operation among all employees complying with the laws, rules of the regulatory bodies.

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

Business Ethics

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

Honesty and Integrity
The Bank will adhere to honesty and integrity in conducting its business.

Compliance with Laws and Regulations
The Bank will conduct its business in accordance with the law and regulations and will not assist, encourage or support any wrongful transactions or activities.

Good management and efficient and effective Internal Control
The Bank will put in place good management systems and risk management systems, as well as efficient and effective internal controls.

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

Concern for Stakeholders
The Bank realizes the importance of proper conduct to various stakeholders with appropriate co-operation and mutual support. The Bank will treat its customers, counterparties or competitors with mutual good understanding and co-operation.

Preservation of the Bank's Reputation
The Bank will uphold a good reputation and will refrain from engaging in any act that may jeopardize its reputation.

HR Compliance

IFIC Bank HRM Division maintains compliance in all organizational levels in order to develop and maintain ethical culture across the institution. HRM Division encourages the employee to abide by the rules and regulations of the Bank along with all applicable laws of the country and promotes the same through continuous training programs.

Moreover, HRM Division has separate disciplinary rules namely IFIC Bank Employees (Discipline and Appeal) Rules 2003 which focuses on the quasi-judicial proceedings for handling misconducts committed by any delinquent employee.



STRATEGIC PRIORITY

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



CAUTIONARY STATEMENT REGARDING FORWARD LOOKING APPROACH

This Annual Report and Financial Statements of the year 2017 contains certain forward looking statements with respect to the financial condition, results of operations and business of the Bank.

This statements are not historical facts, including statements about the Bank's beliefs and expectations. Words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', variations of these words and similar expressions are intended to identify forward looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward looking statements speak only as of the date they are made.

This statement may change based on the domestic and global economic and financial condition, natural calamities, movement of interest rate of both lending and deposit, changes or adoption of regulatory policies, market volatility, changes in the accounting policy, future forex market condition, political condition of the country, technological changes in banking sectors, changes in consumer behavior and other factors that affects the overall operation of the bank's.

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

Corporate Profile

Name of the Company
International Finance Investment and Commerce Bank Limited (IFIC)

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

Company Registration Number
C-4967, Dated: 08 October 1976

Authorized Capital
BDT 20,000 million

Paid up Capital
BDT 11,953 million

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

Market Category
'A' Category

Tax Payer Identification Number (TIN)
135055865054

VAT Registration Number
19081167140

Business Identification Number (BIN)
000136288

Subsidiary Companies
IFIC Securities Limited
IFIC Money Transfer (UK) Limited

Registered Office
IFIC Tower, 61, Purana Paltan,
G. P. O. Box: 2229, Dhaka-1000
IP Phone No.: 09666716250 (Hunting), Tel: 9563020
Fax: 880-2-9554102, Swift: IFIC BD DH
E-mail: info@ificbankbd.com
Website: www.ificbank.com.bd

Off-shore Banking Unit (OBU)
IFIC Bank Limited - OBU
Federation Branch, FBCCI Building,
60, Motijheel C/A, Dhaka

Auditors
M. J. Abedin & Co.,
Chartered Accountants

Legal Adviser
Ahsanul Karim

Tax Consultants
Adil & Associates

Credit Rating Agency
Credit Rating Agency of Bangladesh (CRAB) Limited

Chairman
Salman F Rahman

Managing Director & CEO
M Shah Alam Sarwar

Chief Financial Officer
Dilip Kumar Mandal

Company Secretary
Md. Mokammel Hoque

No. of Employees
2,512

No. of Branches
141

No. of Shareholders
44,421

Investors' Relation
IFIC Tower (17th floor)
61, Purana Paltan, Dhaka-1000
Hotline: 09666716250

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GLOBAL CORPORATE STRUCTURE



IFIC SECURITIES

IFIC Securities Limited

A fully owned subsidiary in Bangladesh

IFIC Money Transfer (UK) Ltd.

IFIC Money Transfer (UK) Limited

A fully owned subsidiary in United Kingdom

NEPAL BANGLADESH BANK

Nepal Bangladesh Bank Limited

A joint venture commercial Bank in Nepal

OMAN EXCHANGE LLC

Oman Exchange LLC

A joint venture exchange company in Oman

MCB

MCB Bank Limited, Pakistan

A commercial Bank in Pakistan

Milestones in the Development

1976 Established as a joint venture Investment & Finance Company with the Govt. of Bangladesh

1980 Commenced operation in Foreign Exchange Business in a limited scale

1982 Obtained permission from the Govt. to operate as a commercial Bank, Set up its first overseas joint venture (Bank of Maldives Limited) in Maldives (IFIC's share in Bank of Maldives limited was sold to Maldives Govt. in 1992)

1983 Commenced operation as a full-fledged commercial bank in Bangladesh

1985 Set up a joint venture Exchange Company in the Sultanate of Oman, titled Oman Bangladesh Exchange Company (Subsequently renamed as Oman Exchange LLC)

1987 Set up its first overseas branch at Karachi, Pakistan

1993 Set up its second overseas branch at Lahore, Pakistan

1994 Set up its first joint venture in Nepal, titled Nepal Bangladesh Bank Limited

1999 Set up second joint venture in Nepal for lease financing, titled Nepal Bangladesh Finance & Leasing Co. Ltd. (merged with NBBL in 2007)

2003 Set up a new Bank in Pakistan, NDLC-IFIC Bank Limited (Subsequently renamed as NIB Bank Ltd.) and the Overseas Branches of IFIC and a local leasing company, NDLC were amalgamated with and into it. (Subsequently, NIB Bank marged with & into MCB Bank Limited)

2005 Acquired MISYS solution for real time online banking.
Core Risk Management implemented.

2007 Launched VISA branded Credit Card (completed full range of Cards i.e. Debit, Credit & Prepaid by 2010)

2010 Set up Off-shore Banking Unit (OBU)

2011 Established a fully owned exchange company named IFIC Money Transfer (UK) Limited

2013 Achieved the landmark of BDT 100,000 million deposit

2014 Launching of IFIC Mobile Banking

2015 Crossed the landmark of BDT 200,000 million in Foreign Trade business

2016 Inauguration of IFIC Tower at 61, Purana Paltan, Dhaka - 1000

2017 Launched an innovative product IFIC Aamar Account, combining benefits of current & savings accounts, FDR, credit cards etc.
Became market leader in Home Loan product under retail banking segment.
Introduced One Stop Service model in the branches for the first time in Bangladesh.

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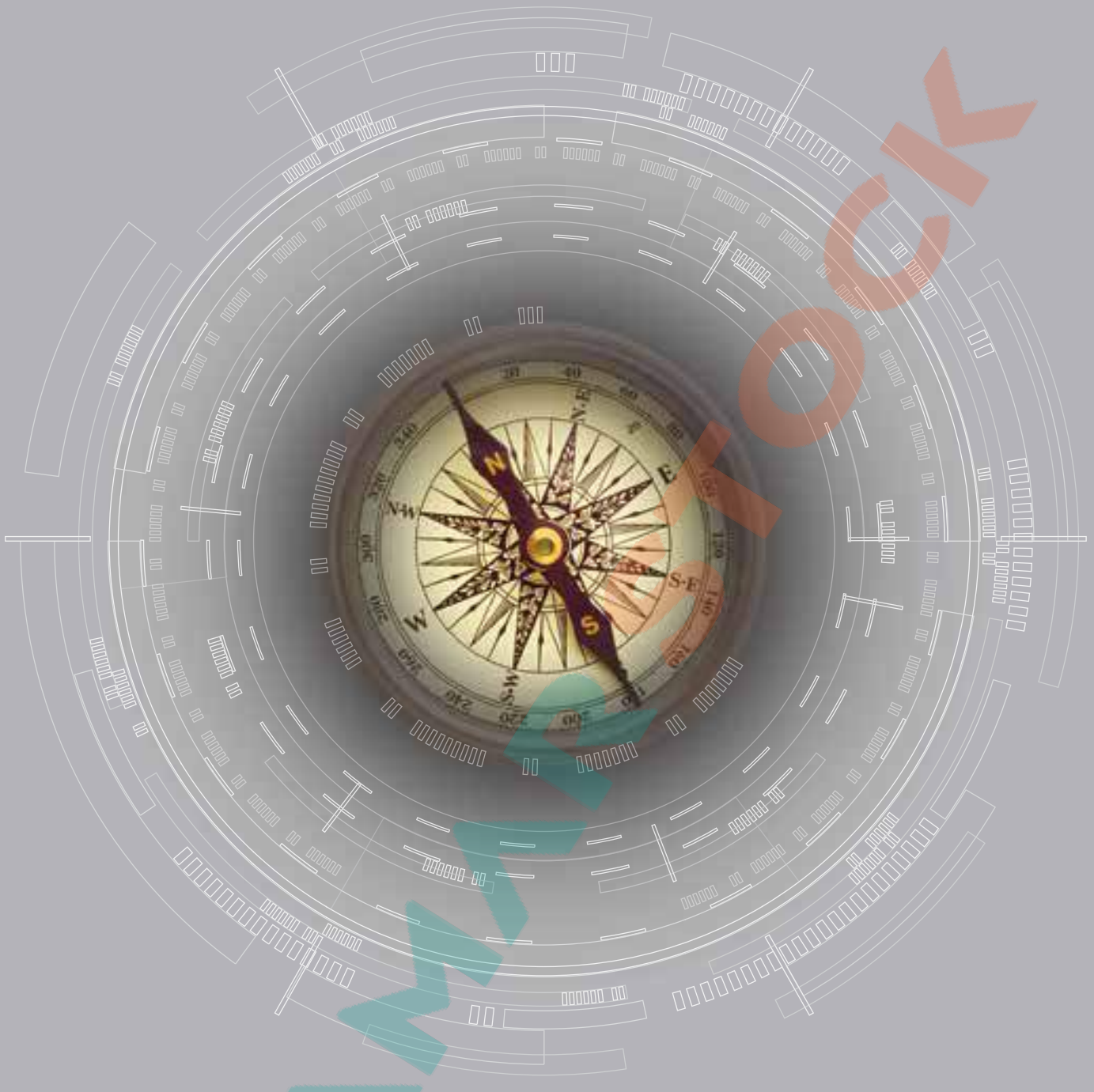

INFORMATION ON CORPORATE GOVERNANCE



COMPOSITION OF BOARD AND ITS COMMITTEES

Board of Directors

Chairman
Salman F Rahman

Directors

Anwaruzzaman Chowdhury
(Independent Director)

Rabeya Jamali
(Independent Director)

Jalal Ahmed
(Govt. Nominated Director)

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

Quamrun Naher Ahmed
(Govt. Nominated Director)

Managing Director & CEO
M Shah Alam Sarwar

Company Secretary
Md. Mokammel Hoque

Executive Committee of the Board

Chairman
A. R. M. Nazmus Sakib

Member
Quamrun Naher Ahmed

Secretary to the Committee
Md. Mokammel Hoque

Audit Committee of the Board

Chairman
Rabeya Jamali

Members
Anwaruzzaman Chowdhury
Jalal Ahmed

Secretary to the Committee
Md. Mokammel Hoque

Risk Management Committee of the Board

Chairman
Jalal Ahmed

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

Secretary to the Committee
Md. Mokammel Hoque

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BOARD OF DIRECTORS





DIRECTORS' PROFILE



Mr. Salman F Rahman is an eminent business personality of the country. He is the Vice-Chairman of BEXIMCO Group - the largest private sector group in Bangladesh. Founded in 1970 as a commodities trading company, the Group now has operations and investments across a wide range of industries including textiles, trading, marine food, real estate development, hospitality, construction, information and communication technologies, media, ceramics, aviation, pharmaceuticals and energy. He was the President of FBCCI, the apex organization of businessmen of the country. Currently, he is the Chairman of IFIC Bank Limited, GMG Airlines Limited and Abahani Limited. He is associated with many social and charitable organizations.

Mr. Salman F Rahman
Chairman



Mr. Anwaruzzaman Chowdhury is an MBA from London, UK. He is the Chairman of Kipling in the UK. He is associated with many social and charitable organizations and trusts. He is a member of the Audit Committee of the Board of Directors of IFIC Bank Limited. He is a Director of IFIC Money Transfer (UK) Limited, UK and also an Alternate Director of Oman Exchange LLC, a joint-venture operation of the Bank in the Sultanate of Oman.

Mr. Anwaruzzaman Chowdhury
Independent Director



Ms. Rabeya Jamali is an Advocate, Supreme Court of Bangladesh and Partner, Jamali & Morshed. She did her LL.B. (Honours) from the University of Dhaka, Dhaka, Bangladesh and LL.M. in Banking and Financial Law from Boston University, School of Law, Boston, MA, USA. She attended workshops, seminars and conferences at home and abroad. She is a member of the Bangladesh Supreme Court Bar Association. Ms. Jamali has core expertise in Commercial Contracts, Construction Contracts, Joint Ventures, SPV relating to infrastructural development projects, Private-Public Partnership Projects, Telecommunication related infrastructure, Power and Energy, Company Law, Financial and Banking Laws, Securities Laws and related Arbitration. She is the Chairman of the Audit Committee and a member of the Risk Management Committee of the Board of Directors of IFIC Bank Limited. She is the Director of IFIC Money Transfer (UK) Limited, UK and IFIC Securities Limited. She is also an Alternate Director of Nepal Bangladesh Bank Limited, Nepal.

Ms. Rabeya Jamali
Independent Director



Mr. Jalal Ahmed is an Additional Secretary to the Government of the People's Republic of Bangladesh. He was nominated as Director to the Board of IFIC Bank Limited on 13 November 2012 by the Ministry of Finance, Government of Bangladesh. Mr. Jalal did his Honours & Masters in Public Administration from the University of Dhaka. He is also one of the Directors of BATBC, BSCCL and Bangladesh Services Limited. He is the Chairman of the Risk Management Committee and a member of the Audit Committee of the Board of Directors of IFIC Bank Limited. He is the Chairman of Nepal Bangladesh Bank Limited, Nepal, IFIC Money Transfer (UK) Limited, UK and IFIC Securities Limited. He is also an Alternate Director of Oman Exchange LLC, a joint-venture operation of the Bank in the Sultanate of Oman.

Mr. Jalal Ahmed
Director

DIRECTORS' PROFILE



Mr. A. R. M. Nazmus Sakib is an Additional Secretary at the Ministry of Finance, Government of the People's Republic of Bangladesh. He was nominated as Director to the Board of IFIC Bank Limited on 19 June 2012 by the Ministry of Finance, Government of Bangladesh. He is a post - graduate in Botany and also obtained M.Sc. Degree in Development Finance. He is the Chairman of the Executive Committee and a member of the Risk Management Committee of the Board of Directors of IFIC Bank Limited. He is the Director of IFIC Money Transfer (UK) Limited, UK and Oman Exchange LLC, a joint-venture operation of the Bank in the Sultanate of Oman.

Mr. A. R. M. Nazmus Sakib
Director



Ms. Quamrun Naher Ahmed
Director

Ms. Quamrun Naher Ahmed is an Additional Secretary at the Financial Institutions Division, Ministry of Finance, Government of the People's Republic of Bangladesh. She was nominated as Director to the Board of IFIC Bank Limited by the Ministry of Finance, Government of Bangladesh. Ms. Ahmed did her Honours & Masters in Economics from the University of Dhaka. She also obtained M. Phil in Social Change from University of Science and Technology, Norway. She attended various Training, Seminars and Conferences at home and abroad. She is the Member of the Executive Committee and the Risk Management Committee of the Board of Directors of IFIC Bank Limited. She is the Director of IFIC Securities Limited, IFIC Money Transfer (UK) Limited, UK and Nepal Bangladesh Bank Limited, Nepal.



Mr. M Shah Alam Sarwar
Managing Director & CEO

Mr. Shah A Sarwar joined IFIC Bank Limited as Managing Director & CEO on 02 December 2012. Prior to joining the IFIC Bank Limited, he was the Managing Director & CEO of Trust Bank Limited. Mr. Sarwar started his career as Management Trainee at ANZ Grindlays Bank in 1982 and subsequently held senior management position at ANZ Grindlays Bank, Standard Chartered Bank, American Express Bank. He was also the Managing Director & CEO of Industrial Promotion and Development Company of Bangladesh Limited (IPDC), Premier Bank Limited and Additional Managing Director of United Commercial Bank Limited. Over the last 36 years, Mr. Sarwar's career evolved as a well rounded banker with expertise in General Management, Client Coverage, Risk Management, Operations and IT Management. He has core expertise in Strategic Risk Management, Business Process Re-engineering, Creation of New Lines of Business, Change Management and Automation Project Management. He obtained the highest level of accreditation in credit risk management and is a Six Sigma Belt holder. He is a post-graduate in Economics from the University of Dhaka and holds MBA degree from Victoria University, Australia. He held positions in Australia, United Arab Emirates and Pakistan. He attended various Training, Seminars and Conferences at home and abroad – notably, in United Kingdom, Australia, United States, Singapore, Hong Kong, United Arab Emirates and Malaysia. He also attended Management Courses in Columbia University, Cambridge University, Oxford University, University of Berkley and INSEAD.



SENIOR EXECUTIVES

Managing Director & CEO
M Shah Alam Sarwar

Deputy Managing Director
Muhammad Mustafa Haikal Hashmi
Raihan Ul Ameen
Shah Md. Moinuddin
Md. Nurul Hasnat

Senior Executive Vice President
Md. Bader Kamal
Syed Mansur Mustafa
Khan Abu Roushan Mohammad Mostofa Kamal
Ashim Chowdhury
Syed Fazle Ahmed

Executive Vice President
T. I. M. Rawshan Zadeed
Md. Badrul Alam
Iqbal Parvez Chowdhury
Md. Shahjahan Miah
Md. Rafiqul Islam
Ferdousi Begum
Md. Zabid Iqbal
M. Mozibar Rahman
Dilip Kumar Mandal
Helal Ahmed
Md. Zulfiquer Ali Chakder
Nurul Basher Abdul Mamun

Senior Vice President
Shaikh Sohail Khurshid
Syed Hassanuzzaman
Isteaque Hassan
Mohammad Mahmood
Mir Golam Mowla
Md. Abdullah Al Masum

First Vice President
Mir Iqbal Hossain
Sohel Mahmud Zahiduzzaman
Md. Akbar Ali
Mohammad Sahin Uddin

Vice President
Arzoo Mand Parveen Banu
Ahmed Sayeed
Navedul Islam
A. M. Mahmud Hossain
Md. Selim Talukder
Mohoshin Uddin Ahmed
A. T. M. Raziur Rahman
Md. Mostaque Hossain Chowdhury
Md. Salah Uddin
Abul Kalam Mojibur Rahman
Anwara Begum
Md. Ali Imam Khan
Morshed Ali
Tauheed Mahmud Hussain
Sharmilla Manzoor
Md. Saiful Islam
Nazmun Nahar Begum
A. B. M. Mohsin Kamal Molla
Md. Asaduzzaman
Md. Nazmul Haque Talukder
A. K. M. Zahirul Islam
Md. Mozammel Haque
Md. Mokammel Hoque

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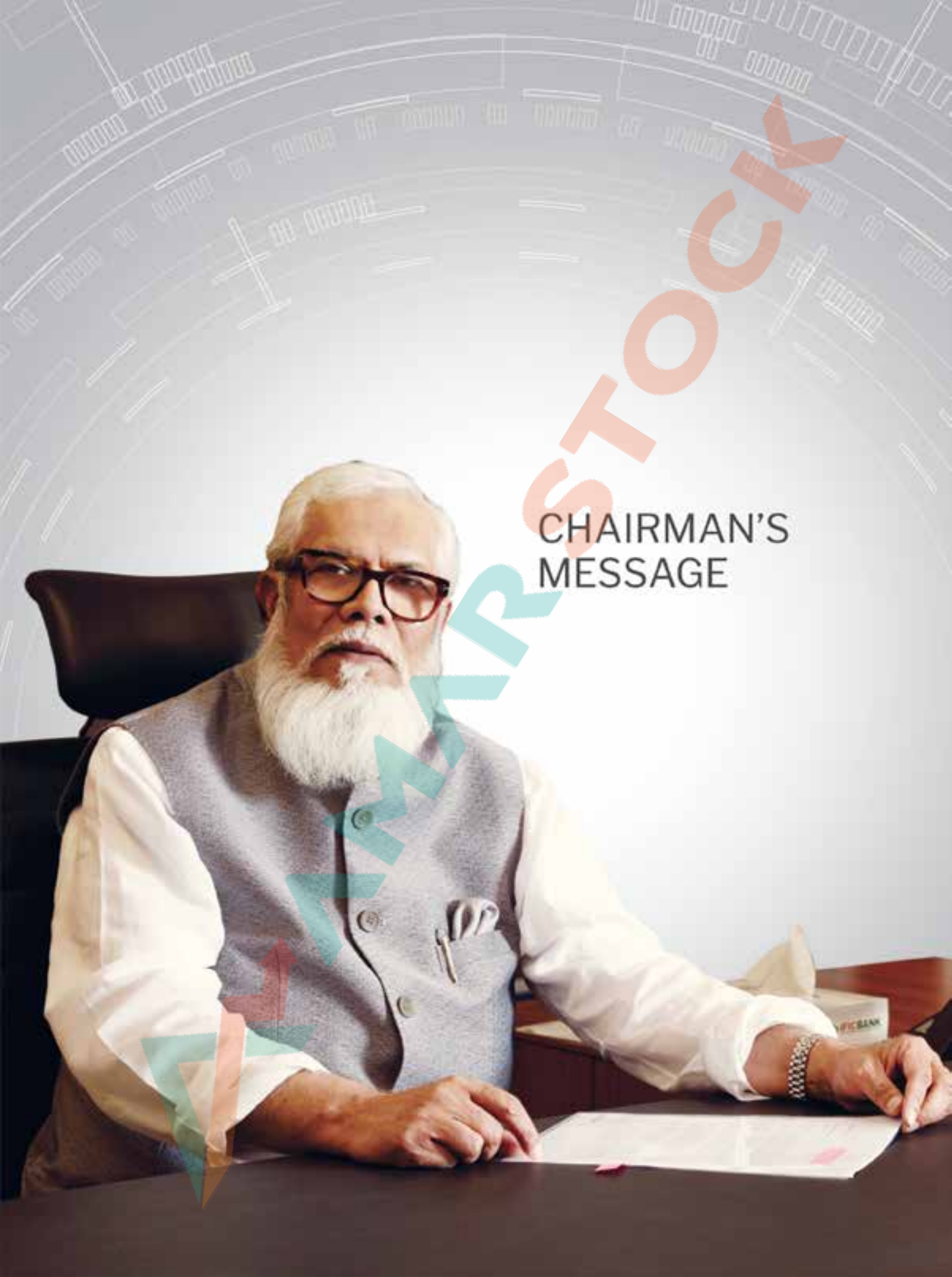


CHAIRMAN'S MESSAGE

Dear Shareholders,

Assalamu Alaikum.

As another financial year comes to an end, it gives me great pleasure to welcome all of you, our valued shareholders, on behalf of the members of the Board of Directors, to the 41st Annual General Meeting of your Bank - IFIC Bank Limited and to present to you the Audited Financial Statements and Annual Report for the financial year 2017. At the very outset, I would like to express my profound gratitude and sincere thanks for your continued belief, passion, support and patronage extended to the Bank towards making IFIC as a foremost brand of the country.

The Directors' Report on Financial Statements & Internal Control, the Financial Statements for the year ended on 31 December 2017 together with the Auditors' Report thereon are already in your hands. The Annual Report gives a detailed overview of your Bank's performance during the year 2017 which has been presented through various quantitative and qualitative parameters.

According to the final estimate of Bangladesh Bureau of Statistics (BBS), GDP growth of FY2016-17 stood at 7.28 percent, 0.17 percent higher from 7.11 percent of the previous fiscal year. Like previous years, major boost of growth has come from the industrial sector followed by the services sector.

After declining through FY2017, average inflation has been gradually edging up in the recent months, reaching 5.7 percent in December 2017. The inflation dynamics reflected rising food prices, a result of both flood-related disruptions and higher global prices. Food inflation increased to 7.1 percent (point-to-point) in December 2017, whose impact on overall inflation (5.8 percent in December, point-to-point) was moderated by declining non-food inflation, at 3.8 percent in December 2017.

In FY2017, Bangladesh's overall balance of payments position was on edge due to a deficit from investment and food-related imports. Import coverage of foreign exchange reserve, at US$ 33.2 billion or around 6 months of imports in December 2017, remain adequate. However, during the period, overseas employment increased considerably by 32.12 percent from the previous year.

Bangladesh Bank, for the last few years, has taken various measures, initiatives and programs aimed at ingraining a socially responsible financing ethos and mainstreaming financial inclusion initiatives. A strategic focus has been placed on nudging finance toward fostering social cohesion by devising policies to create a stronger base of the pyramid. Furthermore, considering the population density and vulnerabilities to weather shocks and climate change, environmental sustainability is the central part of the national growth strategy. Green initiatives can also offer new growth opportunities, which are less subject to the vested interests of the existing sectors.

Bangladesh Bank has now taken up a consultative initiative of formulating Guidance Notes on the do's and don'ts of socially responsible financing to better foster social cohesion, with output initiatives that promote entrepreneurship, create more and better jobs, and protect environment.

Alongside price and micro-financial stability objectives, BB's monetary and financial policies embrace inclusively and environmental sustainability dimensions in pursuit of employment creation-focused inclusive growth support (targeting SMEs, agriculture and green initiatives), in tune with the government's SDG-focused sustainable development initiatives.

In a major leap forward, Bangladesh has become eligible to graduate to a developing country from a least developed one as it met all the three criteria for the first time for getting out of LDC bloc. The three criteria are Gross National Income (GNI) per capita, Human Assets Index (HAI) and Economic Vulnerability Index (EVI).

According to the UN's graduation threshold, the GNI per capita of a country has to be US$ 1,230 or above. Bangladesh's GNI per capita is now US$ 1,610 (according to BBS). In terms of the HAI, a country must have a score of 66 or above. Bangladesh's score is now 72.9 - well above the threshold. In the economic vulnerability index (EVI), a country's score has to be 32 or below. Bangladesh's score is 24.8 in EVI.

Bangladesh is the only country to have met all the three criteria at the same time for becoming eligible to graduate from the LDC bloc. However, it will have to pass two more reviews in 2021 and 2024 to get out of the LDC list through maintaining its position in all the three categories for the next six years.

Last year, as an outcome of inclusive banking, by pursuing excellence in customer care through customer relevance, by innovating consistently to deliver technology driven solutions to the banking industry and through continuous product innovations, we have carved a veritable niche for ourselves in the eyes of our customers. And it is thus that your point of view remains our point of consideration.

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

Our Management Team, like previous year, in 2017 also, maintained their winning streak, receiving

national and international accolades for transparency, good governance, sustainability, people practices, brand management, CSR and IT applications.

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

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

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

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

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

My sincere appreciation is also to the Managing Director & CEO, the Management Team and the IFIC Bank Team for making 2017 yet another year of commendable success and for their continued pursuit towards achieving the Bank's objectives despite the veritable challenges.

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

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

Finally, I wish to place on record my appreciation to my fellow Directors for their unstinted support, guidance and insight which has helped us to steer the organization towards the many successes it has achieved till date.

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

Allah Hafez.



Salman F Rahman
Chairman

MANAGING DIRECTOR & CEO'S REVIEW



Dear Respected Shareholders,

It is both an honor and a privilege to present the summary of financial and operating performance of IFIC Bank Limited for the year 2017. It has been more than four decades of successful journey with a vision to be the preferred financial service provider through innovative, sustainable and inclusive growth, and to deliver the best in class value to all stakeholders. Banking sector passed a stable year in 2017 due to the political stability of the country. However, the sector faced challenges like increase of interest rate from the third quarter of the year 2017, decline of quality of assets, serious competition among Banks on deposit hunting etc. Despite this, the Bank has achieved positive parameters by exercising relevant policies and risk management frameworks provided by both regulatory authority and the Bank.

Macroeconomic Scenario of Bangladesh

The Bangladesh economy has been able to maintain a sustained economic growth. Bangladesh economy recorded a 7.3% growth of GDP in FY17 compared to 7.1% in FY16. This 7.28% growth was largely supported by industry and service sectors. Continuing the declining trend of inflation since FY14, year-on-year inflation in FY17 decreased to 5.4% compared to 5.9% in FY16. The declining trend in inflation in FY17 was mainly driven by non food inflation, while food inflation witnessed a sharp increase due to devastating flood related crop losses in the Northeastern haor regions in FY17. In contrast, non food price component was declined due to subdued global inflation and favorable regional inflation rate. The per capita national income reached at USD 1,610 in FY17, up by USD 145 from previous fiscal year. Export growth fell sharply from 8.9% in FY16 to 1.7% in FY17, while import witnessed a significant growth of 9.0% in FY17 from 5.9% in FY16 leading to wider trade deficit. Export stood at USD 34,019 million in FY17 from USD 33,441 million in FY16. Import increased to USD 43,491 million in FY17 from USD 39,901 million in FY16. In FY17, remittance inflows declined by 14.5% compared with the negative growth of 2.5% in FY16. The slowdown of the economy of the Middle East countries originating from low oil prices and geo-political situation, appreciation of USD against British Pound Sterling and Euro etc. contributed to such reduction of remittance inflows. The trade deficit widened to USD 9,472 million in FY17 from USD 6,460 million in FY16. Elevated import growth and slow export growth mainly contributed to the widening of trade deficit in FY17. The services and income account along with primary and secondary income registered a surplus of USD 7,992 million in FY17. The Current Account Balance turned negative USD 1,480 million in FY17 and the Capital and Financial Account surplus widened to USD 4,493 million in FY17. The overall balance of payments surplus shrank to USD 3,169 million in FY17 which was USD 5,036 million in FY16. The foreign exchange reserves stood at USD 33.4 billion at the end of FY17 representing around 8 months of prospective import coverage.

IFIC Bank Performance

Deposits of the Bank increased to BDT 200,206 million in 2017 from BDT 160,155 million in 2016, indicating a growth of 25.0%. Loans and Advances rose to BDT 179,264 million in 2017 from BDT 137,118 million in 2016, representing a growth of 30.7%.

Import of the Bank was BDT 97,908 million in 2017 having 5.4% raise while Export of the Bank was BDT 88,677 million in 2017 having 6.1% fall. Total Remittance was BDT 19,569 million in 2017 having a drop of 8.3%. Overall Foreign Exchange Business reduced by 1.2% from BDT 208,672 million in 2016 to BDT 206,154 million in 2017.

Net Interest Income raised by 25.5% from BDT 4,375 million in 2016 to BDT 5,490 million in 2017 and Net Profit after Tax increased to BDT 2,068 million in 2017 from BDT 1,214 million in 2016, representing increase of 70.3%.

NPL ratio of the Bank increased to 6.4% in 2017 from 5.3% in 2016. Asset size of the Bank stood at BDT 253 billion in 2017 against 197 billion in 2016, indicating a growth of 28.5%.

Capital Adequacy

At the end of Dec-2017, total Shareholders' Equity stood at BDT 20,539 million, which is 60.0% higher than that of 2016 mostly due to the issuance of Rights Share in 2017. The Bank maintained Capital to Risk-weighted Asset Ratio (CRAR) of 12.57% under Revised Regulatory Capital Framework for Banks in line with Basel III as against minimum requirement of 11.25% set by Bangladesh Bank for the year ended December 31, 2017.

Growth Initiatives Implemented in 2017

- In 2017, Bank opened 7 new Branches which created a total network of 141 Branches in Bangladesh of IFIC bank.
- IFIC Bank provided a very special focus on collateral based Home Loan Product marketing and selling by giving competitive interest rate and quick loan processing service with ensuring accuracy of the service in 2017 which got tremendous response from the market.
- In 2017, the Bank implemented One Stop Service Model in 94 Branches for providing admirable customer service and thus total 130 Branches of the Bank were converted into One Stop Service Model.
- The Bank highly promoted the marketing and selling of 'Aamar Account' – a unique Account where one can maintain his deposit balance with

interest on daily product basis and at the same time one can avail overdraft facility up to a given limit.

Risk Management

The Bank vigorously tries to manage risk by its regular activities. These activities include the analysis, evaluation, acceptance and management of risks. Regarding supervision of risk management, the Board of Directors performs prime responsibility of the risk supervision. IFIC conducts its banking operations by maintaining compliance according to the Risk Management Guidelines of the Bank which covers the risks such as credit risk, foreign exchange risk, internal control and compliance risk, anti money laundering risk, information & communication technology risk, asset liability management risk etc.

Commitments Towards the Employees

The Bank is making continuous efforts to ensure career path of the employee through placement of right employee at the right position. The Bank is also providing training and workshop to the employees at home and abroad to meet skill gap so that they may become as successful leaders of the Bank. IFIC organizes various employee engagement programs to inspire the employees so that they can engage themselves for higher productivity. During the year 2017, the Bank has restructured pay package to make it competitive in the industry to motivate its employees. Bank has also created performance culture among the employees through implementing KPI (Key Performance Indicator) based Performance Appraisal system. Along with competitive pay and allowances, the Bank also provides Provident Fund, Gratuity Fund and Leave Encashment facility to the employees. Last but not the least; in the year 2017, IFIC Bank has enriched hospitalization insurance and group life insurance facilities significantly for the employees and their family to ensure hospitalization and life coverage.

Responsibilities Towards the Society

IFIC Bank performed the following activities in 2017 to address the need of people for making positive and significant contributions to the society:

- The Bank has provided blankets to Prime Minister Relief Fund.
- The two winners of IFIC Bank Shahitto Purosker-2015 got their Prizes from the Bank.
- IFIC Bank has donated to Prime Minister's Shikkha Shohayota Trust.
- The Bank has given donation to Shuchona Foundation for Autistic Children.
- IFIC Bank has contributed to Bangabandhu Sheikh Mujibur Rahman Memorial Trust.
- The Bank has donated fund to Biswa Shahitya Kendra to sponsor its educational activities.
- IFIC Bank has given assistance to Child Day Care Center of Banks for operating cost.

Initiatives for 2018

- The Bank will vigorously promote the marketing and selling of groundbreaking product- 'Aamar Account'.
- IFIC Bank will continue to give emphasis on promoting 'Home Loan' product.
- Bank will focus on providing excellent customer service by One Stop Service from its Branches.
- IFIC Bank will grow with current reputed customers and roll out new lines of business.
- The Bank will provide special focus on recovery drive to bring down the NPL ratio.
- Bank will attain long term sustainable growth by pursuing the strategy of prudent Liquidity Management and Asset Liability Management.

Concluding Remarks

I am expressing my sincere gratefulness to the regulatory authorities especially Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited for their continuous help and support. I would like to convey my earnest gratitude and thanks to the members of the Board of Directors for their policy guidelines and adequate assistance to the Management in implementing those policy guidelines. Thanks are due to our respected shareholders, valued customers and all other stakeholders for their confidence and belief in the Management of the Bank. Finally, I wish to express gratitude to my colleagues for their dedication and attempt in making 2017 a successful year for IFIC Bank.

M Shah Alam Sarwar
Managing Director & CEO



DIRECTORS' REPORT

Directors' Report

Hon'ble Shareholders,

Assalamu Alaikum.

The Board of the Directors of IFIC Bank Limited is delighted to welcome you all to the 41st Annual General Meeting of the Bank. It is a pleasure and privilege on the part of the Directors to present the Directors' Report along with the Audited Financial Statements of the Bank for the year ended on 31 December 2017 and the Auditors' Report thereon before you. The Board has reviewed the financial statements in order to ensure effective financial control, transparency and accuracy of the financial data and financial reporting. The Board also likes to take the opportunity to highlight briefly on the operational performance of the Bank during the year 2017 in the context of domestic and international economic scenario.

1. Global Economy

The global pickup in activity that started in the second half of 2016 gained further momentum in the first half of 2017. Notable rise in investment, trade and industrial production coupled with enhanced business and consumer confidence is supporting the recovery of world economy. Based on these outcomes International Monetary Fund (IMF) has predicted an increase in the global economic growth.

In the IMF's latest World Economic Outlook (WEO), October 2017, the Global growth has been projected at 3.6% for 2017 and 3.7% for 2018, 0.4% and 0.5% higher compared to the growth of 2016. The continued boost in domestic demand in the developed economies, favourable financial conditions, strong business and consumer confidence are expected to play a vital role in achieving such growth targets. Significant improvement in the investment situation, increased investment in China's infrastructure and housing sector and revival from the downturn of commodity prices, even in partial, are expected to induce growth momentum of emerging and developing economies. Among the possible risks causing substantial uncertainty in global growth, the intrinsic conservation policy of some advanced economies may exert a negative impact on global trade and cross-border investments. Moreover, an atmosphere of persistently subdued inflation may weaken central bank's capacity to control real interest rates. Again, continued easy monetary conditions in advanced economics may make the financial system vulnerable to an abrupt decompression of risk premium.

2. Bangladesh Economy

The economy of Bangladesh has been able to maintain sustained economic growth even in the face of global financial crisis. According to the final estimate of Bangladesh Bureau of Statistics (BBS), the GDP growth of FY2016 -17 stood at 7.3%, 0.2% point higher from 7.1% of the previous fiscal year. In FY2015-16 per capita GDP was US$ 1,385 which rose to US$ 1,544 in FY2016 -17. Likewise, per capita national income increased to US$ 1,610 in FY2016 -17, US$ 145 higher than a year earlier. Gross investment increased to 30.5% of GDP, 0.9% higher than the preceding fiscal year.

In FY2016-17 satisfactory growth has been achieved in revenue receipts. During this period, attaining 91.9% of the revised target, total revenue receipt in FY2016-17 increased by 16.1% to BDT 2,007,850 million over the previous year outturn. Total revenue receipts reached 10.6% of GDP, up by 0.3% compared to the preceding fiscal year.

In recent years the interest rate of lending and deposit interest rate of commercial banks are gradually declining. The weighted average lending rate of interest of commercial banks decreased by 1.3% to 10.4% at the end of June 2016. The market capitalization and the price of both capital markets increased significantly in June 2017 compared to June 2016.

In FY2016-17 the country's total exports amounted to US$ 34,847 million, which was 1.7% higher than the previous year. During the same period the total value of import (c&f) provisionally stood at US$ 47,005 million, up by 9.0% from the previous year. Over this period consumer goods imports increased by 26.9%, intermediate goods by 5.6% and capital machinery by 7.4%. Remittances inflow dipped to US$ 12,770 million in FY2016-17 from the previous year's inflow of US$ 14,931 million with a deceleration rate of 14.5%. Elevated import growth and slow export growth mainly caused the tumbling growth in remittances inflow the current account encountered a deficit of US$ 1,480 million in FY2016-17 from a surplus of US$ 4,262 million in FY2015-16. During the period exchange rate of Taka against US dollar remained almost stable. Considering the prospects and potential risks in the global and domestic economy the Medium-Term Macroeconomic Framework (MTMF), 2018 - 2020 has been formulated.

3. Banking Sector

Banking sector in Bangladesh has played a tremendous role in mobilizing savings and providing funds to various sectors in the economy. Throughout the journey, the sector has experienced several challenges similar to those experienced by many developing countries in their early years of development. The Central Bank, with an aim to attain greater financial stability, adopted risk based capital adequacy framework recommended under BASEL

accord. As a developing country, Bangladesh has made commendable progress in terms of achieving financial inclusion and establishing regulatory supervision in the banking sector.

Key milestones in financial inclusion :

- The reach of banking service in Bangladesh has seen satisfactory progress through expansion of bank branches. Number of bank branches stood at 9,720 in June 2017 against 7,961 in December 2011.
- Agent banking, introduced in 2013, has seen tremendous growth in client acquisition. Through agent banking, fresh deposits worth USD 115 million and loan disbursement worth USD 10 million were made in rural and previously unbanked areas (Agent Banking Activities, March 2017).
- Mobile Financial Service (MFS) has posted staggering growth since its introduction in mid-2011. The services offered by MFS companies have facilitated faster transaction throughout the country.
- Shifting trends have been observed in the mode of transaction. Usage of plastic money has grown at unprecedented rate facilitated by a tech-savvy urban consumer base and proliferation of E-commerce.
- 100% of the private commercial banks in Bangladesh have adopted Core Banking Solution (CBS) to offer seamless service to the clients from any branch of a certain bank. Bangladesh Bank (BB), in 2016, took one step further by introducing a uniform Core Banking Solution, which would offer greater risk monitoring ability to the regulators and stakeholders.

3.1 Monetary Policy Stance of Bangladesh Bank

The monetary policy stances for the first and second half of FY2016-17 aimed at keeping inflation at a tolerable level and achieving desired economic growth and employment through adequate financing. The monetary policy stances for FY2016-17 were adopted with a view to achieving a GDP growth rate of 7.2% and maintaining an annual average inflation rate within 5.8%. In this pursuit, broad money and reserve money growth at the end of FY2016-17 were targeted at 15.5% and 14.0% respectively. During the concerned period broad money and reserve money grew by 10.9% and 16.3% against the growth of 16.4% and 30.1% respectively in the preceding fiscal year. Growth in broad money declined mainly due to the slow growth in Net Foreign Assets (NFA) and substantial decrease in public sector credit. On the backdrop of robust import growth, slow export growth and shrinking remittances inflow the growth in NFA decreased to 14.4% from the previous year's growth of 23.2%.

4. IFIC in the Banking Sector of Bangladesh

International Finance Investment and Commerce Bank Limited (IFIC Bank) was set up at the instance of the Government in 1976 as a joint-venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint-venture banks/financial institutions aboard. In 1983 when the Government allowed banks in the private sector, IFIC was converted into a full-fledged commercial bank. The Government of the People's Republic of Bangladesh now holds 32.75% of the share capital of the Bank and the rest of the share capital is held by the Sponsors/Directors, local and foreign institutions and general public shareholders.

A total of 141 branches of IFIC are dedicated to fulfill the Mission of providing services to the clients with the help of a skilled and dedicated workforce. As one of the leading banks of the banking sector in the country, IFIC is always committed to the welfare and economic prosperity of the people and the community.

4.1 Client as Trusted & Development Partner

IFIC recognizes customers as partners and aims at providing high quality products and services at a fair price. The Bank focuses on supplying of Customer Service Excellence in those products and services with the optimum desire to gain total customer satisfaction and confidence. The Bank hopes to build reliability, trust and friendship through honesty and integrity for healthy long-term alliances.

The Bank looks after every client to make him/her a development partner through addressing his/her banking needs and wants to provide best services at affordable prices.

The Bank provides a professional, safe and enjoyable work environment that supports job enthusiasm, positive relationship and effective teamwork. The Bank provides clear directions to motivate the team to achieve the goals. The Bank seeks to inspire loyalty to the company by treating all the employees with respect, recognition and understanding.

4.2 Cluster Management

Cluster Management is considered as a new and highly efficient forms of innovation support provider that provides and channelizes specialized and customized business support services to enterprises. Our high quality cluster management is working relentlessly to ensure cluster excellence in the Bank and efficient cluster managers act as a driving force for the clusters. The performance is very much linked to the professional expertise and the capabilities of them who dispose of good cluster insight, necessary for effctive support to the cluster members.

5. Financial Performance of IFIC Bank Limited

The year 2017 proved to be a pivotal year in our efforts to optimize our business model for driving future growth. Despite the number of changes, the Bank reported a respectable performance during the year 2017 in terms of balance sheet and profitability which is a testimony of its robust business model. It was made possible because of the combination of various factors such as increasing strong brand visibility in the market, selling products like IFIC Home Loan and IFIC Aamar Account to the targeted group, improving human resource capacities, managing prudential credit risks, growing emphasis on technology, focusing on compliance framework and the teamwork.

5.1 Financial Position Based on Separate Financial Statements

At the end of year 2017 total deposit of the Bank stood at BDT 200,206 million compared to BDT 160,155 million with denoted growth of 25.0% over the previous year. On the other side at the end of year 2017 CASA deposit mix of the Bank stood at 21.9% vis-à-vis 24.6% of year 2016 which is slightly lower than that of the last year as bank is giving more emphasis on long term fund rather than short term. However, at the end of year 2017 total CASA deposit increased by BDT 4,529 million from year 2016 which is 11.5% over last year.

BDT in million

Particulars	Y2017		Y2016		Change
	Amount	Mix	Amount	Mix	
CASA	43,885	21.9%	39,356	24.6%	11.5%
FDR and Others	156,321	78.1%	120,799	75.4%	29.4%
Total Deposit	**200,206**	**100.0%**	**160,155**	**100.0%**	**25.0%**
Corporate	114,269	63.7%	86,839	66.1%	31.6%
SME	28,690	16.0%	28,067	20.5%	2.2%
Retail	36,306	20.3%	22,212	16.2%	63.5%
Total Loans	**179,264**	**100.0%**	**137,118**	**100.0%**	**30.7%**

On the other hand the Bank recorded BDT 179,264 million as loans and advances at the end of year Y2017 vis-à-vis BDT 137,118 million of the previous year representing 30.7% growth compared to last year. These growths lead the total assets to increase to BDT 253,249 million, which is 28.5% higher than the previous year its BDT 197,051 million.

The Bank is continuously working to mitigate the credit risk concentration and focus on increasing the mortgage backed small ticket home loan under retail segment. At the end of year 2017 the Bank recorded total home loan at BDT 26,209 million compared to BDT 12,565 million at the end of year 2016 with posted 108.6% growth over last year. As a result mortgage backed home loan mix under retail segment to total lending portfolio stood at 14.6% compared to 9.2% of last year and overall retail portfolio mix stood at 20.3% vis-à-vis 16.2% of prior year. On the other side corporate lending portfolio mix reduced to 63.7% at the end of year 2017 opposed to 66.1% in 2016.

5.2 Asset Quality

Year 2017 was very challenging to maintain the asset quality of the banking sector and banking sector non-performing loan (NPL) ratio stood 9.3% at the end of year 2017 vis-à-vis 9.2% of year 2016. In contrast, at the end of year 2017 NPL ratio of the bank stood at 6.4% compared to 5.3% of year 2016. The NPL ratio increased by 1.1% in 2017 due to downgrade of few accounts both on qualitative and objective criteria. However, the bank made well coverage against such NPL portfolio to mitigate the credit risk. At the end of the year 2017, the Bank has maintained total provision of BDT 5,310 million and kept interest suspense BDT 4,953 million against total loans and advances. At the end of year 2017 net NPL ratio of the bank stood at 3.4%.

5.3 Financial Performance

Due to continuing moderate growth of loan portfolio and efficient management of products mix, the Bank posted net interest income of BDT 5,490 million from BDT 4,375 million of Year 2016 which is 25.5% higher than the prior year. The most positive attribute of IFIC in 2017 is the financial performance denoted in growth in assets. On the other side, non-interest income reached at BDT 4,272 million in 2017 against BDT 4,111 million in 2016.

BDT in million

Particulars	2017	2016	Change
Net Interest income	5,490	4,375	25.5%
Non-Interest income	4,272	4,111	3.9%
Total operating income	**9,763**	**8,486**	**15.0%**
Total operating expenses	5,348	5,066	5.6%
Profit before provision	**4,414**	**3,420**	**29.1%**
Total Provision	2,038	1,336	52.5%
Profit before taxes	**2,377**	**2,084**	**14.1%**
Net profit after tax	**2,068**	**1,214**	**70.3%**

In the expense side, the bank incurred total operating expenses of BDT 5,348 million during 2017 opposed to BDT 5,066 million of year 2016. During the year 2017 total operating expenses increased by 5.6% over the corresponding year which is very nominal and in line with the business growth of the bank.

IFIC reported Operating profit/Profit before provision of BDT 4,414 million in 2017 compared to BDT 3,420 million in 2016, which denoted a healthy

growth of 29.1% over the previous year due to higher level of net interest income. IFIC continued following its laborious approach in dealing with the non-performing and high risk credit portfolio. To make good coverage against its non-performing assets IFIC made a provision for loans & advances and investment of BDT 2,038 million in 2017 against BDT 1,336 million in 2016. Therefore, Profit before tax stood at BDT 2,377 million in 2017 which is registered a growth of 14.1%, against BDT 2,084 million in 2016.

During the year the bank made BDT 750 million provision for current tax after considering the prior years' excess/surplus provision. On the other hand bank accounted for BDT 441 million deferred tax income in the year 2017 which is mainly arisen due to higher level of loan loss provision under category of doubtful and bad & loss. With the positive impact on deferred tax income total Profit after Tax of the bank stood at BDT 2,068 million in 2017 compared to BDT 1,214 million in 2016 which demonstrates 70.3% growth in 2017.

5.4 Quarterly Disclosed Financial Performance with year 2017 Financial Performance

The quarterly financial performance of the Bank namely in terms of interest income, net interest income, operating income was mostly consistent in all the 4 quarters. However, operating expenses have changed slightly and increased in the 4th quarter mainly for the recognition of non-regular expenses like incentive bonus and charges on loan losses against write offs.

BDT in million

Particulars	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Y2017
Net Interest income	1,173	1,433	1,233	1,652	5,490
Non-Interest income	975	1,088	971	1,239	4,272
Total operating income	2,148	2,521	2,204	2,890	9,763
Total operating expenses	1,159	1,251	1,215	1,723	5,348
Profit before provision	988	1,270	989	1,167	4,414
Total Provision	528	386	458	666	2,038
Profit before taxes	461	885	531	501	2,377
Net profit after tax	248	433	496	890	2,068

5.5 Rights Share Utilization and Capital Adequacy Position

To meet the regulatory capital and strengthen the capital base of the Bank as per Basel – III, the Board of Directors of the Bank recommended rights shares at the ratio of 1R:1 i.e. a total of 563,821,907 number of ordinary shares amounting to BDT 5,638 million in its 676th meeting held on 20 June 2016 which was subsequently approved by the Shareholders in its 39th Annual General Meeting held on 14 July 2016. After complying the all regulatory compliance, Bank declared the record date for entitlement of rights share on 17 April 2017 and fixed the subscriptions period from 31 May 2017 to 29 June 2017. Bank credited the Rights share to the shareholders' BO accounts through CDBL on 19 July 2017. At the end of year 2017, total paid up capital of the bank stood at BDT 11,953 million after considering the rights issue.

As per approval of BSEC and implementation schedule contained in the Rights Share Offer Document, the Bank utilized full amount of Rights Share proceeds in following manner:

BDT in million

Particulars of Capital Utilisation	Amount
Term Loan	4,000
Continuous Loan	1,000
Demand Loan	638
Total	**5,638**

After issuance of rights share in 2017, Tier-1 Capital stood 18,875 million vis-à-vis BDT 11,609 million of year 2016 and Tier-2 Capital stood 5,239 million which includes 07 (seven) years Non-convertible Coupon bearing Sub-ordinated Bond of BDT 3,500 million which was issued in Y2016. Capital to Risk-weighted Asset Ratio (CRAR) of the Bank stand at 12.57% at the end of year 2017 compared to 11.25% of year 2016 against the minimum requirement of 11.25% (including Capital Conservation Buffer). As per Basel-III guidelines, Bank have to raise Capital Conservation Buffer at the rate of 0.625% every year starting from year 2016 up to year 2019 above the regulatory minimum capital requirement of 10.0%. Details of Market Discipline shown in (Basel-III) section.

BDT in million

Particulars	2017	2016
Tier-1 Capital	18,875	11,609
Tier-2 Capital	5,239	5,318
Total Regulatory Capital	**24,114**	**16,928**
Total risk-weighted assets	191,773	150,523
Required capital @11.25% [Y2016: 10.625%]	21,574	15,993
Total capital surplus	**2,539**	**935**
Capital to Risk-weighted Asset Ratio:		
Common Equity Tier-1 to RWA	9.84%	7.71%
Tier-2 Capital to RWA	2.73%	3.53%
Capital to Risk-weighted Asset Ratio	12.57%	11.25%

5.6 Appropriation of Profit and Dividend

In the year 2017 Earnings Per Share (EPS) has increased to BDT 2.02 compared to BDT 1.38 in

last year (Y2016: restated). Considering the overall performance of the bank, the Board of Directors has recommended 12% stock dividend for the year 2017 with a view to rewarding shareholders in the long run through retaining capital to maintain the capital adequacy ratio to support future growth.

BDT in million

Particulars	2017	2016
Opening retained surplus	2,269	2,076
Less: Stock dividend issued	(677)	(604)
Opening retained surplus	**1,593**	**1,472**
Add: Profit after tax	2,068	1,214
Sub-total	**3,660**	**2,686**
Less: Transfer to statutory reserve	(475)	(417)
Closing retained surplus	3,185	2,269
Less: Deferred tax asset	(1,335)	(863)
Available distributable profit	**1,850**	**1,406**

5.7 Five Years Performance

The bank has achieved its intended balance sheet growth as well as sustainable profit growth over the last five years. Details of all the key financial highlights of the bank for the last five years are shown in page number 89 of the annual report.

6. Credit Rating

IFIC Bank is rated by Credit Rating Agency of Bangladesh Limited (CRAB). The latest and previous rating of the Bank is furnished below:

Ratings	Date of Raring	Long Term	Short Term	Outlook	Validity
Current	30-Jun-17	AA_2	ST-2	Stable	30-Jun-18
Previous	30-Jun-16	AA_2	ST-2	Stable	30-Jun-17

In long term the CRAB rated the Bank AA2 which represents very strong capacity to meet the financial commitments and which is a very small degree of difference from the highest-rated Commercial Banks. AA is judged to be of very high quality and is subject to very low credit risk.

In short term the CRAB rated the Bank ST-2 which represents strong capacity for timely repayment. Commercial Banks rated in this category are characterized with commendable position in terms of liquidity, internal fund generation and access to alternative sources of funds.

7. Contribution to the National Exchequer

During the year 2017, the Bank deposited BDT 2,946 million to the Government exchequer out of which BDT 796 million as income tax, BDT 1,593 million of withholding tax, BDT 364 million of VAT and BDT 192 million of Excise Duty. According to the law of the country, bank pay tax and collects withholding tax and VAT and deposit the same to the Government Exchequer in due time.

8. Related Party Disclosure

Disclosure of all related parties, including basis for such transactions, has been provided in Annexure F of Audited Financial Statements.

9. Overseas Operations

Since its journey in 1983, IFIC Bank has been playing the pioneering role among the private sector banks in establishing joint venture/ overseas operations beyond the national boundary. The Bank has so far been able to set up joint venture operations in Maldives, Oman, Nepal, Pakistan and UK. Bank's operation in Maldives was, however, handed over to the Maldivian Government in 1993.

Overseas joint venture operations have not only brought a positive image for the Bank in the International arena but also contributed to its profitability. A pen picture of the existing overseas joint venture operations of the Bank is furnished hereunder for information of the Honorable Shareholders.

9.1 Nepal Bangladesh Bank Limited

Nepal Bangladesh Bank Ltd., a joint venture "A-Class" commercial bank between IFIC Bank Limited and Nepali nationals, started operation with effect from 06 June 1994 in Nepal. The Bank has a network of 54 (Fifty four) branches at different important locations in Nepal. IFIC Bank presently holds about 40.91% shares in Nepal Bangladesh Bank, Nepal.

The profitability of Nepal Bangladesh Bank is in the increasing trend and recently, Nepal Bangladesh Bank declared 12% Stock Dividend and 3.79% Cash Dividend during FY 2016-17 to its shareholders.

9.2 Oman Exchange LLC

Oman Exchange LLC, a joint venture between IFIC Bank Limited and Omani nationals, was established in 1985 to facilitate remittance by Bangladeshi wage earners in Oman. IFIC Bank holds 25% shares, and the balance 75% is held by the Omani sponsors. The exchange company has a network of 14 (fourteen) branches covering all the major cities/towns of Oman. The operations of the branches are fully computerized having online system.

9.3 MCB Bank Limited, Pakistan

IFIC Bank had two branches in Pakistan, one in Karachi and the other in Lahore. Karachi Branch was opened on 26 April 1987, while Lahore Branch was opened on 23 December 1993.

To meet the Minimum Capital Requirement (MCR) of the State Bank of Pakistan, the Overseas Branches in Pakistan have been amalgamated with a reputed

leasing company in Pakistan named National Development Leasing Corporation Ltd. Therefore, the existence of Bank's above Overseas Branches has been ceased w.e.f. 2 October 2003 and a new joint venture bank titled NDLC-IFIC Bank Ltd. emerged in Pakistan w.e.f. 3 October 2003. The Bank was subsequently renamed as NIB Bank Limited.

NIB Bank Limited has been again merged with and into MCB Bank Limited w. e. f. 7 July 2017. After merger with and into MCB Limited, IFIC Bank Limited hold 175,508 numbers of shares of MCB Bank Limited.

9.4 IFIC Money Transfer (UK) Limited

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

9.5 Correspondent Banking Relationship

IFIC Bank Ltd. has a wide range of correspondent network across the world to facilitate smooth foreign trade transactions. The Bank maintains 26 Standard Settlement Instructions (Nostro Account) involving 7 currencies e.g. AUD, ACU-D, CHF, EUR, GBP, JPY and USD at important financial centers. Total correspondents of IFIC Bank Ltd. stands at 475 (Local & abroad) as of 31 December 2017.

9.6 Foreign Remittance

IFIC Bank handles both inward and outward foreign remittance products. The outward remittance includes FC Cash/FDD and Wire transfer by SWIFT. The Bank's inward remittance covers account credit service and instant cash payout service under Electronic Fund Transfer (EFT) arrangement. The inward foreign remittance business was amounted to BDT 17,072 million (equivalent USD 213.4 million) in 2017.

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

IFIC Bank has remittance arrangement with the following 8 (Eight) Exchange Companies to cater the inward foreign remittances from abroad including Bank's own and its joint venture exchange company:

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

10. Products and Services

IFIC Bank has focused on technology-based modern banking facility including Real-time Online Banking, ATM, SMS Banking, Point of Sale (POS), Credit Card, Debit Card and Prepaid Card in addition to traditional products/services.

10.1 Corporate Banking

IFIC Bank offers comprehensive Corporate Banking solution through sophisticatedly designed products and services including flexible & structured financial, advisory & operational support to meet the diverse financial needs of growing corporate sector of the country. Our prime focus is to build and maintain long-term mutually beneficial relationship with the corporate clients, and being a part of their journey towards development and growth. With expertise, innovation and dedication, our skilled Relationship Managers, in addition to traditional industries, are providing financial facilities to RMG, Textiles, Power, Telecommunications, Packaging, Edible Oil Refinery, Healthcare, Renewable Energy, Hotel & Tourism, Construction, Pharmaceuticals, Steel, Ship Building, Trade & Commerce, Agri-Business (Poultry, Food Processing) sector etc. IFIC Bank offers various funded and non-funded facilities to assist manufacturers, traders and service industries which include but not limited to the followings:

- Working Capital Finance
- Industrial & Project Finance
- Trade Finance
- Lease Finance
- Syndication & Structured Finance
- Treasury & Off-shore Banking
- Letter of Credit and Bank Guarantee services

10.1.1 Working Capital Finance

Businesses concerns, manufacturing or trading, frequently face shortage of cash flow due to upgradation, Balancing Modernization Rehabilition and Expansion (BMRE) of existing set up or to procure raw materials and to meet day to day expenses.

Funded facilities are Secured Over Draft (SOD)/ Over draft (OD), Overdraft (Garments), Cash Credit (CC), Loan against Trust Receipts (LTR), Work order Financing, Short-Term loan, Demand Loan/Time Loan, Loan General.

Non-funded facilities are bank guarantees and Letter of Credits as best suited to client's liquidity requirement and risk profile.

10.1.2 Industrial & Project Finance

IFIC Bank provides project finance for various industrial projects in the form of Term Loans for civil construction, procurement of machinery, and BMRE. Lease Finance is offered for procurement of vehicle and LC for import of machinery.

10.1.3 Trade Finance

IFIC Bank has long history in financing and facilitating trade finance. The bank has experienced professionals to support customers in dealing with trade related services. The bank is centralizing its trade services to offer faster services to the clients.

a. Import

The bank support import functions through the following:

- Letter of Credit- – Sight/Usance
- Standby Letter of Credit
- Payment Against Documents (PAD)
- Loan against Imported Merchandize (LIM)
- Loan against Trust Receipt (LTR)
- Shipping Guarantee

b. Export

To support the export functions, the Bank has the following in place.

1) Pre-shipment finance

- Back to Back Letter of Credit issued against the export (master) credit to facilitate export oriented RMGs
- Export LC (Advising & Transfer)
- EDF Loan, ECC, Over Daft (Garments), Packing Credit

2) Post-shipment Finance

- Export Bill Purchase
- Export Bills Collection
- Inland Documentary Bill Purchase/Foreign Documentary Bill Purchase
- Others

c. Fire Fighting & Safety Equipment Loan

To purchase & installation of Fire Fighting/Safety Equipments/water reservoir for safety and fire prevention in export oriented RMGs at reduced rate of interest.

d. Green Factory Building Loan

Under BB's Refinancing Scheme: Renewable energy and environment friendly sector at reduced rate of interest.

e. Long Term Financing Facility

Under Financial Sector Support Project [FSSP]: Bangladesh Bank will provide long term financing in foreign currency mainly for small and medium scale manufacturing enterprise with a view to increased output in the country.

10.1.4 Off-shore Banking Unit (OBU)

IFIC Bank has OBU to cater to the banking needs of the customers to increase foreign trade business in foreign currency in line with BB guidelines –

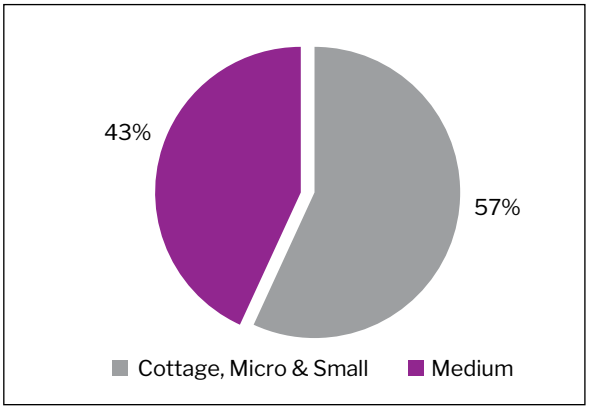
- **Add Confirmation to L/Cs:** To Deferred Credits issued by other Banks or Branches of IFIC Bank for smooth execution of L/C terms.
- **Bill Discounting (Import Bills):** To secure clients' business growth and improve their negotiating base with suppliers.
- **Discounting of Export Bill:** An exporter derives benefit from interest rate differential when discounting export bills by OBU.
- **Foreign Currency Time Loan/Term Loan:** Foreign currency loans are available to both resident (with BIDA permission) and foreign owned companies under a set of agreed terms and conditions.
- Buyer's Credit
- UPAS L/C payment

10.2 SME Performance

IFIC Bank now serves SME customers through its' 141 branches all over Bangladesh.

SME Portfolio

At the end of 2017, IFIC Bank's total SME portfolio was BDT 28,690 million of which Cottage, Micro & Small Enterprise financing was BDT 16,315 million i.e. 57% of total SME. The financing in Medium Enterprise was BDT 12,375 million i.e. 43% of total SME.



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

Key loan products of SME

SL	Product Name	Remarks
01	IFIC-Krishi Shilpo	Loan for Agro. Based Industry
02	IFIC-Shilpo Sohay	Loan for Cottage & Micro Industry
03	IFIC-Shilpo Shongjog	Loan for Manufacturing & Service Industry
04	IFIC-Protyasha	Loan for Women Entrepreneurs
05	IFIC-Prantonari	Loan for Grassroots Women Entrepreneurs

10.2.1 Financing & Training of Women Entrepreneurs (WE)

IFIC Bank supports women entrepreneurs through providing loans and organizing training/workshop for their capacity building. The bank provided 352 loans to WEs amounting BDT 771 million in 2017.

To promote business know how among WEs, IFIC sponsored two-day long skill development training for jute handicraft producers held on 2 & 3 February 2017 in corporation with Association of Grassroots Women Entrepreneurs Bangladesh (AGWEB) at Barisal.

10.2.2 Financial Inclusion Activities

In accordance with Bangladesh Bank's financial inclusion agenda, IFIC Bank is engaged in 10 Taka account program to serve small/marginal/low income professionals/traders etc. The bank disbursed BDT 6.86 million to 10 Taka Account holders in 2017.

IFIC Bank has also been engaged in school banking program since 20 February 2014. Cumulative number & volume of school banking accounts are 14,409 and BDT 1.6 million respectively.

A school banking conference was organized on 14 October 2017 at Bhola as part of the financial inclusion activities of IFIC Bank.

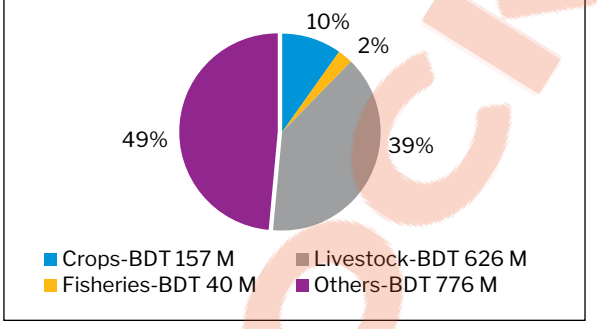
10.2.3 Agriculture Credit

Key loan products

SL No.	Name	Remarks
01	IFIC-Suborno Gram	Loan for crops, fisheries & livestock
02	Sech Soronjam	Loan for irrigation equipment
03	Krishi Soronjam	Loan for cultivation instrument

At the end of 2017, IFIC Bank's total Agricultural credit was BDT 3,371 million.

Sector wise Agricultural loans as on 31.12.2017



10.2.4 Bangladesh Bank Directed Loans

SL	Sector	Target for FY 2017-2018	Proportionate achievement till 31.12.2017
01	High Value crops @ 4.00% interest	BDT 6 million	BDT 1.5 million (50%)
02	Milk Production & Artificial Insemination	BDT 80 million	BDT 81 million (101%)

10.3 Retail Banking

The preferences of Bangladeshi consumers are evolving rapidly with the increasing penetration of technology in the area of banking. New products, new channels and new service experiences are shaping the banking landscape of the future. IFIC Bank has addressed the area of understanding customer needs and focused on designing solutions in line with its philosophy of serving the customer as a one-stop financial service provider.

The Bank continues its endeavor in the area of technology to provide a superior customer experience. The Bank is in the process of upgrading its internet banking platform to enable a superior online experience.

Over the last few years, there has been a major change in the mindset of our consumers. Retail Credit, which was considered as unreachable, is today a means of fulfilling the growing aspirations of Bangladeshi middle class, especially the growing population of the 25-44 age groups. The decline in corporate credit forced banks to increase their presence in the retail finance market. The rise in income levels, together with fall in interest rates and growing competition, has increased the affordability of loans for borrowers.

Moreover, retail Banking now- at a very rapid pace – become the major revenue line for most of the top banks in the country. For this Retail Banking Division has re-launched its HBL product "Thikana" in the name of **"IFIC Home Loan"** for any credit worthy individuals who wish to buy Apartment/flat, construct building for home use or renovation of their existing flat/house etc. With that amendment Home loan becomes the most vital lending products in IFIC. With continuous effort and dedication from all stakeholders, IFIC now stands market leader among banks in terms of incremental growth of its number of customer and volume. As of 31 December 2017, total home loan outstanding is BDT 26,209 million with a total of 6,165 customers.

To facilitate one stop banking solution through reducing cost and hassle of maintaining multiple accounts for deposit and loan, IFIC Bank introduced first ever hybrid account in entire banking history of Bangladesh in the name of "**Aamar Account**". Customers are getting interest from deposit balance on daily basis and can enjoy loan facility whenever needed with 50% reduced rate than credit card. One card of this account will act as debit card and credit card. Through this account IFIC Bank, for the first time, introduced 1 hour loan processing only for the Govt. employees in Bangladesh.

Focus in 2018

- Continue the effort for diversifying retail loan portfolio through enhancing home & mortgage based loan;
- Continue effort for Aamar Account business to diversify retail deposit and loan portfolio;
- Launching innovative technology based products to tap into the growing opportunities in the thrust sectors;
- Ensuring best consumer banking experience through improving service quality.

10.4. Alternative Delivery Operation

10.4.1 ATM Services

IFIC Bank has introduced ATM Services from 2011 and till end of 2017 IFIC Bank has installed 76 ATM Booths with 88 ATMs all over the country. The Bank has special arrangement with corporate houses where ATM has been installed to facilitate their employee's monthly salaries and other needs. The Bank accepts cards from three networks namely Visa (Local and Foreign), Q-Cash Member Banks and NPSB Member Banks.

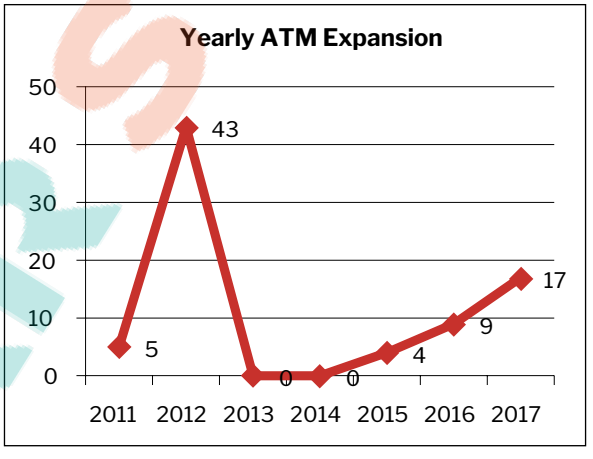
Initiatives in 2017

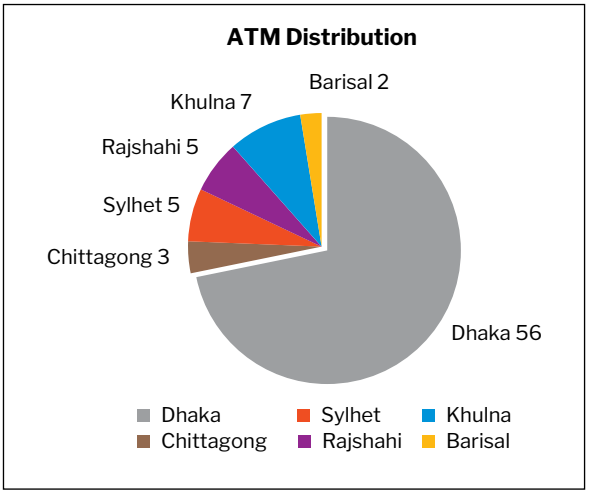
- Installation of Anti-Skimming Devises into all ATM to prevent Card Skimming and Fraud
- Expansion of countrywide 17 new ATM Booths
- Updated all ATM and Branch location information into Bangladesh Bank Mobile Apps Software
- Introduction of EMV ATM Acquiring into all ATMs – it enables acceptance of EMV Chip Cards into all IFIC ATMs which prevents fraud

Vision for 2018

- Install ATM Inside Dhaka – 20 Nos.
- Install ATM Outside Dhaka – 30 Nos.
- Introduction of new services through ATM
- Implementation of Centralized CCTV Monitoring System
- Implementation of Real-time Network Monitoring System
- Introduction of Cash Recycler ATM
- Introduction of First Track ATM Booth Service

At a glance IFIC ATM Services





10.4.2 POS Services

IFIC Bank has been in Merchant Acquiring business since 2008. Till end of 2017 the total numbers of POS installed wase 185 of which 95 merchant POS and 90 Branch POS. IFIC Cardholders can withdraw from any branch of the Bank through Branch POS which is

very secured since it is mandatory to input PIN during Transactions. Presently the Bank is providing VISA branded European Master Visa (EMV) Chip cards as International Credit Card to its Customers in addition to Magnetic Stripe Debit and Credit Cards.

Now, the Bank wants to introduce PIN acceptance at POS Terminals for ensuring the security standards for customers complying with Bangladesh Bank and Visa.

Bank accepts cards from three networks namely, Visa (Local and Foreign), Q-Cash Member Banks and NPSB Member Banks into IFIC Merchant POS.

Merchant POS Deployment at a Glance:

Sl.	District	No. of POS Installed
1	Dhaka	77
2	Chittagong	01
3	Sylhet	01
4	Bogra	03
5	Faridpur	02
6	Cox's Bazar	02
7	Srimongol	09
Total		**95**

POS Vision for 2018

- Accept Visa Contactless transaction in all Merchant POS Terminals
- Roll Out Branch POS in all IFIC Branches
- Expand Merchant POS Network

10.4.3 Card Services

IFIC Card is powered by VISA, world's largest electronic payments network. IFIC Bank has been issuing VISA branded Credit Card, Debit Card & Prepaid Card and which can be used both at home & abroad. Customer can choose any of the above cards according to his/her need. Local cards can be used at any ATM displaying VISA Logo for withdrawal of cash and at any POS displaying VISA Logo for purchase of goods & services within Bangladesh. International cards can be used globally through worldwide VISA network. ATM and POS transactions are to be secured by Personal Identification Number (PIN) known by the concerned customer only. However, all the transactions are to be authorized by the system electronically. The Bank has issued more than 5,000 credit cards and 161,000 debit cards up to 31 December 2017.

The Bank has been issuing VISA branded debit cards including credit gold and classic cards for both local and international use since June 2007.

IFIC Bank has been issuing Aamar Account Dual currency card and it is a unique transactional account where both deposit and overdraft facility is enabled in a single account. IFIC Bank has introduced this type of account for the first time in Bangladesh which will ultimately reduce the account operation cost of the customer with numerous benefits in a single account.

IFIC Bank VISA EMV chip based credit card has been introduced in January 2017 and this card is more secured than magnetic strip card.

Moreover, the Bank is planning to introduce the following products and services in 2018

- Introduce EMV chip based Debit card,
- Introduce Aamar Account dual currency chip based card,
- Own card management switch (presently we are using share switch/network from ITCL)
- Procurement of EMV card personalization machine
- Introduce contactless card
- Introduce contactless POS

Dispute & Fraud Management

In 2017 the Bank has taken different initiatives to minimize fraud risks and disputes efficiently. As per Bangladesh Bank compliance and to minimize fraud risks and avoid Visa Liability following Projects have been implemented:

- Verified by Visa (VbV) –safeguard customers on e-com txn by providing OTP during txn
- Visa EMV ATM Acquiring – prevent fraud and avoid visa liability shifting
- Visa EMV POS Acquiring – prevent fraud and avoid visa liability shifting.
- Visa PIN@POS – prevent fraud and force customers to input PIN during POS Txn.
- Visa EMV Chip based Credit Card – prevent fraud and prevent card cloning.
- Security measures for mitigations Fraud Risk for Card transactions.

Dispute Resolution (Local Currency)

BDT in million

Sl. No	Network	Number of Dispute	Charged Back amount
1	NPSB (ROU)	537	5.59
2	NPSB (Off Us)	82	3.96
3	Q-Cash (ROU)	405	0.97
4	Q-Cash (Off Us)	91	0.30
5	Visa (ROU)	3	0.02

Dispute Resolution (Foreign Currency)

Figure in USD

Sl. No	Network	Number of Dispute	Charged Back amount
1	Visa (ROU)	03	240

Fraud Resolution (Foreign Currency)

Figure in USD

SL No	Network	Number of Fraud	Resolved amount
1	VISA (ROU)	02	12,675

Dispute & Fraud Management Vision for 2018

To minimize Fraud, the Bank has taken initiative to implement following Projects:

- Introduction of Online Fraud Management Analyzer and Prevention Software.
- PCI & DSS Security.
- Round the clock suspicious monitoring team.

10.4.4 Contact Center Service

IFIC Bank, aiming to provide excellent service to the customer, has been operating **24/7** servicing hours since 2012. By simply dialing 16255 or 09666716255 customers can avail banking service anytime from anywhere. The Contact Center has now become an essential part of the Bank to maximize customer satisfaction through highest service level in a timely and cost-efficient manne.

The IFIC Bank Contact Center team is dedicated to provide several services that facilitate all other departments of bank running their campaigns. The major services are as follows:

Presently Contact Center Services are Delivered to Customers in the following ways

- Inbound Call Service through interaction with agents.
- Outbound Call Services of Contact Center.
- E-Mail Correspondence Service.
- In-built call recording system for future reference.

New Systems and Processes Incorporated in Contact Center

- Service level in the system (20 Second Threshold)
- Card Activation
- Dash Board from where we can see live (Agents Log in, Customers in Queue, How many Agents in Break, Agents total call)
- From newly implemented dash board it is easy to generate services from the system like time-wise total calls, abandoned calls, calls received and abandoned etc. Even last 2 years data is available
- For making IFIC contact center an Industry Standard, following functional teams have been formed
- (A) Inbound Team (B) Outbound Team (C) MIS Team (D) Scheduling Team (E) Service Quality Team (F) ATM Service and Suspicious Transaction Monitoring Team
- A new industry standard report has been introduced from where at a glance it will be easy to know Daily Contact Center performance and Daily Transaction (Successful, Unsuccessful (Unsuccessful due to System end, Unsuccessful due to customer end, Unsuccessful at EOD time)
- We have implemented a new process from where we can differentiate between the Customers who are calling to the contact center, IFIC customers and non-IFIC customers (From where we can get an idea what non IFIC customer demand)

Call Volume

Year	Total No. of Calls	Growth
2017	**2,45,004**	**32%**
2016	**1, 86,060**	**22 %**
2015	**1, 52,293**	

Performance Level

Year	Service Level
2017	94.9*

*It means 94.9% of Calls were received by Contact Center within 20 seconds

Vision for 2018

With the success of Contact Center and the objective to broaden the service spectrum, the Bank should now leap forward and provide the full range of Contact Center services of global standards to the valued Customers by the following ways

The Bank is going to incorporate robust software with state-of-the-Art technology:

- Automated self IVR service for customer
- Screen pop up with customer identification
- Real time display of service level
- Predictive auto outbound dialer
- Priority customer identification
- Incorporate IVR (Automated Voice Response services with TPIN) from where customer will be able to get his desired banking service without talking to an agent.

11. Risk Management

Risk Management plays a vital role for maintaining sustainable business growth in the banking industries. Risk management makes available support to trim down potential risks that could

arise from unexpected outcome of any event. The most important objective of Risk Management is to aptly balance the trade-off between risk and return. IFIC faces different types of risks in its day to day business operations, and as well as it handles risks judiciously to ensure optimum return on its business operation.

The main concern of the bank is to manage core risks and other material risks prudently and efficiently to ensure management of balance sheet, adequate liquidity, profitability, capital adequacy in a reasonable manner. Therefore we identify, measure and analyze the risks properly in order to ensure sustainable growth in the banking business comparing to challenging financial and economic environment. A structured risk management framework is needed for a bank to address properly so that the risks associated in different areas can be minimized. Risk is inherent with the Banking business and IFIC Bank is continuously trying to maximize shareholders' value by achieving an appropriate trade-off between risk and returns.

Senior management also involved in all sorts of risk management initiatives and act as a driving force to minimize the risks inherent with the banking business.

The Risk Management Committee at the Board level is accountable for the overall risk supervision. This includes reviewing and approving risk management policies, risk appetite, risk exposures and limits ensuring the necessary infrastructure and resources in place.

11.1 Credit Risk Management

IFIC Bank Limited, being one of the leading first generation banks has a number of policies for sustainable business growth and robust risk management. Credit Risk Management is the most significant one among five core risks of the Bank. Credit Risks Management requires robust policies, rigorous compliance and timely revision. The Credit Risk Management Policy of the Bank was lastly revised in 2017. In line with the new policy guidelines of Bangladesh Bank and implementation of Basel-III, and the changed environment of money market, credit culture, risk diversity and dimension, the Bank is preparing its "CRM Policy" for more stringent Credit Risks Management. The Bank's credit policy addresses the following:

- Definition of Credit Risk, types of loan facilities, facilities offered to corporate clients, discouraged business types/sectors;
- Managing Credit Risk in the origination process;
- Detailed and formalized credit evaluation/ appraisal and approval process;
- Credit origination, administration and documentation procedures;
- Approval procedure of credit extension beyond prescribed limits and other exceptions to the CP;
- Risk identification, measurement, monitoring and control and acceptance criteria;
- Credit approval authority at various levels including authority for approving exceptions and responsibilities of staff involved in credit operations;
- Roles and responsibilities of staff involved in origination and management of credit;
- Credit Risk mitigation strategies includes risk mitigation, acceptable collateral securities and its valuation, insurance coverage, terms and conditions in the sanction advice, general covenants;
- Managing credit risk in the administration process;
- Management Information System for managing Credit Risk;
- Concentration limits on single party or group of connected parties, particular industries or economic sectors, geographic regions and specific products;
- Risk based pricing;
- Policies for the frequency and thoroughness of collateral verification and valuation;
- Review and approval authority of allowances for probable losses and write-offs;
- Guidelines on regular monitoring and reporting systems, including borrower follow-up and mechanisms to ensure that loan proceeds are used for the stated purpose;
- Guidelines on management of problem loans;
- Policies on loan rescheduling and restructuring;
- The process to ensure appropriate reporting and tolerance level of exceptions.

The Bank rigorously monitors sanctions of loans as well as their recovery. Big loans and loans sanctioned at branch levels according to delegation are supervised by higher levels of the bank regularly. Loan rescheduling and restructuring are also monitored in a very stringent manner. More emphasis is given on sanctioning secured loans. The bank's policy of minimizing risk through diversification is working more effectively.

11.2 Remedial Asset Management

Non-Performing Loans (NPL) seriously affect profitability of the Bank. Some borrowers do not follow discipline of payment of their loans and default. Some fail due to numerous reasons beyond their control. Bank's growth is retarded if loans are classified resulting not only suspension of interest income of those loans but forces to arrange loan loss provision from the income of the Bank.

Remedial Asset Management (RAM) has taken all out efforts to arrest the upward trend of NPL and to keep the percentage of classified loans at an acceptable level i.e. improvement of asset quality. In this regard, Remedial Asset Management Division, Credit Risk Management and Law & Legal Affairs Division of Head Office are working jointly and putting their concerted efforts to ensure substantial recovery of non-performing loans and avoid new classification.

RAM has a Recovery Policy which was lastly amended by the Board of Directors in its 570th emergency meeting held on 17 November 2011 for strengthening recovery of Non-Performing Loans.

On the basis of above recovery policy and related circulars of Bangladesh Bank, RAM has taken following steps for improvement of quality of Assets and profitability of the Bank:

- Close monitoring using Log Book for recovery of stuck-up loans as per Standard Operating Procedure (SOP).
- Teleconference between RAM & Branch and meeting among RAM, Branch & Clients for negotiation toward recovery.
- Amicable settlement.
- Rescheduling of NPLs.
- Waiver of Interest.
- Writing-off Classified Loans.
- Foreclosure of Security.
- Engagement/Entrustment of Recovery Agent
- Preparing a Diagnostics Tool for identification of root cause of being classification so that further classification can be retarded.

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

Comparative position of **Recovery and Income from Recovery** against Non-Performing Loans (NPL) in the year 2016 and 2017 were as under:

BDT in million

Particulars	2017	2016	Changes
Recovered by:			
a) Cash	1,463	1,337	126
b) Re-schedulement & Declassification	2,160	4,731	(2,571)
c) Waiver of Interest	35	32	3
Total	**3,658**	**6,100**	**(2,442)**
Total Loans	179,264	137,118	42,146
Total Non-performing Loans	11,478	7,251	4,227
NPL Ratio	**6.4%**	**5.3%**	**1.1%**
Recovery	**240**	**591**	**(350)**

11.3 Foreign Exchange Risk Management

Foreign Exchange risk arises when a bank holds assets or liabilities in foreign currencies and its impacts on the earnings and capital of bank due to fluctuations in the exchange rates. No one can predict what the exchange rate will be in the next period, it can move either in upward or downward direction regardless the estimates and predictions. This uncertain movement poses a threat to the earnings and capital of the bank, if such a movement is in undesired and unanticipated direction.

Commercial banks, actively dealing in foreign currencies, are continuously exposed to Foreign Exchange Risk. Foreign Exchange Risk of a commercial bank comes from its trade and non-trade services.

Foreign Exchange Trading Activities include the purchase and sale of foreign currencies:

- To allow customers to partake in and complete international commercial trade transactions;
- To allow customers (or the financial institution itself) to take positions in foreign investments;
- For hedging purposes to offset customers or its exposure in any given currency;
- For speculative purposes base on forecasting or expecting future movements in Foreign Exchange rates;

There is a real time fluctuation in floating exchange rate. Whenever a commercial bank deals in foreign currency, it is exposed to risk of exchange rate. When these transactions are done on the behalf of customers, the risk is also transferred to them.

Foreign Exchange risk management is one of the important responsibilities of Treasury Division of the Bank. The function of Treasury Front Office, Mid Office and Back Office are segregated. Mid Office and Back Office are conducting operations from a separate location apart from Treasury Front Office. Treasury Front Office manages and controls day-to-day trading and fund management activities and ensures continuous monitoring of the level of assumed risk and take necessary actions. Treasury Mid Office verifies deal and monitors limit. Back Office is responsible for deal confirmation, settlement of transaction, transfer of fund to NOSTRO accounts, timely recording and reporting etc. Reporting lines of the three offices are separate and independent to ensure minimization of risk.

As per directives of the central bank, the Bank has formulated a well-defined Treasury Manual with a view to minimize the foreign exchange risk. Bank also developed different strategies to control foreign exchange risk in the light of net open position set by central bank, overall gross limit for forward transaction, maximum loss limits per deal and per day, counter party limit etc. Market scenario of risk is monitored and measured by Treasury Division to manage the foreign exchange operations in such a way that earnings are not hampered against any adverse movement of market price.

11.4 Asset Liability Management

Managing Assets and Liabilities regarding Liquidity and Market risk is an essential process for banks and when not well managed, it creates a threat to the existence of the bank itself. To mitigate various risks in this regard Banks have its own ALM policy approved by the BODs. Under the bank's ALM policy, the management and the BODs take necessary steps as guided by Bangladesh Bank.

Asset Liability Management is a process which is managed by the Asset and Liability Management Committee (ALCO), comprising of the senior management of the bank, is primarily responsible for managing assets and liabilities under the set ALM policy. The major responsibilities of ALCO are as follows:

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

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

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

11.5 Internal Control and Compliance

The emphasis on ICC is a recent phenomenon in the banking industry in Bangladesh, despite the fact that core banking activities moved well ahead much earlier. This is apparent from the banking industry's support in the industrial growth in this country.

Banking is a diverse and complex financial activity, dealing primarily with public funds. As this could turn into a high risk activity, the issues of effective control systems become significant in order to encourage sound risk management practices and ensure sustainable, smooth performance and growth. Developing a system of effective internal control and laying a foundation for the safe and sound operation of banking organizations has become critical for banks.

Internal controls are put in place to keep the bank on course toward profitability goals, achievement of its mission, minimize loopholes, risk exposures and eliminate or reduce the risky element to achieve desired objectives. The responsibility of implementing internal controls starts with business, which are the "first lines, of defense" against breaches that could cause the bank not to fulfill its objectives, not to report properly or not to comply with laws and regulations. Beyond that, the three important "control tools" are risk management, compliance and internal audit. These key functions implement and reinforce the structure of internal controls. The first two of these control tools constitute the "second lines of defense" against mishaps. The final, or "third line of defense" is the internal audit function.

The process of Internal Control is established by the Board of Directors of the Bank through Senior Management whereby every individual is responsible for achievement of specific objectives to ensure efficient operations and comply with applicable laws, rules, regulations and internal policies. The Internal Control System of the Bank ensures that all the necessary policies, guidelines and manuals are in place and followed meticulously, including the Departmental Control Function Check List (DCFCL).

It is the framework with oversight of the Board of Directors and Senior Executives of the Bank under which an effective and sound internal control over the whole range of banking operations is developed, implemented and monitored. It consists of mechanism and arrangements that undertake the following:

- Builds up processes and systems of financial/ non-financial standards for internal and external

risks and mitigation to which the Bank is exposed;

- Develops appropriate and effective internal control systems and implements these to soundly and prudently manage risks;
- Put in place reliable and comprehensive systems to appropriately monitor the effectiveness of these controls;
- Establishes effective management information system and independent audit mechanism.

In addition to the above key internal control procedures includes the followings:

- Ensuring that control policies and procedures are being complied with throughout on site as well as offsite supervision of Departmental Control Function Check List (DCFCL), Quarterly Operational Report (QOR), Loan Documents Check List(LDCL);
- Updating the existing DCFCL and develop new ones for the Divisions/Departments involving financial transitions;
- Reporting material observations to senior management and Audit Committee of the Board immediately with specific recommendations;
- Branches are now rated on grade point scale which is determined on the basis of % of achieved score categorized as Poor, Marginal, Fair, Satisfactory, Good in line with Bangladesh Bank Risk Based Audit guideline;
- A prudent system has been developed for rectification, counseling of the branches/ divisions to minimize operational risk;
- Pre-audit assessment tools have been developed to identify the high risk areas.

11.6 Prevention of Money Laundering

Prevention of Money Laundering & Combating Financing of Terrorism

Prevention of Money Laundering and Combating Financing of Terrorism is very essential for protecting corruption and ensuring peace and security in our society.

Aiming the said objectives, in our country, Anti-Money Laundering Prevention Act 2012 and Anti-Terrorism Act 2009 have been enacted and IFIC Bank Ltd has been complying wtih all the rules and regulations related to AML/CFT issues since the beginning.

According to the directives of Bangladesh Financial Intelligence Unit (BFIU) of Bangladesh Bank, the Bank has prepared as well as revised Money Laundering &Terrorist Financing Risk Management Guidelines-(Amendment), 2016.

The Chief Anti-Money Laundering Compliance Officer (CAMLCO) of the Bank regularly presents status report to the Competent Authorities in regard to the followings as per regulatory frameworks:

- Information of Bank Accounts as and when required by BFIU;
- Cash Transaction Report (CTR);
- Transaction Monitoring Report;
- Structuring Monitoring Report;
- Monthly Meeting details;
- Hundi activities and Abnormal Transaction on Bi-monthly basis;
- Suspicious Transaction Report (STR) on Quarterly basis, periodical report on AML/CFT issues to the Managing Detector;
- Half Yearly Report on Self-Assessment of branches and Independent Testing Procedure conducted by ICC Division and similar other types to the Board of Directors.

As needed by Bangladesh Financial Intelligence Unit (BFIU), the Bank has implemented goAML Software provided by United Nations Office on Drugs and Crime (UNDOC) and submits CTR, STR and other necessary statements related to AML/ CFT issues. In addition, the Bank has introduced a separate Customer Acceptance Policy in the Year, 2013 according to direction of Bangladesh Financial Intelligence Unit (BFIU). In the year 2017, the Bank has submitted report of 08 (eight) Suspicious Transactions Report (STR) to BFIU.

With a view to build awareness on AML/CFT laws, guidelines and Circulars issued from BFIU, the Bank regularly arranges Regional & In-house Training on Prevention of Money Laundering and Combating Financing of Terrorism for all level of Executives/ Officers working in different branches of the Bank.

12. Information and Communication Technology (ICT)

IFIC IT has instrumental in setting up a technology backbone to enable IFIC to realize its mission of becoming the preferred financial service provider through innovative, sustainable & inclusive growth & deliver the best in class value to all stakeholders. IFIC's IT has been working relentlessly towards crystalizing the business strategy through procurement of Cutting Edge Technology with the following objectives:

- Efficiency in Customer Booking process;
- Proficiency in Loan Booking Process;
- Deeper understanding of Customer Requirements;
- Increase Customer stickiness through Digital Channels;
- Increase Effectiveness in Managing Loan Portfolio;
- Upgrade Core Banking Platform to a higher version for increased efficiency in Data Processing.

Highlights of 2017

- **Utility Collection**
  IT division have played a key role by ensuring the collection of huge amount of invoices for utility bill digitally.
- **BACH II Up-gradation Project**
  As per Bangladesh Bank's plan to upgrade BACH (Bangladesh Automated Clearing House), our IT Division have prepared and procured all necessary Hardware, Software, Operating system and Database to implement BACH II project.
- **Software Development and Integration**
  In the year 2017 the Bank have developed software in different areas. Special efforts been given in payments channels of the Bank and utility system. Along with that the Bank also integrated different software with Bangladesh Bank and Core Banking System (CBS) for customers for ensuring faster & secured banking and utility services. We have also introduced our Open Customer Account (OCA) for Alpha Numeric Customer Id/External for which we have developed in- house Developed User Exit.
- **Digital Channel Solution**
  We are on the process to implement MISYS Digital Channel Solution. For this purpose, IT Division have prepared and ready to procure all necessary things to provide service regarding Fusion Banking Digital Channels, Fusion Banking Loan Origination, Fusion Banking Equation up gradation, and Fusion Banking Teller up gradation.
- **High Availability and Disaster Recovery**
  For all basic administrations, the bank has created high accessibility to guarantee continuous business. In addition an entire arrangement is outlined to diminish any server down time with the help of full-backup and virtual server appliance. The Bank has guaranteed close continuous reinforcement to recover disaster.
- **Data Center Relocation**
  Currently the Bank is on the process to shift its Data Center to IFIC Tower which will require continuous 112 hours effort equivalent to five full days to complete the task. For this reason we have no other option but to run our business from our DR site. Therefore, IT Division has upgraded the DR network infrastructure to run business smoothly with no interruption. Entire IT division is engaged to provide continuous all type of technical support to all other department as well as to clients to ensure the best service.
- **Cyber Security Assessment**
  To ensure 24/7 Data Center Support in proper manner and cyber security of the systems, the Bank felt the necessity for focusing and enhancing the security of the following areas of "Network Architecture", "Active Network Devices and Servers" and "Server and Network Device's security Configuration". In this regard, the Bank has engaged an internationally reputed audit firm to assess the above initiatives and help us to strengthen the cyber surface of the Bank.
- **Nepal Bangladesh Bank Limited and Oman Exchange LLC**
  IFIC Bank believes in the continuous growth and endeavor by increasing partnership and sharing technical know-how among subsidiaries. In this way, IT Division of the Bank is continuously working with Nepal Bangladesh Bank Limited & Oman Exchange LLC to assist them in their technology integration and make them streamline to increase the synergy.

13. Corporate Governance

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

IFIC Bank complies with the guidelines regarding composition of the Board of Directors, all Committees, term of the Office of the Directors as well as competence and eligibility of the Directors as outlined by the Bangladesh Bank, the Companies Act, 1994 and the Bank Company Act, 1991 (Amended up-to 2018). The Bank has also implemented the requirements of Corporate Governance Guidelines of the Bangladesh Securities & Exchange Commission as enumerated in its Notification No. SEC/CMRRCD/2006-158/134/ADMIN/44 dated 7 August 2012. As per mentioned Notification of BSEC, the compliance status of the Bank has been reported in this Annual Report for information.

14. Human Resource Management

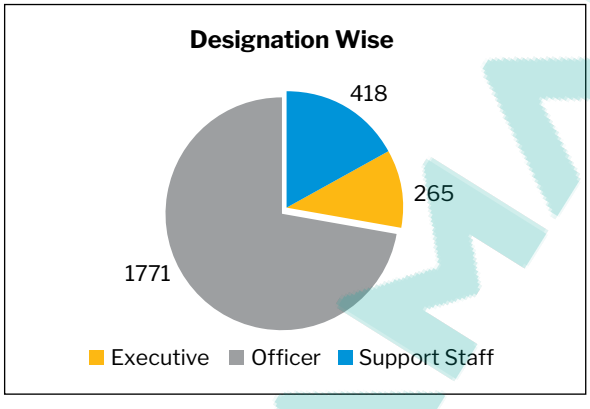
Human Resource is one of the most essential requirements for survival of an institution in this competitive world, and therefore, IFIC Bank always puts due magnitude on the resource to drive the organization towards its goal. HRM Division takes leadership in fostering a positive work environment that places high value on professional and collaborative work relationships while recognizing the importance of individual contributions.

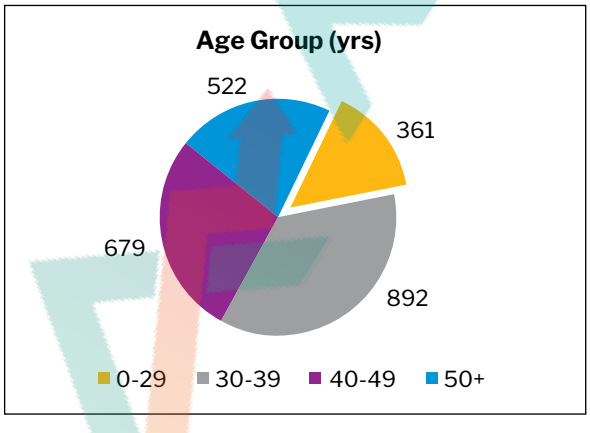
IFIC Bank HRM Division is committed to ensure that the Bank attracts, recruits, develops and retains a high performing, diverse work force by developing and implementing progressive human resource management policies and strategies. Our core competencies includes, organizational and employees development, compensation & benefits, HRIS and regulatory compliance.

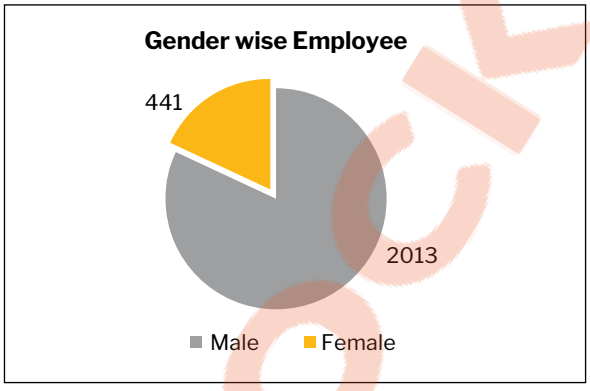
For proper positioning of its human resources, IFIC Bank continuously works on restructuring its organogram based on functionality and places its employees at the right place through appropriate process. Continuous learning initiatives help the Bank to overcome employees' skill deficiencies. All the effort in combination ultimately assists in maximizing the outcome in the bottom line.

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

Some HR information at a glance:







15. Law and Legal Affairs

There were 1509 Suits/Cases pending in both Lower and Higher Courts suited by/against IFIC Bank. The number of new Suits/Cases had filed during the period from 1 January 2017 to 31 December 2017 were 410 and value against those Suits/Cases were BDT 7,123 million. The total 1509 number of Suits/Cases which had been filed against various defaulting Borrowers involved an amount of BDT 22,167 million (suit value). Considering such huge amount unrealized, the Law and Legal Affairs Division took various pragmatic steps to realize those outstanding dues of the Bank quickly and as a result Bank was able to dispose of 20 (twenty) Writ Petitions, 30 (thirty) Artha Rin Suits, 07 (seven) Execution Cases and 21 (twenty one) Criminal Cases (under N.I. Act), a total of 78 Cases/Suits/Writ Petitions and an amount of BDT 334 million was fully realized and partial adjustment of BDT 140 million were made from different litigated accounts during the year 2017 and thus, total amount of BDT 474 million was realized.

On the contrary, in the year of 2017, the Law and Legal Affairs Division provided necessary legal services (Opinion) including preparation of various Agreements and security documents to different Divisions, Departments of the Head Office as well as to 141 Branches of the Bank on day to day basis. Officers and Executives of Law and Legal Affairs Division regularly attended both Lower and Higher Courts and also attended the Chamber of Panel Lawyers who were assigned to conduct the Cases in an aim to disposing of the pending Court Cases quickly. Due to such activities, Panel Lawyers of the Bank became very active and conscious about their responsibilities toward the Bank. Moreover, Officers of Law and Legal Affairs Division also attended Revenue Courts in Dhaka and outside Dhaka City and also visited Assistant Commissioner Land and Tahsil Offices on regular basis to ascertain the legal status of the mortgaged properties. On the other hand, Executives and Officers of Law and Legal Affairs Division also attended various Govt. Offices including Anti-Corruption Commission Office, Board of Revenue Office, Law Commission Office and CID Office in respect of resolving many pending

legal issues faced by the Bank. It may kindly be mentioned here that an amount BDT 2,016 million is remained unrealized due to filing of 57 Nos of Writ Petitions against the Bank which are now pending in the Hon'ble High Court and Appellate Division of the Supreme Court of Bangladesh. Law and Legal Affairs Division is trying its best to dispose of the Writ Petition within shortest possible time and Panel Lawyers engaged for the Writ Petitions are working hard in this regard.

Due to sincere and timely efforts, various divisions of Head Office and Branches of the Bank got versatile legal services from Law and Legal Affairs Division of Head Office and as a consequence, Branches and Head Office were able to expedite their routine work smoothly.

16. Enterprise Transformation

To ensure quality, control, governance & overall efficiency of business, operations & customer service; Enterprise Transformation develops & reviews standard process, policy, guidelines. Its aim is to maximize bank's value & client's satisfaction and ensuring key control measures are not compromised by adopting efficient process management & reengineering, quality assurance, project governance & operations support.

It provides a governance model for the management and evaluation of business project of the bank and also ensures better customer service and quick support to branch officials within controlled environment, Operations support manages SWIFT operation and ID, password and limit in CBS.

Last but not the least, it aligns the organization's activities relating to people, process and technology with IFIC Bank's business strategy and vision.

17. Branch Expansion Program

During the year 2017, the Bank opened 7 (seven) new Branches at different prospective locations of the country to provide banking services to the customers. Out of those 7 (seven) Branches, 4 (four) urban Branches were opened at Local Office, Motijheel, Dhaka City, Panchlaish, Chittagong City, Madhabpur, Dist-Habiganj and Jhalakathi, Dist-Jhalakathi, 3 (three) rural branches were opened at Bhawal Mirzapur, Kapasia and Shafipur under Dist-Gazipur. Thus, total number of Branches of the Bank stood at 141 including 7 (seven) SME/Krishi Branches throughout the country. For business expansion, 17 (seventeen) new ATM Booths were established at different locations of the country. Besides, the Bank is planning to expand its network throughout the country by opening new Branches and ATM Booths in the year 2018.

Furthermore, 8 (eight) Branches were relocated with state of art decoration work during the year 2017.

18. Subsidiaries of IFIC

There are two subsidiaries of IFIC Bank Limited namely–

a) IFIC Securities Limited (IFICSL)

b) IFIC Money Transfer (UK) Limited

The activities and performance of which are to be seen in the relevent area of the Annual Report.

19. Branding and Promotional Activities

IFIC Bank undertook sustained promotional activities to create awareness about the brand and products in the year 2017.

IFIC celebrated its 41st anniversary in 2017 by undertaking a series of activities engaging its customers, patrons, stakeholders and employees. An advertisement on the anniversary day was published at national dailies, nationwide branches were decorated with promotional materials along with anniversary cake cutting with valued customers and employees.

To promote the groundbreaking product IFIC Aamar Account, a 360 degree campaign was launched across all available media (TVC and RDC airing in different channels, series of newspaper advertisement insertions in national and local dailies, billboard advertisements at different strategic points, digital media advertisements along with field level activation).

Promotional activities for IFIC Home Loan across the media was very successful in 2017. The Bank received positive response from customers as a result of those activities. The bank also promoted its One Stop Service and a new product IFIC Agami to create awareness about the product and service.

IFIC Bank organized a Pitha Utshab at Gulshan Branch premises. Top customers, eminent personalities of the society, honorable shareholders and high officials of the bank attended the programme. The bank celebrated the beginning of Bangla new year Pahela Boishakh by organizing various activities including an employee event and painting alpona in front of IFIC Tower.

Different television programmes including Kemon Budget Chai in NTV, Ekushay Book Mela Sorasori and Rangtulite Muktijudhdho in Channel i were sponsored by the bank. The Bank also did branding of the news scroll and a documentary titled "IFIC Bank Ei Banglaye' in ATN News to increase the Bank brand visibility.

The Bank also sponsored a good number of events including the Police Week 2017 and DMP's Founding Anniversary, Victory Day Parade of Bangladesh Armed Forces and Jazz Festival of Blues Communication.

20. Corporate Social Responsibility

IFIC Bank undertook following activities in the field of CSR in 2017:

- IFIC Bank provided blankets for the cold-hit people to Prime Minister's Relief Fund;
- The Bank rewarded two winners of IFIC Bank Shahittyo Purosker;
- The Bank handed over a donation to Prime Minister's Education Support Trust (Prodhanmontrir Shikhkha Shohayota Trust);
- The Bank provided money to Shuchona Foundation for the welfare of autistic children;
- The Bank donated money to Bangabandhu Sheikh Mujibur Rahman Memorial Trust;
- Dhamura Bohumukhi Madhyamik Bidyaloy received donations for students' stipend and playground development;
- Biswashahitya Kendra received a donation to support their educational activities;
- The Bank donated money to a Day Care Center for the children of Banks' employees; and
- The Bank donated multimedia projectors to Rajarbagh Police Line School & College.

21. Business Focus

The principal activities of the Bank are banking and related businesses under the Bank Company Act, 1991 (Amended up to 2018). The core banking businesses include accepting deposits and granting loans and advances out of those deposits and earning profit through creating value from gap between interest paid on deposits and interest earned on loans and advances. The depositors supply funds for loans and advances. The Bank collects deposits through deposit mobilization strategy comprising various deposit products. The Bank's central revenue producing activities include all kinds of commercial banking products and services to the customers including project finance, working capital finance and trade finance for corporate customers, SME loans to small traders and businesses, house building loan, car loan as well as wide range of life-style and need based loans for retail customers. The Bank has been able to develop state-of-the-art IT platform and online banking systems facilitating any branch banking, Mobile banking, SMS banking, internet banking, any time banking for 24 hours a day and 7 days a week through ATMs.

2017 has been a year of significant progress for us. Building on our consistent track record of growth, the Bank shall continue to deliver a strong performance, both operationally and financially.

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

22. Shares of IFIC Bank Limited

The Authorized Capital and the Paid-up Capital of the Bank stood at BDT 20,000 million and BDT 11,953 million respectively as on 31 December 2017. A total number of 1,174,817,112 shares are recorded with the Central Depository Bangladesh Limited (CDBL), while 20,485,330 shares still remain in scrip form till the Balance Sheet date.

The consolidated Net Asset Value (NAV) per share was BDT 18.49 as on 31 December 2017 which was BDT 24.69 as on 31 December 2016. The consolidated Earnings per Share (EPS) were BDT 2.34 for the year ended on 31 December 2017 as against BDT 1.79 as on 31 December 2016. The Market Capitalization of IFIC was BDT 21,515 million at the end of the year 2017 as against BDT 11,784 million at the end of the year 2016.

23. Dividend

The Board of Directors in its 724th Meeting held on 10 April 2018 has recommended 12% Stock Dividend for the Shareholders for the year 2017 subject to approval of the Shareholders in the 41st Annual General Meeting.

24. Appointment of External Auditors

In the 40th Annual General Meeting of the Bank, M/s. M. J. Abedin & Co., Chartered Accountants were re-appointed as the External Auditor of the Bank for the term till conclusion of the next Annual General Meeting. Since M/s. M. J. Abedin & Co. has completed their third year of audit, and in terms of Bangladesh Bank's Guidelines and the directives of BSEC, they are not eligible for re-appointment.

As such, seven "A" graded Chartered Accountants Firms has expressed their interest to act as the External Auditors of the Bank for the year 2018. Out of them, M/s. Howladar Yunus & Co., Chartered Accountants are recommended for appointment as the External Auditors of the Bank for the term till the conclusion of the next Annual General Meeting.

25. Rotation of Directors

In order to comply with the provision mentioned under Section 91(2) of the Companies Act, 1994 and Clause Nos. 109 & 110 of the Articles of Association of the Bank, at least one third of the Directors shall retire from the Office in the 41st Annual General Meeting.

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

26. Dependability for Internal Control and Financial Reporting

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

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

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

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

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

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

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

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

Based on the information and explanations given by management and the internal auditors, the Directors are of the opinion that the internal financial controls are adequate and that the financial records may be relied upon for preparing the financial statements in accordance with BAS and BFRS to maintain accountability for the Bank's assets and liabilities.

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

27. Acknowledgement

The success of the Bank is mainly attributable to the support and co-operation received from the different group of stakeholders. With the sincere and devoted efforts of all the Executives, Officials and members of the staff, IFIC Bank has made remarkable progress in 2017. The Board of Directors takes this opportunity to thank all of them for their dedicated services. The Board expresses its profound gratitude to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and Central Depository Bangladesh Limited for their continued support and co-operation to the Bank. The Board also thanks all for their unwavering continued co-operation and hopes that their valuable support will remain intact in future. The Board gratefully acknowledges the support provided by all valued customers who have been with us in the course of our journey. The Board also places on record its thanks and gratitude for the valued contributions made by all the patrons and well-wishers of the Bank in attaining its sustainable growth and progress. The Board also expresses its appreciations to M/s. M. J. Abedin & Co., the External Auditors of the Bank, for their efforts for timely completion of audit of the Financial Statements of the Bank. The Board of Directors further extends thanks to both the print and electronic media personnel for extending media coverage to the Bank's various activities and events throughout the year.

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

For and on behalf of the Board of Directors



Salman F Rahman
Chairman

REPORT OF THE EXECUTIVE COMMITTEE



Report of the Executive Committee

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

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

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

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

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

a. All business proposals other than large loans are placed before the Executive Committee for consideration and approval.

b. Purchase of electric/electronic equipments, computers and its accessories, air-conditioners, generators and vehicles are also considered and approved by the Committee.

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

During the year of 2017, 02 (two) Meetings of the Executive Committee were held where a total of 17 nos. proposals/issues were considered/decided by the Committee.

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

Name of the Director	Position	Total number of meetings held during 2017	Total attendance	Remarks
Mr. A. R. M. Nazmus Sakib	Chairman	02	02	
Ms. Quamrun Naher Ahmed	Member	02	02	

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

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

REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE



Report on the Activities of the Audit Committee

The Audit Committee of the Board of Directors of IFIC Bank Limited was lastly re-constituted by the Board of Directors in its 657th Meeting held on 16 September 2015 in accordance with the directives of the BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank and the Notification of Bangladesh Securities and Exchange Commission vide No. SEC/CMRRCD/2006-158/134/admin/44 dated 07 August 2012.

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

Mr. Monirul Islam (Up to 20 December 2017)	Independent Director	Chairman
Mr. Anwaruzzaman Chowdhury	Independent Director	Member
Mr. Jalal Ahmed	Director	Member

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

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

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

A total of 12 (twelve) Audit Committee Meetings were held during the year 2017.

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

Name of the Director	Position	Total number of meetings held during 2017	Total attendance	Remarks
Mr. Monirul Islam (Up to 20 December 2017)	Chairman	12	12	Directors who could not attend any meeting were granted leave of absence.
Mr. Anwaruzzaman Chowdhury	Member	12	01	
Mr. Jalal Ahmed	Member	12	11	

The Audit Committee, in the above 12 (twelve) meetings, discussed many issues, some of which were:

- Risk Based Internal Audit & Inspection Plan for 2017;
- Summary Report of Brief Highlight on Audit & Inspection Reports of the Branches conducted by Internal Control & Compliance Division;
- Summary Report on Comprehensive Inspection on Dhanmondi, Narayangonj, Shantinagar, Sk. Mujib Road, Shah Amanat Market, Dinajpur, Mymensingh, Comilla, Progati Sarani, Madam Bibir Hat, Alankar More, Noapara, Konabari, Takerhat, Savar Bazar Branches conducted by the Bangladesh Bank Inspection Team;
- Information of Classified Advances with action plan of Shah Amanat Market, Alankar More, Shetabgonj and Kaligonj Branches;
- Statement of Fraud & Forgeries occurred in the Bank up to 31 December 2016;
- Placement of Mr. Syed Hassanuzzaman, SVP as Head of Internal Audit & Inspection, ICC Division;

- Auditors Report and Audited Financial Statements as at and for the year ended 31 December 2016;
- Management Report on the Financial Statements for the year ended 31 December 2016;
- Recommendation for approval of un-audited Condensed Financial Statements as at and for the 1st Quarter (Q1) ended 31 March 2017;
- Summary Report on Comprehensive Inspection on Sylhet, Keranigonj, Bagerhat, Chapai Nawabgonj, Benapole and Panchobati Branches Conducted by the Bangladesh Bank Inspection Team;
- Re-appointment of External Auditors of the Bank;
- Bangladesh Bank Inspection Report on International Business, Foreign Exchange Business & Transactions on the Bank as on the position of 01 July 2015 to 30 June 2016;
- Approval of un-audited Condensed Financial Statements as at and for the 2nd Quarter ended 30 June 2017;
- Summary Report of Brief Highlight on Audit & Inspection Reports in the New Format conducted by Internal Control & Compliance Division;
- Summary Report on Foreign Exchange Business & Transaction on Principal & Uttara Branch conducted by the Bangladesh Bank Inspection Team;
- Recommendation for approval of un-audited Condensed Financial Statements as at and for the 3rd Quarter ended 30 September 2017;
- Annual Health Report for the year 2016;
- Bangladesh Bank 32nd Comprehensive Inspection Report on the Bank as on the position of 31 December 2016;
- Summary Report on Comprehensive Inspection on Principal Branch, Federation Branch, Agrabad Branch, Kawranbazar Branch, Barisal Branch & Mymensingh Branch conducted by the Bangladesh Bank Inspection Team;
- Summary Report on Foreign Exchange Business & Transaction on Dhanmondi & Rajshahi Branch conducted by the Bangladesh Bank Inspection Team;
- Risk Based Internal Audit (RBIA) Plan for 2018.

From our assessment of the various internal audit reports, it appears that IFIC Bank Limited maintained effective Internal Control on its overall activities during the year 2017.

Rabeya Jamali

Rabeya Jamali
Chairman, Audit Committee



REPORT OF THE RISK MANAGEMENT COMMITTEE

Report of the Risk Management Committee

The Risk Management Committee of the Board of Directors of IFIC Bank Limited was lastly re-constituted by the Board of Directors of the Bank in its 673rd Meeting held on 27 April 2016 with the following 04 (four) Members:

Mr. Jalal Ahmed	Chairman
Mr. Monirul Islam (Up to 20 December 2017)	Member
Mr. A. R. M. Nazmus Sakib	Member
Ms. Quamrun Naher Ahmed	Member

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

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

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

During the year 2017, 07 (seven) Meetings of the Risk Management Committee were held where a total of 22 nos. proposals/issues were considered/decided by the Committee.

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

Name of the Director	Position	Total number of meetings held during 2017	Total attendance	Remarks
Mr. Jalal Ahmed	Chairman	07	07	
Mr. Monirul Islam (Up to 20 December 2017)	Member	07	07	
Mr. A. R. M. Nazmus Sakib	Member	07	07	
Ms. Quamrun Naher Ahmed	Member	07	07	

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

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

Jalal Ahmed
Chairman, Risk Management Committee

Corporate Governance Practices

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

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

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

We regularly review our governance arrangements as well as developments in the market practices, expectations and regulation to establish good corporate governance in our Bank. We have modernized our governance system and implemented the rules as several prudential regulations specifying qualification of a Bank Director and a Chief Executive Officer and most importantly 3 (three) Circulars/Circular Letters issued by Bangladesh Bank on 27 October 2013 in connection with formation and responsibilities of Board of Directors of a Bank Company to comply with the existing rules and regulations in line with the Bank Company Act, 1991 (Amended up to 2018) as well as Corporate Governance Guidelines issued by Bangladesh Securities and Exchange Commission.

We consider good corporate governance to be a prerequisite for value creation and reliability:

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

Members' Meetings

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

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

The Board of Directors

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

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

Composition of the Board

The Board of IFIC Bank Limited consists of 7 (seven) Members including the Managing Director as Executive Director and ex-officio member of the Board. As per the guidelines of Bangladesh

Bank and as well as in compliance with the Bangladesh Securities and Exchange Commission's Corporate Governance Guidelines, there are 2 (two) Independent Directors in the Board.

Re-election of Directors
In compliance with the Companies Act, BSEC's Notifiction and Bank's Articles of Association, each Director, other than the Independent Director and Managing Director, retires by rotation once in every three years and is required to stand for re-election by the shareholders at the Annual General Meeting.

Independent Director
To comply with the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission, the Board of Directors appointed 2 (two) Independent Directors in the Board, appointment of one of them was already approved by the shareholders and appointment of the other one will be placed for approval in the 41st Annual General Meeting. A full compliance report of the said guidelines is provided hereafter.

Board Meetings
During the year 2017, there were 28 meetings of the Board. The attendance by each Director at the Board Meeting held during the year is provided hereafter.

Executive Committee
As approved by Bangladesh Bank, the Board has its Executive Committee. The committee comprises of 2 (two) Members from the Board. In order to have functioning and quick disposal of credit proposals, the Board has delegated authority to Executive Committee of the Board to approve proposal within certain limit and it is observed to be effective to accelerate the various decisions which otherwise had to wait for Board meeting. The committee met twice during the year 2017. The report of the Executive Committee is deployed hereinbefore.

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

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

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

Directors' Remuneration
The non-executive directors (Directors other than the Managing Director) of the Board representing shareholders do not take any remuneration or reimbursement of any expenses for attending Board meeting or for any other purpose. The Board members receive only BDT 8,000 for attending the Board/Committee meetings. The fees given to the directors are disclosed in the note to the financial statements.

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

Compliance of BRPD Circular Letter No-03

The Bank complied the BRPD Circular Letter No.-03 dated 25 March 2018 and appointed Mr. Dilip Kumar Mandal as Chief Financial Officer and Mr. Md. Nazmul Haque Talukder as Chief Information Technology Officer.

Financial, Statutory and Regulatory Reporting and Compliance

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

Internal Control

The Board of Directors acknowledges their overall responsibility for the Bank's system of internal control and for reviewing its effectiveness. Internal control is an ongoing process for identifying, evaluating and managing the significant risks faced by the Bank. The Bank has taken all-out efforts to mitigate all sorts of risk as per guidelines issued by Bangladesh Bank. Internal Control & Compliance Division, Risk Management and Credit Risk Management Unit are working towards mitigation of operational and compliance risks of the Bank.

External Audit

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

Audit and Inspection by Bangladesh Bank

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

Proclamation to Shareholders

The Bank acknowledges and takes necessary steps to provide shareholders with all relevant and reliable information to allow them to make informed judgment and decisions. Regulated path and way are completely obeyed for appropriate and effective communication. All relevant information is placed in website of the Bank for convenience of the shareholders. Moreover, as per BSEC's guidelines, all the price sensitive information having possible impact on share prices of the Bank are communicated to the shareholders by publication in the National Dailies, Online news portal and to the DSE, CSE, and BSEC through official letters for appearance in their websites. Quarterly Financial Statements are communicated to all the Members through DSE, CSE and BSEC as well as publication of the same in at least two widely circulated national dailies. Audited yearly financial statements are published through Annual Report and the report is furnished to the shareholders as well as regulators. Finally, we arrange Annual General Meeting as our statutory duty to give our shareholders parliamentary session to communicate their assertions about the Bank. All the suggestions or recommendations made by the Members in the AGM or any time during the year are taken very seriously for compliance and better corporate governance of the Bank.

Credit Ratings

The Bank is rated by Credit Rating Agency of Bangladesh (CRAB) Limited. They have reaffirmed both the long term rating of the Bank to "AA_2" and short term rating at "ST-2" with validity up to 30 June 2018.

Compliance Report on BSEC's Notification

The Bangladesh Securities and Exchange Commission (BSEC) requires all listed companies to report on the compliance of the conditions described in BSEC's Notification dated 07 August 2012 on 'comply' basis. The Board of Directors of IFIC Bank Limited has taken appropriate steps to comply with the conditions.

Compliance Report on BSEC's Notification

The Bangladesh Securities and Exchange Commission (BSEC) requires all listed companies to report on the compliance of the conditions described in BSEC's Notification dated 07 August 2012 on 'comply' basis. The Board of Directors of IFIC Bank Limited has taken appropriate steps to comply with the conditions as detailed hereunder:

Annexure-I

Compliance of Condition No. 1.5 (xx): Board Meetings held during the year 2017 and attendance by each Director:

SL No.	Name of the Directors	Position	No. of Meetings held	No. of Meetings attended	Remarks
01.	**Mr. Salman F Rahman**	Chairman	28	25	Directors who could not attend any meeting were granted leave of absence by the Board.
02.	**Mr. Monirul Islam** (Up to 20 December 2017)	Independent Director	27	27	
03.	**Mr. Anwaruzzaman Chowdhury**	Independent Director	28	02	
04.	**Ms. Rabeya Jamali** (Since 21 December 2017)	Independent Director	Nil	Nil	
05.	**Mr. Jalal Ahmed**	Govt. Nominated Director	28	21	
06.	**Mr. A. R. M. Nazmus Sakib**	Govt. Nominated Director	28	27	
07.	**Ms. Quamrun Naher Ahmed**	Govt. Nominated Director	28	27	
08.	**Mr. M Shah Alam Sarwar**	Managing Director & CEO	28	28	

Annexure-II

Compliance of Condition 1.5 (xxi): The pattern of Shareholding as on 31 December 2017

(a) Parent/Subsidiary/Associated companies and other related parties: **Nil**

(b) Directors, Chief Executive Officer (CEO), Company Secretary, Chief Financial Officer, Head of Internal Audit (ICC) and their spouses and minor children:

SL	Name of the Directors	Shares held	Name of the Spouses	Shares held
01.	Mr. Salman F Rahman	23,912,781	Mrs. Syeda Rubaba Rahman	Nil
02.	Mr. Anwaruzzaman Chowdhury	Nil	Mrs. Holy Begum Chowdhury	Nil
03.	Ms. Rabeya Jamali	Nil	N/A	Nil
04.	Mr. Jalal Ahmed*	Nil	Mrs. Farah Diba Ahmed	Nil
05.	Mr. A. R. M. Nazmus Sakib*	Nil	Mrs. Fetematuj Jahera	Nil
06.	Ms. Quamrun Naher Ahmed*	Nil	Mr. A. B. M. Siddiqur Rahman	Nil

* Directors nominated by the Ministry of Finance, Govt. of the People's Republic of Bangladesh against its holding of **391,444,309** nos. shares of the Bank.

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

(c) Executives (Top five salaried employees of the company, other than stated in 1.5 (xxi)(b):

SL	Designation	Name	Shares held
01.	Deputy Managing Director & CRO	Mr. M. M. Haikal Hashmi	Nil
02.	Deputy Managing Director & COO	Mr. Raihan Ul Ameen	Nil
03.	Deputy Managing Director (Business)	Mr. Shah Md. Moinuddin	Nil
04.	Deputy Managing Director (Business Delivery)	Mr. Md. Nurul Hasnat	Nil
05.	SEVP & Chief Credit Officer	Mr. Syed Mansur Mustafa	Nil

(d) Shareholders holding ten percent (10%) or more voting interest in the Company: Govt. of the People's Republic of Bangladesh holds **391,444,309** nos. shares which is 32.75 percent of the total outstanding shares of the Bank.

Annexure-III

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Report under condition no. 7 (ii)

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1	**Board of Directors:**			
1.1	Board's Size: Number of Board Members shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	**Independent Directors:**			
1.2 (i)	At least one fifth (1/5) of the total number of Directors of Board shall be Independent Directors	✓		
1.2 (ii)	**Independent Directors means a Director:**			
1.2 (ii) (a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	✓		
1.2 (ii) (b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or Director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	✓		
1.2 (ii) (c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2 (ii) (d)	Who is not a Member, Director or Officer of any Stock Exchange	✓		
1.2 (ii) (e)	Who is not a shareholder, Director or Officer of any Member of Stock Exchange or an intermediary of the capital market	✓		

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.2 (ii) (f)	Who is not a partner or an Executive or was not a partner or an Executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	✓		
1.2 (ii) (g)	Who shall not be an Independent Director in more than 3 (three) listed companies	✓		
1.2 (ii) (h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a Bank or a Non-Bank Financial Institution (NBFI);	✓		
1.2 (ii) (i)	Who has not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (iii)	The Independent Director (s) shall be appointed by the Board of Directors and approved by the Shareholders in the Annual General Meeting (AGM)	✓		
1.2 (iv)	The post of Independent Director (s) cannot remain vacant for more than 90 (ninety) days	✓		
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	✓		
1.2 (vi)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
1.3	**Qualification of Independent Director:**			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	✓		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission			N/A
1.4	**Chairman of the Board & Chief Executive Officer (CEO):**			
1.4	The Chairman of the Board and the Chief Executive Officer shall be different individuals. The Chairman shall be elected from among the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO	✓		
1.5	**The Directors' Report shall include the following additional statements:**			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	✓		

Condition No.	Title	Compliance Status (✔ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	✔		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	✔		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc			N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report			N/A
1.5 (x)	Remuneration to Directors including Independent Directors	✔		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✔		
1.5 (xii)	Proper books of account of the issuer company have been maintained	✔		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✔		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	✔		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	✔		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	✔		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	✔		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	✔		
1.5 (xix)	Reason for non declaration of dividend			N/A
1.5 (xx)	The number of Board meetings held during the year and attendance by each Director shall be disclosed	✔		
1.5 (xxi)	**Pattern of shareholding and name wise details (disclosing aggregate number of shares):**			
1.5 (xxi)(a)	Parent/Subsidiary/Associated Companies and other related parties	✔		
1.5 (xxi)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children	✔		

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.5 (xxi)(c)	Executives (top five salaried employees other than stated in 1.5 (xxi) (b)	✓		
1.5 (xxi)(d)	Shareholders holding ten percent (10%) or more voting interest in the company	✓		
1.5 (xxii)	In case of the appointment/re-appointment of a director the company shall disclose	✓		
1.5(xxii)(a)	A brief resume of the director	✓		
1.5(xxii)(b)	Nature of his/her expertise in specific functional areas	✓		
1.5(xxii)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
2	**Chief Financial Officer (CFO), Head of Internal Audit (HIA) and Company Secretary (CS):**			
2.1	Appointment of CFO, HIA and CS and defining their respective roles, responsibilities & duties	✓		
2.2	The CFO and the CS shall attend the meetings of the Board of Directors	✓		
3	**Audit Committee:**			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	✓		
3.1	**Constitution of the Audit Committee:**			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	✓		Constituted as per BB's circular
3.1 (ii)	The Board of Directors shall appoint Members of the Audit Committee who shall be Directors of the Company and shall include at least 1 (one) Independent Director	✓		
3.1 (iii)	All Members of the Audit Committee should be "financially literate" and at least 1 (one) Member shall have accounting or related financial management experience	✓		
3.1 (iv)	Expiration of the term of service of Audit Committee members making the number lower than 3(three) and fill up the vacancy(ies) by the Board not later than 1 (one) month from the date of vacancy(ies)	✓		
3.1 (v)	The Company Secretary shall act as the Secretary of the Committee	✓		

Condition No.	Title	Compliance Status (✔ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director	✔		
3.2	**Chairman of the Audit Committee:**			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director	✔		
3.2 (ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)			Shall be invited to remain present
3.3	**Role of Audit Committee:**			
3.3 (i)	Oversee the financial reporting process	✔		
3.3 (ii)	Monitor choice of accounting policies and principles	✔		
3.3 (iii)	Monitor Internal Control Risk management process	✔		
3.3 (iv)	Oversee hiring and performance of external Auditors	✔		
3.3 (v)	Review along with the Management, the Annual Financial Statements before submission to the Board for approval	✔		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	✔		
3.3 (vii)	Review the adequacy of internal audit function	✔		
3.3 (viii)	Review statement of significant related party transactions submitted by the Management	✔		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory Auditors	✔		
3.3 (x)	Disclosure of Audit Committee about the uses/applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/ prospectus			N/A
3.4	**Reporting of the Audit Committee:**			
3.4.1	**Reporting to the Board of Directors:**			
3.4.1 (i)	Reporting to the Board of Directors on the activities of the Audit Committee	✔		
3.4.1(ii)(a)	Reporting to Board of Directors on conflicts of interests			N/A
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system			N/A
3.4.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations; and			N/A

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
3.4.1(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately			N/A
3.4.2	Reporting to BSEC (if any material impact on the financial condition & results signed by the Chairman and disclosed in the Annual Report)			N/A
3.5	Reporting to the Shareholders on Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report	✓		
4	**External/Statutory Auditors** The issuer Company should not engage its external/statutory Auditors to perform the following services of the Company namely:			
4 (i)	Appraisal or valuation services or fairness opinions	✓		
4 (ii)	Financial information systems design and implementation	✓		
4 (iii)	Book-keeping or other services related to the accounting records or Financial Statements	✓		
4 (iv)	Broker-dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services; and	✓		
4 (vii)	Any other service that the Audit Committee determines	✓		
4 (viii)	No partner or employees of the external Audit Firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company	✓		
5	**Subsidiary Company:**			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company	✓		
5 (ii)	At least 1 (one) Independent Director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company	✓		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	✓		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	✓		
5 (v)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the subsidiary company	✓		

Condition No.	Title	Compliance Status (✔ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
6	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
6 (i)	The CEO and CFO shall certify to the Board that they have reviewed Financial Statements for the year and that to the best of their knowledge and belief	✔		
6 (i) (a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✔		
6 (i) (b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✔		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	✔		
7	**Reporting and Compliance of Corporate Governance:**			
7 (i)	Obtaining certificate from a practicing Professional Accountant/ Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	✔		
7 (ii)	Directors' statement in the directors' report whether the company has complied with these conditions.	✔		

AMARSTOCK

IFIC BANK

International Finance Investment and Commerce Bank Limited
Head Office : IFIC Tower, 61 Purana Paltan, GPO Box: 2229, Dhaka-1000, Bangladesh
Tel: 9563020, IP Phone No. : 09666716250 (Hunting), Fax: 880-2- 9554102, Swift: IFIC BD DH
E-mail: info@ificbankbd.com Website: www.ificbank.com.bd

CEO and CFO's Declaration to the Board

Date: 4 April 2018

The Board of Directors
IFIC Bank Limited
Head Office
Dhaka

Subject: Certification of Managing Director & CEO and Chief Financial Officer (CFO) to the Board.

As per BSEC Notification Number SEC/CMRRCD/2006-158/134/Admin/44, dated 7 August 2012, we the undersigned do hereby certify that:

(i) We have reviewed financial statements for the year ended 31 December 2017 and that to the best of our knowledge and belief:

(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Chief Financial Officer

Managing Director & CEO

AMAR STOCK

Rahman Rahman Huq
Chartered Accountants
9 & 5 Mohakhali C/A
Dhaka 1212
Bangladesh

Telephone +880 (2) 988 6450-2
Fax +880 (2) 988 6449
E-mail dhaka@kpmg.com
Internet www.kpmg.com/bd

Certificate on Compliance with Conditions of Corporate Governance Guidelines to the Shareholders of International Finance Investment and Commerce Bank Limited

We were engaged by International Finance Investment and Commerce Bank Limited (the "Company") to provide certification whether the Company has complied with the conditions of corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission in its notification number SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 (the "conditions of corporate governance guidelines") for the year ended 31 December 2017.

The Company's Responsibilities

Those charged with governance and management of the Company are responsible for complying with the conditions of corporate governance guidelines. Those charged with the governance of the Company are also responsible for stating in the director's report whether the Company has complied with the conditions of corporate governance guidelines.

Our Responsibilities

Our responsibility is to examine the Company's status of compliance with the conditions of corporate governance guidelines and to certify thereon in the form of an independent assurance conclusion based on the evidence obtained. For the purpose of the engagement, we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain assurance whether the Company has complied with the conditions of corporate governance guidelines.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the Company has complied with the conditions of corporate governance guidelines for the year ended 31 December 2017.

Rahman Rahman Huq

Dhaka, 3 May 2018

Rahman Rahman Huq, a partnership firm registered in Bangladesh and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

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MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

IFIC Bank Limited has passed a successful year of 2017 performing a remarkable achievement in terms of business growth, new business initiatives and implementation which are strongly underpinned by its efforts centered on achieving highest level of customer service excellence, promoting good governance, emphasizing financial and operational integrity and sustainable banking operations. Considering the macro economic scenario of the year 2017, the Bank moved for balanced expansion of its business and also concentrated on strategic business decision, reform and restructuring the processes and policies.

The management focuses on the prudent decision at the right time which has ultimately maximized the bottom line of operating results. The Bank reviewed all the segmental performance of the bank from analytical point of view which are as follows:

Financial Review

Financial position of the bank – based on separate financial statements

Despite the tough economic environment, IFIC has managed the healthy growth in its balance sheet during the year 2017. At the end of year 2017 total assets of the bank has increased by 28.5% vis-à-vis 10.5% of year 2016. A summary position of total assets of the bank are furnish below:

BDT in million

Particulars	2017	2016	Growth
Cash & Cash Equivalents	29,932	23,076	29.7%
Investments	27,858	25,205	10.5%
Loans and advances	179,264	137,118	30.7%
Fixed assets	3,528	3,488	1.2%
Other assets	12,666	8,164	55.1%
Total assets	**253,249**	**197,051**	**28.5%**

Cash and cash equivalents

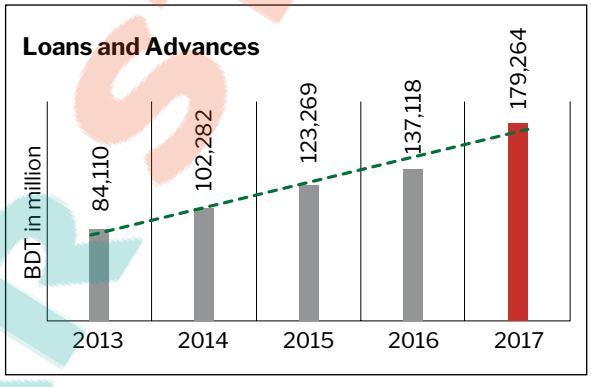
Cash and cash equivalents includes cash in hand and balances with Bangladesh Bank and its agent banks, balance with ATM, balance with other banks and financial institutions and money at call on short notice. Cash and cash equivalents increased to BDT 29,932 million at 31 December 2017 from BDT 23,076 million at 31 December 2016 mainly for increase the balances with Bangladesh Bank, balance held with other bank & FIs and overnight placement. This growth is aligned with the business growth which is inevitable to maintain sufficient liquidity to support the demand of the customers as well as to maintain the minimum requirements of Bangladesh Bank.

Investments

Total investments increased by 10.5% to BDT 27,858 million at 31 December 2017 from BDT 25,205 million at 31 December 2016 primarily due to increase in investment in government securities by BDT 3,189 million; which included increment of treasury bills and Bangladesh Bank bills of BDT 916 million and BDT 2,699 million respectively.

Loans and advances

In the year 2017 Bank's lending portfolio grew by 30.7% and reached at BDT 179,264 million from BDT 137,118 million of 2016.

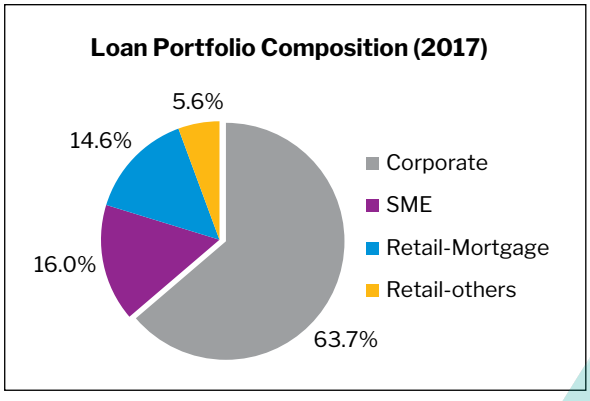


The bank follows a policy of portfolio diversification and evaluates its total financing in a particular sector for sustainable growth in the balance sheet. The Bank's Credit Risk Management Division and Risk Management Division (RMD) monitors all major sectors of the economy and specifically tracks sectors in which the Bank has loans outstanding. The bank seeks to respond to economic weakness through active portfolio management, by restricting exposure to weak sectors and increasing exposure to the segments that are growing and sustainable. In line with that the bank focus on increasing the mortgage backed small ticket home loan under retail segment. At the end of year 2017 the Bank recorded total home loan at BDT 26,209 million compared to BDT 12,565 million at the end of year 2016 with posted 108.6% growth over last year. As a result mortgage backed home loan mix under retail segment to total lending portfolio stood at 14.6% compared to 9.2% of last year. On the other side corporate lending portfolio mix reduced to 65.7% at the end of year 2017 opposed to 66.1% of year 2016.

BDT in million

Particulars	2017	Mix	2016	Growth
Corporate	114,269	63.7%	86,839	31.6%
SME	28,690	16.0%	28,068	2.2%
Retail-Mortgage	26,209	14.6%	12,565	108.6%
Retail-others	10,096	5.6%	9,646	4.7%
Total	**179,264**	**100.0%**	**137,118**	**30.7%**

The following diagram demonstrates, at the date indicated, the composition of the Bank's gross loans and advances:



Quality of portfolio

The Bank classifies its assets as performing and non-performing in accordance with Bangladesh Bank's guidelines. At the end of year 2017, the Bank's NPL ratio stood at 6.4% opposed to 5.3% at the end of year 2016. NPL ratio increased by 1.1% over prior year mainly for downgrade of three large accounts based on objective and qualitative criteria. However, the bank made well coverage against such NPL portfolio to mitigate the credit risk. At the end of the year 2017, the Bank has maintained total provision of BDT 5,310 million and kept interest suspense BDT 4,953 million against gross lending portfolio. At the end of year 2017 net NPL ratio of the bank stood at 3.4% with coverage of BDT 5,315 million representing 46.3% of total NPL. The Bank has a dedicated division for strong monitoring the NPL accounts this division is closely monitoring the NPL portfolio and work together with different branches and bank legal team. The effort will continue with the aim of reducing the NPL further in 2018.

The following table demonstrates, at the date indicated, information regarding the Bank's non-performing loans and advances:

BDT in million

Particulars	2017	2016	Growth
Sub-standard	2,841	1,750	62.3%
Doubtful	521	467	11.7%
Bad & Loss	8,116	5,034	61.2%
Gross NPL	**11,478**	**7,251**	**58.3%**
Provision	3,594	2,355	52.6%
Interest suspense	1,721	951	81.0%
NPL coverage	**5,315**	**3,306**	**60.8%**
Net NPL	**6,163**	**3,945**	**56.2%**
NPL coverage ratio	**46.3%**	**45.6%**	**0.7%**

Fixed Assets

Fixed Assets includes land, building & premises, computer & equipment, furniture and fixtures etc. and it increased to BDT 3,528 million at 31 December 2017 from BDT 3,488 million at 31 December 2016 primarily due to expansion of branch network and fusion banking system.

Other Assets

Other assets includes suspense accounts, advance deposits & prepayment, receivable against paid on Shanchaya Patra, advance income tax, deferred tax asset, accrued interest receivable, investment in subsidiaries & associates, non-banking assets, stationery and stamps etc. Other assets increased by BDT 4,502 million in 2017 compared to year 2016 mainly for increase of advance income tax. Total advance tax has increased compared to last year mainly for prior years' adjustment as up to year 2016 the advance income tax was shown in net basis i.e. after setting off provision for tax and the same has been presented in gross basis in the year 2017.

Liabilities

The following table demonstrates, at the date indicated, the summarized position of liabilities and shareholders' equity:

BDT in million

Particulars	2017	2016	Growth
Borrowings	8,474	5,827	45.4%
Subordinated debt	3,500	3,500	0.0%
Deposits	200,206	160,155	25.0%
Other liabilities	20,531	14,728	39.4%
Total liabilities	**232,710**	**184,210**	**26.3%**
Paid up capital	11,953	5,638	112.0%
Reserve and suplus	8,586	7,202	19.2%
Total shareholders' equity (SE)	**20,539**	**12,840**	**60.0%**
Total liabilities and SE	**253,249**	**197,051**	**28.5%**

Borrowings

Borrowings from other banks, financial Institutions and Bangladesh Bank**.** At the end of year 2017 total borrowings stands at BDT 8,474 million compared to BDT 5,827 million at 31 December 2016 which is increased by BDT 2,647 million mainly for borrowing from Bangladesh Bank under different refinancing schemes namely EDF, SME & LTFF and borrowings from outside Bangladesh (Nepal Bangladesh Bank Ltd. Nepal and SCB, Singapore) which were used for Off-shore Banking unit of the Bank.

Subordinated Bond

The Bank with prior consent of Bangladesh Securities and Exchange Commission (vide letter no. BSEC/CI/DS-32/2015/644 dated 28 December 2015) and Bangladesh Bank (vide letter no. BRPD (BFIS) 661/18B (P)/2016-938 dated 08 February 2016 and BRPD (BFIS) 661/18B (P)/2016-2475 dated 17 April 2016) issued 07 (seven) years Non-Convertible Coupon Bearing Subordinated Bonds in the 2016. Subordinated Bond is considered as a part of eligible capital under Tier-II as per Basel-III. The interest rate of the Bond is reference Rate + 4.8% margin, where reference rate is the latest 182 days Bangladesh Govt. Treasury bill rate. The issued instrument is un-secured, non-convertible in nature and will be redeemed at 20.0% of its face value each year which will start at the end of 3rd year.

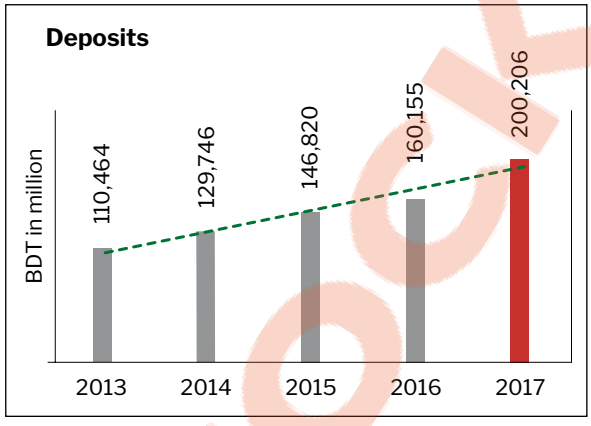
Deposits

Deposit includes different types of deposits including bills payable. Following table demonstrates, at the dates indicated, the principal components of Deposits and other accounts:

BDT in million

Particulars	2017	2016	Growth
Current deposits	30,668	20,063	52.9%
Bills payble	2,238	2,076	7.8%
Savings bank deposits	27,058	27,886	-3.0%
Fixed deposits	140,241	110,131	27.3%
Total Deposits	**200,206**	**160,155**	**25.0%**

Deposits increased by 25.0%, BDT 200,206 million at 31 December 2017 from BDT 160,155 million at 31 December 2016**.** This growth was largely driven by Bank's fixed deposits, which amounting to BDT 30,110 million in 2017 as bank has given more emphasis on long term liquidity rather than short term. Simultaneously the effort of the Bank in developing and offering flexible and customized products specially IFIC Aamar Account that cater to the need of customers have helped to achieve the deposit growth of the bank. At the end of 2017 total deposit against Aamar Account stood at BDT 5,839 million compared to BDT 1,816 million which demonstrated growth of 221.5%.

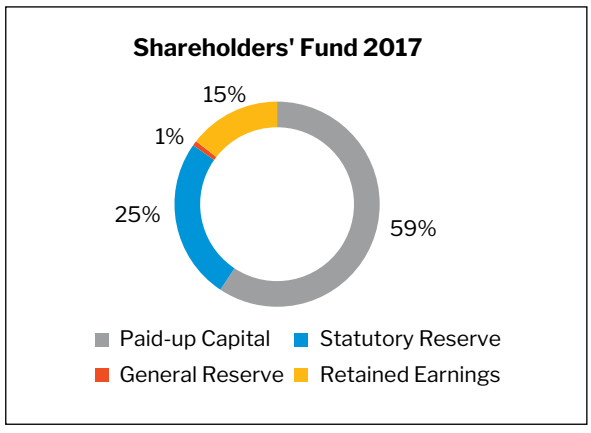


Other Liabilities

Other liabilities mainly includes provision for loans and advances, provision for taxes, interest suspense and other operational liabilities. Other liabilities balance stands at BDT 20,531 million at 31 December 2017 from BDT 14,728 million at 31 December 2016 mainly due to increase in specific Provision on loan & advances, Provision for taxation and interest suspense accounts. Provision for tax increased by BDT 3,574 million mainly for prior years' adjustment as discussed in the section of other assets.

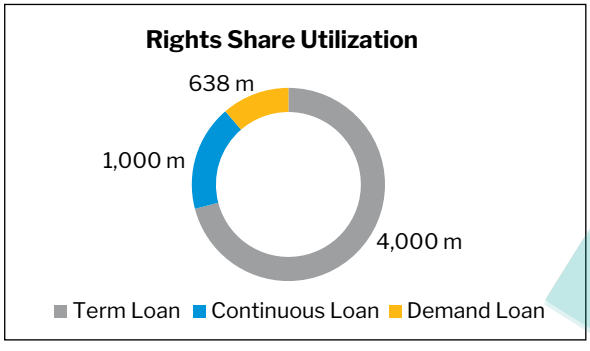
Shareholders' Equity

Bank objective is managing and maintain its capital at appropriate levels to support the business strategy and meet regulatory requirements. A growth of 59.9% took the shareholders' fund to BDT 20,539 million compared to BDT 12,840 million in the preceding year. This primarily growth mainly driven by accretion to Paid up capital at 112.0% through issuance of 1R:1 rights share issue to our valued shareholders amounting to BDT 5,638 million in the year 2017 as well as issuance of stock dividend at 12.0% for the year 2016. On the other side statutory reserve increased by 10.2% due to transfer 20.0% of profit before tax of the year 2017 and the impact of retain earnings because of surplus in the profit and loss account for the year 2017.



Rights Share Utilization

To meet the capital adequacy and to strengthen the capital base of the Bank as per Basel – III, the Bank issued rights shares at the ratio of 1R:1 to raise its paid-up capital. In compliance with all regulatory requirements, Bank declared record date on 17 April 2017 and fixed the subscriptions period from 31 May 2017 to 29 June 2017 for collection of rights share proceeds. Bank credited the Rights share to the shareholders' BO Accounts through CDBL on 19 July 2017. At the end of year 2017 total paid up capital of the bank stand at BDT 11,953 million after considering the rights issue which will facilitate the long-term business growth of the Bank. As per approval of BSEC and implementation schedule contained in the Rights Share Offer Document, the Bank utilized full proceeds of Rights Share amounting to BDT 5,638 million as per following manner:



Capital Adequacy Under Basel-III

The Bank required to maintain minimum regulatory capital at 11.25% at the end of year 2017 as per Basel–III out of which minimum Tier-1 capital of 5.75% including 1.25% capital conversation buffer. However, Bank maintained total regulatory capital of 12.57% at the end of year 2017 against the required capital including minimum Tier-1 capital of 9.84%. As per Basel III guidelines of Bangladesh Bank, the Bank follows the standardized approach (on the basis of ECAI's assessment and specific risk weight by Bangladesh Bank) for measurement of market risk and basic indicator approach for measurement of operation risk. Details regulatory capital position of the Bank as at reporting date are as follows:

BDT in million

Particulars	2017	2016	Growth
Paid-up capital	11,953	5,638	112.0%
Reserve & Surplus	6,922	5,971	15.9%
Tier 1 Capital	**18,875**	**11,609**	**62.6%**
Tier 2 Capital	5,239	5,318	-1.5%
Capital Maintained	**24,114**	**16,928**	**42.5%**
Required Capital	21,574	15,993	34.9%
Surplus/(Short)	**2,539**	**935**	**171.7%**

Particulars	2017	2016	Growth
Required CAR	11.25%	10.625%	0.6%
CAR maintained	12.57%	11.250%	1.3%
Surplus/(Short)	**1.32%**	**0.62%**	**0.7%**

As per Basel – III each commercial bank operated in Bangladesh has to maintain total capital at 11.875% in 2018 and 12.50% from the year 2019 and onward. The information displayed above shows that the Bank is able to meet Basel III capital requirements with Capital to Risk-weighted Asset Ratio (CRAR).

Internal Assessment of Capital

The capital management framework of the Bank includes a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) conducted annually, which determines the adequate level of capitalization necessary to meet regulatory requirements and current and future business needs, including under stressed scenarios. The ICAAP is formulated at standalone bank level. This encompasses capital planning for a five year time horizon, identification and measurement of material risks and the relationship between risk and capital. The capital management framework is complemented by the risk management framework, which includes a comprehensive assessment of material risks. Stress testing, which is a key aspect of the ICAAP and the risk management framework, provides an insight on the impact of extreme but plausible scenarios on the Bank's risk profile and capital position. Based on the Bangladesh Bank issued stress testing framework, the Bank conducts stress tests on various portfolios and assess the impact on the capital ratios and the adequacy of capital buffers for current and future periods. The Bank periodically assess and refines its stress tests in effort to ensure that the stress scenarios capture material risk as well as reflect possible extreme market moves that could arise as a result of market conditions. The business and capital plans and the stress testing results of the group entities are integrated into the ICAAP.

Base on the ICAAP, the Bank determines the level of capital that needs to be maintained to the risk under SRP e.g. residual risk, concentration risk, interest rate risk in the banking book, liquidity risk, reputation risk, strategic risk, settlement risk, appraisal of core risk management practice, environmental and climate change risk as well as other material risks by considering the following in an integrated manner:

- strategic focus, business plan and growth objectives;
- regulatory capital requirement as per Bangladesh Bank guidelines;
- assessment of material risks and impact of stress testing;
- perception of credit rating agencies, shareholders and investors;

- future strategy with regard to investments or divestments in subsidiaries; and
- evaluation of options to raise capital from domestic and overseas markets, as permitted by Bangladesh from time to time.

Financial performance of the bank – based on separate financial statements

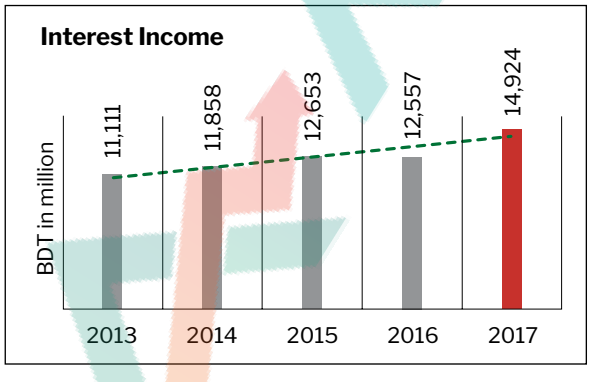
Despite the challenging economic environment, constrained the interest margins the bank managed the healthy financial results in 2017. A better reflection of financial performance of IFIC an in-depth financial analysis is given below:

BDT in million

Particulars	2017	2016	Growth
Interest income	14,924	12,557	18.9%
Interest expense	9,434	8,182	15.3%
Net Interest Income (NII)	**5,490**	**4,375**	**25.5%**
Inv. & Non-interest Income	4,272	4,111	3.9%
Operating Revenue	**9,763**	**8,486**	**15.0%**
Operating Expense	5,348	5,066	5.6%
Operating profit	**4,414**	**3,420**	**29.1%**
Prov. for Loans and Inv.	2,038	1,336	52.5%
PBT	**2,377**	**2,084**	**14.1%**
Current Tax	750	700	7.1%
Deferred tax	(441)	170	-360.2%
Net Profit after Tax	**2,068**	**1,214**	**70.3%**

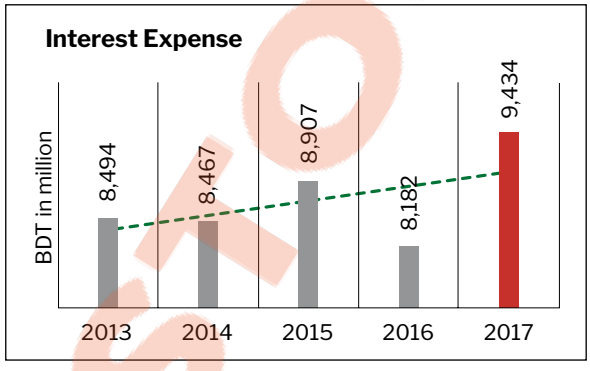
Interest Income

The total interest income of the bank has increased to BDT 14,924 million from BDT 12,557 million with a remarkable growth of 18.9% in 2017 due to increase the lending book by 30.7% in Y2017 compare to 11.2% in Y2016. The portfolio growth led to increase the interest income and this portfolio growth was possible because of our high level of customer service, product innovation, customized solutions and the continuous effort of the workforces.



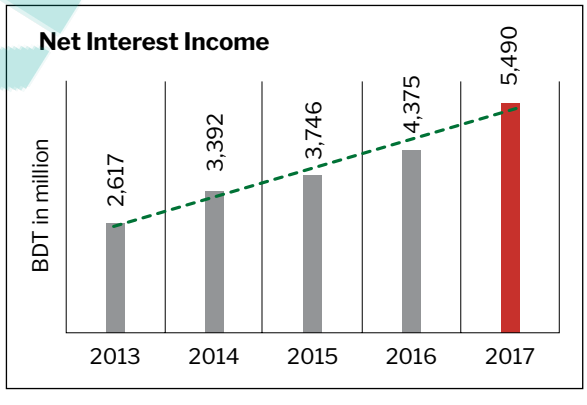
Interest Expenses

In 2017 total interest expenses stood at BDT 9,434 million vis-à-vis BDT 8,182 million of year 2016. Interest expenses increased by 15.3% over prior year mainly for 25.0% growth on deposit over last year. However, bank managed its cost of fund and able to keep remain unchanged like prior year. At the end of year 2017 cost of fund reached at 4.2% vis-à-vis 4.2% of year 2016.



Net Interest Income - NII

With the positive growth of lending book and cost of fund remained same as explained in previous paragraphs, in 2017 NII increased to BDT 5,490 million from BDT 4,375 million of year 2016 with a healthy growth of 25.5% over last year.

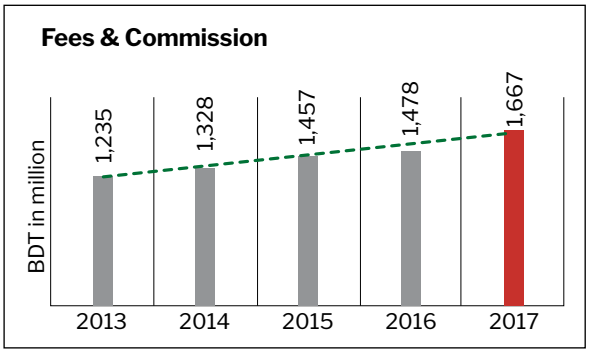


Investment and Non-Interest Income

The following table demonstrates, for the period indicated, the principal components of non-interest income:

BDT in million

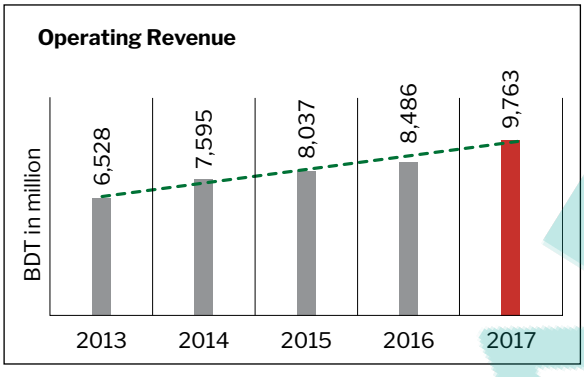
Particulars	2017	2016	Growth
Investment income	2,071	2,077	-0.3%
Fees & Commission	1,667	1,478	12.8%
Other operating income	534	556	-3.9%
Total non-interest income	**4,272**	**4,111**	**3.9%**



Total investment and non-interest income shows a positive growth at 3.9% compared to last year mainly for fees & commission.

Total Operating Revenue

Though the remarkable growth of NII, at the end of year 2017 total operational revenue reached at BDT 9,763 million opposed to BDT 8,486 million with a moderate growth of 15.0%.



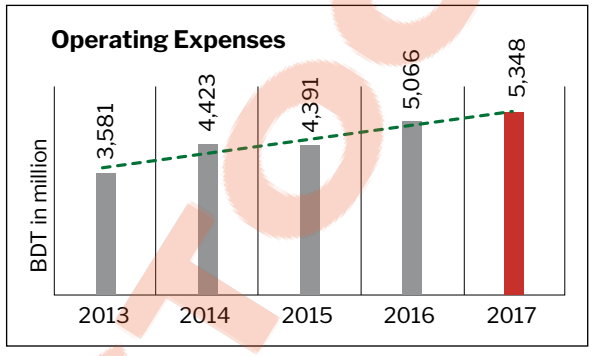
Operating Expenses

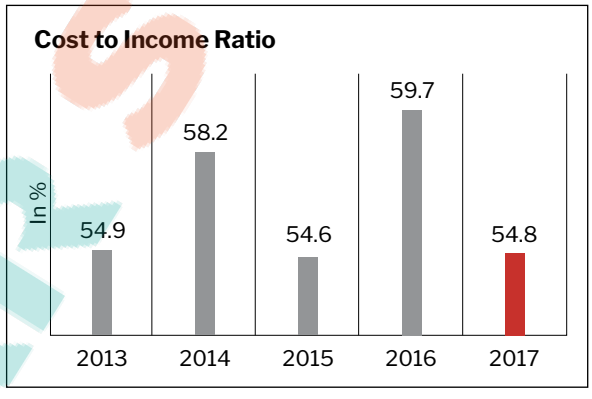
Operating expenses includes the followings:

BDT in million

Particulars	2017	2016	Growth
Salaries & allowances	2,593	2,528	2.5%
Rent, taxes & insurance etc.	688	691	-0.4%
Postage, telecommunication etc.	76	92	-17.0%
Stationery & advertisement etc.	433	266	63.0%
Depreciation and repairs	492	554	-11.1%
Other expenses	1,066	935	14.0%
Total operating expenses	**5,348**	**5,066**	**5.6%**

During the Y2017, the Bank incurred total operating expenses of BDT 5,348 million vis-à-vis BDT 5,066 million of the Y2016 with a very marginal growth of 5.6% over last year. The operating expense is increased by 5.6% due to increase of the advertisement & publicity and CSR & Donation expenses. These expenses were increased compared to last year mainly for profiling IFIC's brand name in the market, increase brand visibility and promote the different products and services of the bank. However, in 2017 office rent, postage & communication and depreciation expenses has reduced significantly compared to year 2016 even after increased the branch network of the Bank. Due to marginal growth of overall operating expenses, total cost to income ratio of the Bank reduced to 54.8% from 59.7% of last year.





Provision for Loans & Investment

The following table demonstrates, for the periods indicated, the components of provision kept for loans, investments and other assets:

BDT in million

Particulars	2017	2016	Growth
Provision for loans and advances	2,125	1,260	68.6%
Provision for investments	(106)	52	-304.9%
Other Provisions	20	24	-19.1%
Total Provision	**2,038**	**1,336**	**52.5%**

Provisions are made by the Bank on its lending portfolio as per prescribed category and rates directed by Bangladesh Bank which are standard, special mention accounts, sub-standard, doubtful and bad & loss. In 2017 Bank made BDT 2,038 million provision on its lending portfolio, investment and other assets opposed to BDT 1,336 million of year 2016. Provision on lending portfolio, investment and other assets increased by 52.5% mainly for down grade of few lending accounts as well as increase of the overall loans & advances.

Provision for taxation

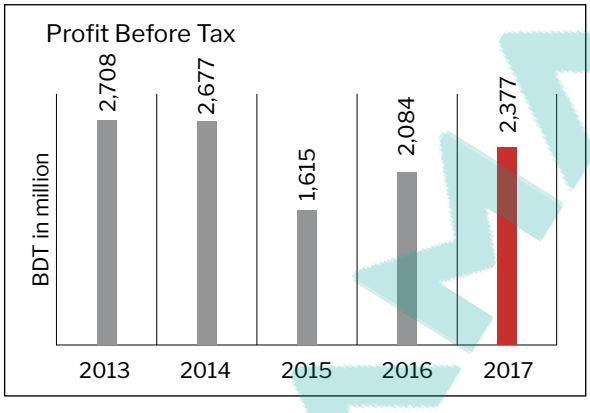
Current tax: At the end of year 2017 total current tax expenses of the bank stood at BDT 750 million vis-à-vis BDT 700 million of prior year. Current tax provision seems lower level compared to usual tax provision as bank calculated current year tax expenses after partial utilization of prior year's surplus provision of tax. This surplus tax provision has been arisen mainly from the settled down of number of reference applications in 2017 relating to different income years which were long pending with the honorable High Court.

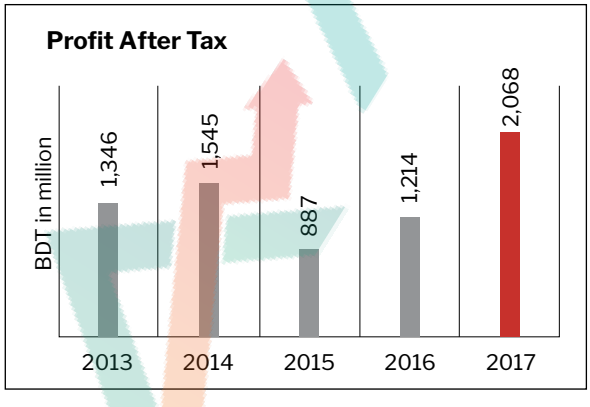
Deferred tax: Bangladesh Bank, through its BRPD Circular dated 21 December 2011, instructed the banks to create deferred tax liability (DTL) and assets (DTA), as a matter of prudence. In accordance with these guidelines, the bank created a DTL for temporary difference between carrying value and tax base of fixed assets outstanding at 31 December 2017 and DTA for temporary difference between carrying value and tax base of provision for loans and advances. In 2017 bank accounted for deferred tax income of BDT 441 million vis-à-vis BDT 170 million expense of year 2016.

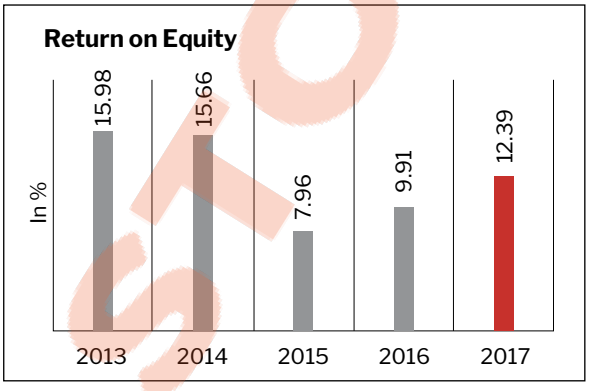
Profitability

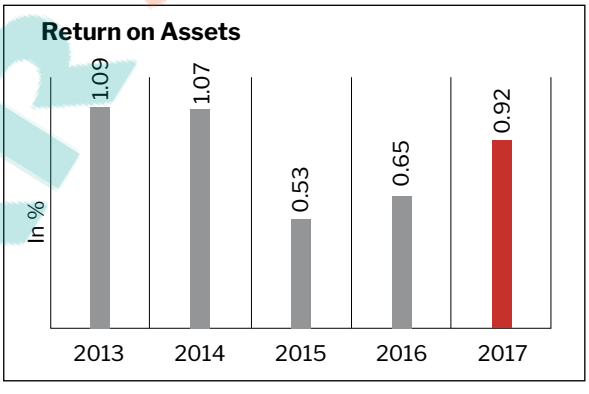
At the end of Y2017 profit before tax of the Bank stood at BDT 2,377 million vis-à-vis BDT 2,084 million of the prior year with recorded 14.1% growth compare to the year of 2016. The Bank achieved net profit after tax of BDT 2,068 million in the year 2017 with a 70.3% increase over the previous year which is mainly for higher level of NII, lower level of current tax provision through using prior years' surplus provision, increase of the deferred tax income. This growth reflects the enhanced internal capital generation of the bank. The key factors behind the results were growth in the lending book and efficient management of bank resources.

Following the growth in profits, bank's profitability ratios have also improved compared to the previous year. This year the Bank's return on assets rose to 0.9% from 0.7% and return on equity rose to 12.5% from 10.0%.









Based on consolidated financial statements

The consolidated profit after tax including the results of operations of the Bank's subsidiaries reached to BDT 2,127 million in the year 2017 from BDT 1,583 million in the year 2016 which is 34.4% higher than the prior year mainly for higher level of profit of IFIC and profit after tax of IFIC Securities which increased to BDT 39.75 million in the year 2017 from BDT 2.87 million in the year 2016.

Net profit after tax of IFIC Money Transfer (UK) Limited was (BDT 6.11) million in the year 2017 as against BDT (BDT 7.19) million in the year 2016.

BDT in million

Particulars	2017	2016	Growth
IFIC Securities Ltd.	39.7	2.9	1285.4%
IFIC Money Transfer (UK) Limited	(6.1)	(7.2)	15.0%

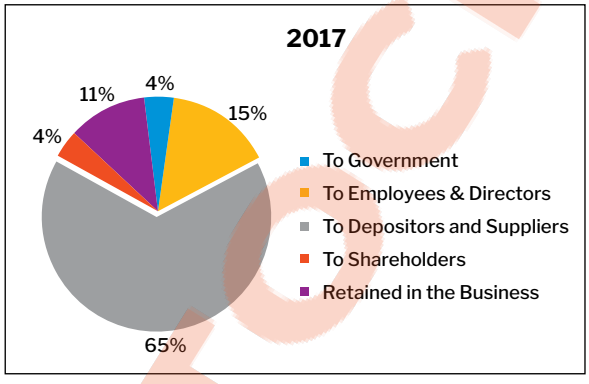
Value Added Statement

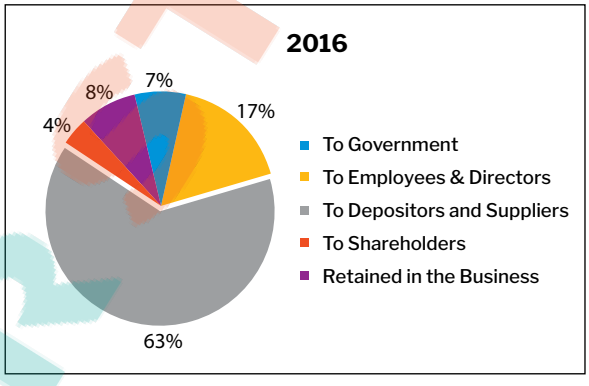
For the year ended December 31, 2017

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

BDT in million

Value added by banking services	2017	%	2016	%
Income from banking services	19,196.7		16,668.1	
+/(-) Provision for loans	(2,037.7)		(1,336.4)	
+/(-) Def. tax income/(expense)	441.2		(169.5)	
+/(-) Depreciation	(288.1)		(354.3)	
+/(-) Charges on loan losses	(244.8)		(281.2)	
Net Value Added	**17,067.2**		**14,526.8**	
Distribution of value addition:				
Government	**982.7**	**5.8%**	**1,106.7**	**7.6%**
Corporate tax	796.5		937.0	
Value Added Tax (VAT) etc.	186.2		169.7	
Employees & Directors	**2,594.0**	**15.2%**	**2,529.6**	**17.4%**
Salaries and benefits	2,592.6		2,528.2	
Director's remuneration	1.5		1.4	
Depositors and suppliers	**10,746.2**	**63.0%**	**9,072.3**	**62.5%**
Depositors as interest	9,434.1		8,182.4	
Supplier and other vendors	1,312.1		889.9	
Shareholders	**676.6**	**4.0%**	**604.1**	**4.2%**
Dividend	676.6		604.1	
Retained in the business	**2,067.7**	**12.1%**	**1,214.1**	**8.4%**
Statutory Reserve	475.3		416.7	
Retained earnings	1,592.4		797.4	
Total value distributed	**17,067.2**	**100.0%**	**14,526.8**	**100.0%**



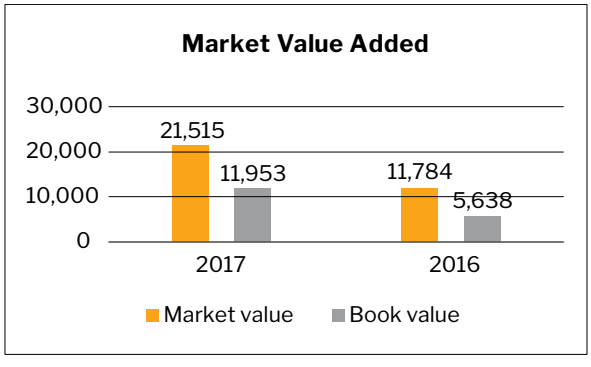


Market Value Added Statement (MVA)

MVA reflects IFIC's performance evaluated by the capital market through its share price. It's the difference between the current market value of the Bank's shares and the capital contributed by shareholders. A high MVA is a better indication of performance and it shows that the bank has created substantial wealth for its shareholders. MVA for the year ended 31 December 2017 and 2016 of the bank is as follows:

Number/BDT in million

Particulars	2017	2016
Number of shares	1,195	564
Market value	21,515	11,784
Book value	11,953	5,638
MVA	**9,562**	**6,145**



Economic Value Added (EVA) Statement

"Economic Value-Added is the surplus generated by an entity after meeting an equitable charge towards its shareholders. It is the post-tax return on capital employed (adjusted for the tax shield on debt) less the cost of capital employed. Bank that earns higher returns than cost of capital, creates value, and Bank that earns lower returns than cost of capital are deemed harmful for shareholder value. The aim of EVA is to provide management with a measure of their success in increasing shareholder's wealth: a better measure than profit of how much the company had made for shareholders"

EVA has been calculated by the following formula:

EVA=Net operating profit – taxes – cost of average capital employed

Particulars	2017	2016
Net operating profit	4,414	3,420
Provision for taxes	(309)	(870)
Net operating profit after tax	**4,105**	**2,550**
Average cost of equity*	8.9%	9.0%
Cost of average capital empolyed	2,016	1,585
Economic Value Added (EVA)	**2,090**	**965**
Capital employed		
Shareholders' equity	20,539	12,840
Accumulated provision	6,598	5,453
Total capital employed	**27,137**	**18,293**
Average capital employed	**22,715**	**17,554**

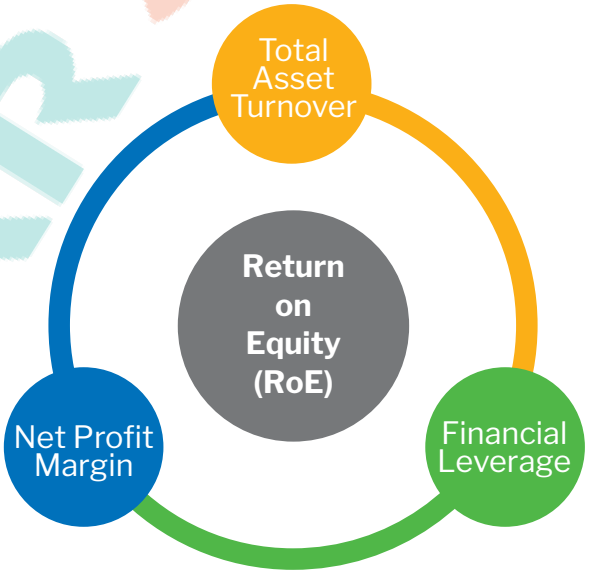
***** Weighted average rate of 10 years T-bond issued by Govt. plus 2.0% risk premium.

DuPont Analysis

DuPont analysis is an approach to decomposing return on equity for better understanding about which factor contributed most to the RoE and which factor caused the RoE to move. For broader analysis, Bank used five factors model that covers Net Profit Margin, Total Asset Turnover and Financial Leverage.

Particulars	2017	2016
Net profit margin	10.8%	7.3%
Total asset turnover	0.1	0.1
Financial leverage	12.3	15.3
Return on Equity (RoE)	**10.1%**	**9.5%**

Component of Net Profit Margin	2017	2016
Operating profit margin	23.0%	20.5%
Effect of non-operating Items	53.8%	60.9%
Tax effect	87.0%	58.0%



Human Capital

We believe in harnessing the full potential of our people as a critical driver of our business success in delivering a superior customer experience. Our purpose, vision and principles guide our efforts to create vibrant and congenial work environment. Current and future trends, ranging from digitalization to working with a multi-generational workforce are influencing how we shape our people, leadership and engagement strategies. The key aspects of managing human capital are HR development & talent management, performance management and reward, employee engagement programs as well as providing supports for employee health care.

During the year 2017, IFIC has restructured compensation and benefit policy to attract, retain and motivate the best resources. The recruitment process was re-engineered to ensure better intake. At IFIC, our goal is to ensure that our people are motivated, inspired and committed to deliver outstanding performance consistently. We deeply believe that in order to achieve this goal, we need to provide them a great place to

work, develop their capabilities, empower them and appropriately recognize their contribution.

HR Development & Talent Management

At IFIC Bank, we believe that our employees must be equipped with all the necessary skills to meet the ever-changing demands of this fast-faced competitive industry. Therefore, we aim to create a culture of continuous development to enable them to grow and succeed throughout their careers. Training and development plans are designed and implemented on regular basis to ensure appropriate employee knowledge and skills for performing current jobs as well as future responsibilities.

In 2017, 3394 participants attended in 182 Training Programs on different areas of Banking, Finance, Customer Service, IT and Leadership which is surely a landmark in the training arena among other commercial banks in the industry.

As part of succession planning, we arrange leadership programs with distinguished trainers from home and abroad. As a corporate member of Malaysian Institute of Management (MIM) we are continuing leadership program with them for last 04 years. Through intensive training we have created a pool of Coaches & Mentors in the organization who conduct various leadership programs for our potential branch managers or upcoming departmental heads.

Besides the in house and customized training programs, employees of our bank are also sent to the training programs arranged by BBTA, BAB Research & Training Centre, BIBM and other reputed local Training Institutes.

Management Trainee Development Programs and Induction Programs for other new joiners were conducted. Both on the job and off the job training programs followed by case presentation vis-a-vis written examinations have been conducted to make the training session more effective.

A good number of participants (53) have been sent abroad for attending foreign training (32) on Leadership Development, Strategic Management, Credit, Trade Processing, IT and other related areas in Singapore, India, Malaysia and Thailand.

We also ensured training on compliance issues such as Money Laundering Prevention Act-2012 & Amendment Act-2015, Anti Terrorism Act-2009 & Amendment Act-2013, Integrated Supervision System (ISS), Corresponding Banking Financial Crime Compliance Academy covering all branches and Head Office. Besides these, some general programs were also conducted on Soft Skill Development of relevant desk officials of IT, HR and Finance & Accounts Division.

Human Resource Planning

The primary goal of our human resource management is to ensure that we have the right people in the right position at the right time. IFIC HR determines our future HR requirements through continuous consultation with other departments and evaluation of jobs which ultimately assist in talent acquisition and talent development including succession planning. Moreover, best employees are selected for the functional positions at Branches and Divisions, Head Office through Internal Job Posting Circular round the year.

Our objectives always remain to recruit dynamic people through our multi-step merit-based recruitment and selection process whose caliber and capabilities are best suited for the job. This enables us to create more career opportunities for our people and enhances both lateral and upward mobility in our organization.

Performance Management & Reward

Our employees' performances are reviewed annually against their set KPIs which are linked to financial objective of the Bank. The performance management process emphasizes on employees performance, growth as well as identifying their learning and career development needs. As a part of this, our employees are also encouraged to work on areas where there is scope of improvement through constructive feedback and dialogue. Pay package and other rewards are highly linked to performance rating of an employee which play critical role to identify real performer in the Bank.

Additionally, this process helps us to identify employees with high potentials for succession-planning and also helps us in placing employees with different roles and assignments. From the year 2018, Bank has taken initiative to evaluate employee's performance on quarterly basis through giving continuous feedback to employees which will enhance employee's productivity contributing to profitability and long term sustainable growth of the Bank.

Employee Engagement Programs and Awards

Our employee engagement activities are aimed at enhancing our employees commitment and sense of belongingness towards the company. Meritorious Children Award, Pohela Boishakh, Welcoming New Born Baby, Hemonto Sondhya and Pitha Utshob are some of the events that are arranged and celebrated with the members of IFIC family.

Health and Work-Life Balance

We believe that healthy employees will remain sustainably engaged and productive. To ensure health and well being of our people, IFIC Bank provides insurance facilities to employees and equips Branches and Head Office with modern safety measures. Likewise, Management of IFIC provides Earned Leave, Maternity Leave and Causal Leave to the employee to maintain work-life balance.

Human Resources Accounting (HRA)

The aim of HR accounting is to depict the potential

of the employee in monetary terms which mainly help in decision making of ascertaining how much investment IFIC has made on its employees and how much return it can expect from this investment. It furnishes cost/value information for making management decision about acquiring, allocating, developing and maintaining human resources in order to attain cost effectiveness. This allows management personnel to monitor and use human resources effectively. It also provides valuable information to the investors interested in making long term investments in service sector companies. In line with the concept, per employee cost and per employee profit are being considered in using human resources effectively.

Branding and Promotional Activities

IFIC Bank undertook sustained promotional activities to create awareness about the brand and products in the year 2017.

IFIC celebrated its 41st anniversary in 2017 by undertaking a series of activities engaging its customers, patrons, stakeholders and employees. An advertisement on the anniversary day was published at national dailies, nationwide branches were decorated with promotional materials along with anniversary cake cutting with valued customers and employees.

To promote the groundbreaking product IFIC Aamar Account, a 360 degree campaign was launched across all available media (TVC and RDC airing in different channels, series of newpaper advertisements in national and local dailies, billboard advertisements at different strategic points, digital media advertisements along with field level activation).



Promotional activities for IFIC Home Loan across the media was very successful in 2017. The Bank received positive response from customers as a result of those activities. The bank also promoted its One Stop Service and a new product IFIC Agami to create awareness about the product and service.



IFIC Bank organized a Pitha Utshab at Gulshan Branch premises. Top customers, eminent personalities of the society, honorable shareholders and high



officials of the bank attended the programme. The bank celebrated the beginning of Bangla new year Pahela Boishakh by organizing various activities including an employee event and painting alpona in front of IFIC Tower.



Different television programmes including *Kemon Budget Chai* in NTV, *Ekushay Book Mela Sorasori* and *Rangtulite Muktijudhdho* in Channel i were sponsored by the bank. The Bank also did branding of the news scroll and a documentary titled "*IFIC Bank Ei Banglaye*' in ATN News to increase the Bank brand visibility.

The Bank also sponsored a good number of events including the Police Week 2017 and DMP's Founding Anniversary, Victory Day Parade of Bangladesh Armed Forces, 1st IFIC Bank Golf Tournament at Ghatail Goft Club (Shaheed Salahuddin Cantonment, Tangail) and Jazz Festival of Blues Communication.





MEDIA HIGHLIGHTS



সমকাল

IFIC BANK

৪০তম বার্ষিক সাধারণ সভা
40th ANNUAL GENERAL MEETING

আইএফআইসি ব্যাংকের ১২ শতাংশ লভ্যাংশ অনুমোদন

আইএফআইসি ব্যাংকের বার্ষিক সাধারণ সভা সোমবার ঢাকায় অনুষ্ঠিত হয়। ব্যাংকের চেয়ারম্যান সালমান
রহমানের সভাপতিত্বে সভায় পরিচালক মনিরুল ইসলাম, জামাল আহমদ
আহমেদ, এমডি শাহ এ সারওয়ার উপস্থিত ছিলেন। সভায় ২০১৬ সম
অন্যান্য প্রতিবেদন ও লভ্যাংশ হিসেবে ১২ শতাংশ বোনাস শেয়ার অনুমে
চেষ্টায় ব্যাংকের উত্তরোত্তর সাফল্য কামনা করেন এবং সংশ্লিষ্ট সবাইকে

প্রথম আলো

আইএফআইসি ব্যাংকের 'লিডার্স মিট'

বাংলাদেশ প্রতিদিন

ঢাকায় মতিঝিলের ইসলাম চেম্বারে আইএফআইসি ব্যাংক লিমিটেড
লেকরো প্রধিস হিসেবে গতকাল ব্যাংকের এমডি ও সিইও শাহ এ
করেন। এ সময় ব্যাংকের উর্ধ্বতন কর্মকর্তারা উপস্থিত ছিলেন।

IFIC BANK
৪০তম বার্ষিক সাধারণ সভা
40th ANNUAL GENERAL MEETING

MEDIA HIGHLIGHTS



MEDIA HIGHLIGHTS





SHAREHOLDERS' INFORMATION

Directors' Shareholding Status

Shareholding of Directors as at 31 December 2017

Sl.	Name of the Directors	Status	Holding in %	2017	2016
1	Mr. Salman F Rahman	Chairman	2.00	23,912,781	11,279,614
2	Mr. Anwaruzzaman Chowdhury	Independent Director	Nil	Nil	Nil
3	Ms. Rabeya Jamali	Independent Director	Nil	Nil	Nil
4	Mr. Jalal Ahmed *	Govt. nominated Director	32.75	391,444,309	184,643,542
5	Mr. A. R. M. Nazmus Sakib *	Govt. nominated Director			
6	Ms. Quamrun Naher Ahmed*	Govt. nominated Director			
7	Mr. M Shah Alam Sarwar	Managing Director & CEO	Nil	Nil	Nil

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

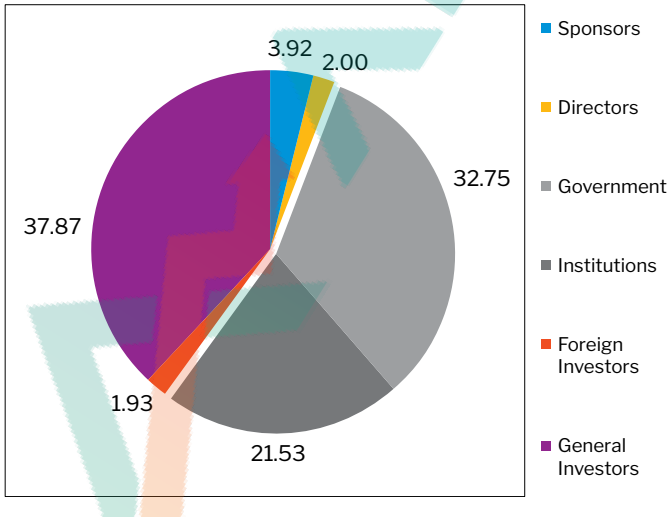
Distribution of Shareholding

Category	31 December 2017			31 December 2016		
	No. of Share	%	Taka	No. of Share	%	Taka
Sponsors	46,911,623	3.92	469,116,230	36,559,051	6.48	365,590,510
Directors	23,912,781	2.00	239,127,810	11,279,614	2.00	112,796,140
Government (Director also)	391,444,309	32.75	3,914,443,090	184,643,542	32.75	1,846,435,420
	462,268,713	**38.67**	**4,622,687,130**	**232,482,207**	**41.23**	**2,324,822,070**
Institutions	257,334,656	21.53	2,573,346,560	137,249,426	24.34	1,372,494,260
Foreign investors	23,104,033	1.93	231,040,330	3,969,289	0.70	39,692,890
General investors	452,595,040	37.87	4,525,950,400	190,120,985	33.73	1,901,209,850
Total	**1,195,302,442**	**100.00**	**11,953,024,420**	**563,821,907**	**100.00**	**5,638,219,070**

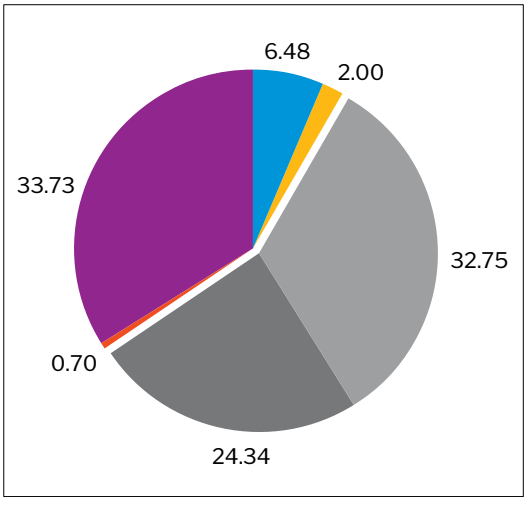
Mr. Salman F Rahman is a Sponsor as well as a Director of the Bank. However his shares are shown against Directors' Category.

The Government is representing in the Board of the Bank by nominating 03 (three) Directors and as such, Sponsors & Directors are at present holding 38.67% shares of the Bank.

Shareholding status (%) : 2017



Shareholding status (%) : 2016



Five Years Performance of the Bank

Key Financial Data and Indicators

BDT in million

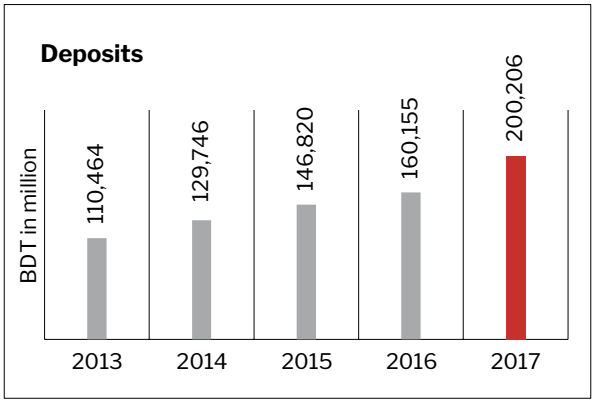
Particulars	2017	2016	2015	2014	2013
Financial Position Matrix					
Authorized capital	20,000	20,000	20,000	20,000	20,000
Paid-up capital	11,953	5,638	5,034	4,377	3,807
Shareholders' equity	20,539	12,840	11,654	10,628	9,098
Deposits	200,206	160,155	146,820	129,746	110,464
Borrowings	8,474	5,827	7,201	5,621	3,493
Total liabilities	232,710	184,210	166,680	145,711	122,919
Loans and advances	179,264	137,118	123,269	102,282	84,110
Investments	27,858	25,205	28,498	22,845	21,171
Fixed assets	3,528	3,488	3,230	2,929	2,383
Interest earning assets	216,239	166,860	151,499	132,838	109,474
Non-interest earning assets	37,009	30,190	26,835	23,500	22,588
Total assets	253,249	197,051	178,334	156,339	132,062
Total off-balance sheet items	58,620	52,602	47,779	47,824	42,304
Financial Performance Matrix					
Interest income	14,924	12,557	12,653	11,858	11,111
Interest expenses	9,434	8,182	8,907	8,467	8,494
Net interest income (NII)	5,490	4,375	3,746	3,392	2,617
Non-interest income	4,272	4,111	4,291	4,204	3,911
Investment income	2,071	2,077	2,375	2,377	2,170
Administrative expenses	5,348	5,066	4,391	4,423	3,581
Operating profit	4,414	3,420	3,646	3,173	2,948
Provision for loans and assets	2,038	1,336	2,031	496	240
Profit before tax	2,377	2,084	1,615	2,677	2,708
Current tax	750	700	950	1,290	1,090
Deferred tax expense/(income)	(441)	170	(222)	(158)	272
Profit after tax	2,068	1,214	887	1,545	1,346
Trade Business Matrix					
Foreign Exchange Business	206,154	208,672	205,923	193,982	183,791
Import	97,908	92,927	87,307	85,326	84,899
Export	88,677	94,410	96,080	89,894	83,118
Remittance	19,569	21,335	22,537	18,762	15,774
Guarantee Business	7,313	7,407	8,687	5,773	6,159
Capital Measure Matrix (under Basel-III)					
Risk weighted assets (RWA)	191,773	150,523	117,314	111,574	92,915
Common Equity Tier-1 Capital	18,875	11,609	10,508	9,695	8,324
Admissible Tier-2 Capital	5,239	5,318	1,305	1,613	1,307
Total Regulatory Capital	24,114	16,928	11,813	11,308	9,631
Common Equity Tier-1 to RWA	9.84%	7.71%	8.96%	8.69%	8.96%
Tier-2 Capital to RWA	2.73%	3.53%	1.11%	1.45%	1.41%
Capital to Risk-weighted Asset Ratio (CRAR)	12.57%	11.25%	10.07%	10.14%	10.37%

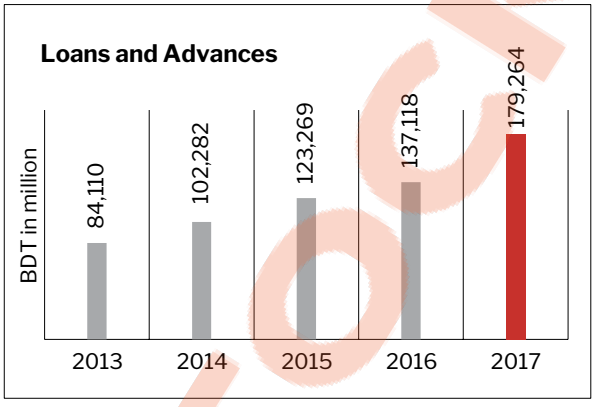
BDT in million

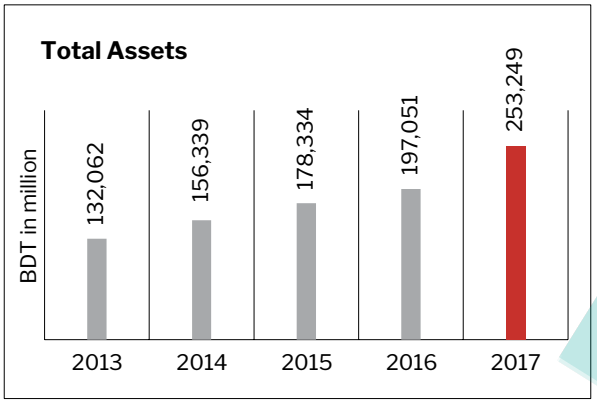
Particulars	2017	2016	2015	2014	2013
Credit Quality Matrix					
Non-performing/classified loans (NPLs)	11,478	7,251	7,962	5061	3,168
Provision for loans & advances	5,310	4,138	3,982	3,042	2,432
NPL to total loans & advances	6.40%	5.29%	6.46%	4.95%	3.77%
Share Information Matrix					
Number of shares outstanding	1,195.30	563.82	503.41	437.75	380.65
Number of shareholders	44,421	31,569	35,949	44,444	49,196
Market price per share	18.00	20.90	21.20	26.10	34.30
Operating profit per share	3.69	6.07	7.24	7.25	7.74
Earnings per share	2.02	1.38	1.57	3.07	3.07
Dividend (stock)	12.0%	12.0%	12.0%	15.0%	15.0%
Dividend coverage ratio (times)	1.44	1.79	1.47	2.35	2.36
Market capitalization	21,515	11,784	10,672	11,425	13,056
Net asset value (NAV) per share	17.18	22.77	23.15	24.28	24.02
Price earning ratio (times)	8.92	15.18	13.48	8.51	11.16
Profitability Ratio (%)					
Return on average assets (RoA)	0.92%	0.65%	0.53%	1.07%	1.09%
Return on average equity (RoE)	12.39%	9.91%	7.96%	15.66%	15.98%
Loans and advances to deposits ratio	85.0%	81.6%	84.0%	78.8%	76.1%
Net interest margin on average earning assets	2.9%	2.7%	2.6%	2.8%	2.6%
Yield on fund	8.7%	8.9%	10.1%	11.1%	12.2%
Cost of fund	4.22%	4.21%	5.32%	5.87%	6.88%
Administrative cost	2.38%	2.70%	2.62%	3.07%	2.90%
Operating margin	1.93%	1.97%	2.18%	2.20%	2.39%
Cost to income ratio	54.78%	59.70%	54.64%	58.23%	54.86%
Operating profit per employee	1.76	1.35	1.46	1.26	1.15
Liquidity Ratio (%)					
Cash reserve ratio (CRR) maintained *	6.74%	6.56%	6.44%	6.58%	6.00%
Statutory liquidity ratio (SLR) maintained	15.64%	14.98%	18.36%	16.72%	24.56%
Other information					
Number of employees	2,512	2,536	2,489	2,527	2,574
Number of branches	141	134	129	120	112
Number of correspondent banks	475	500	497	471	464
Number of ATMs	88	72	59	50	50
Number of deposit account	819,350	760,634	667,785	544,198	389,592
Number of loan account	36,624	27,968	34,414	33,056	29,315
Average deposit	180,180	153,487	138,283	120,105	101,449
Average borrowings	7,150	6,514	6,411	4,557	2,184
Average loans & advances	158,191	130,193	112,775	93,196	80,635
Average total assets	225,150	187,692	167,336	144,201	123,396
Average earning assets	191,550	159,180	142,168	121,156	101,855
Average equity	16,690	12,247	11,141	9,863	8,426

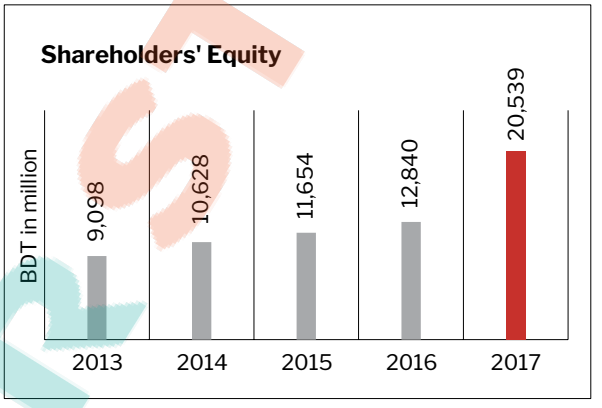
*CRR in the year 2015, 2014 and 2013 are shown in daily basis.

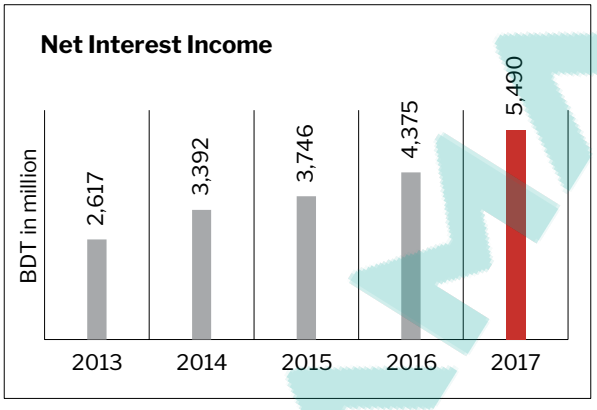
Five Years Graphical Presentation

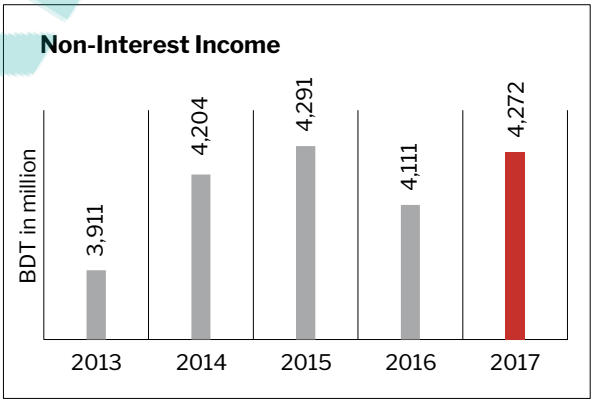


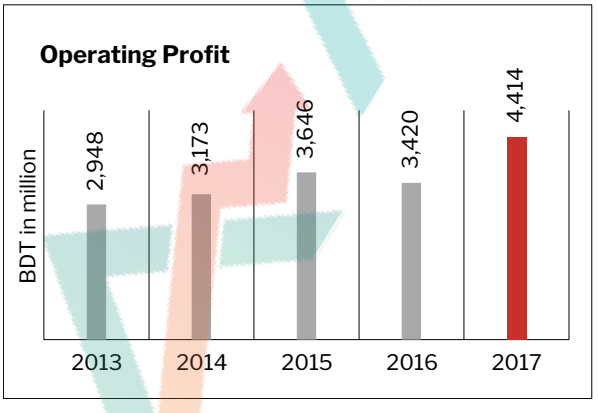


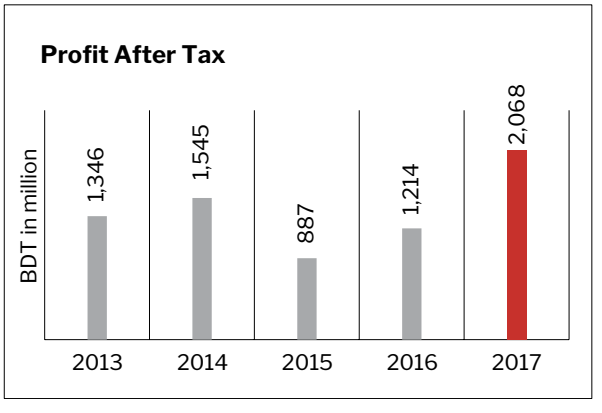




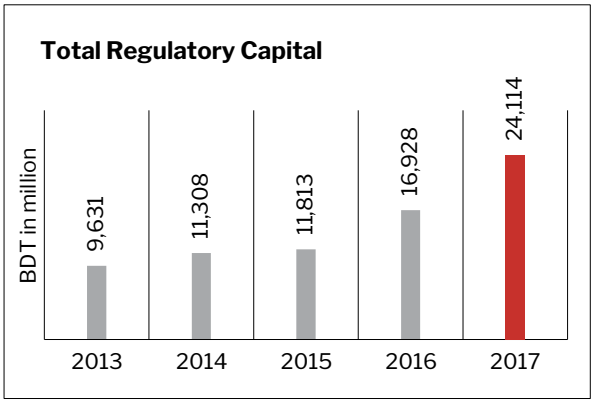


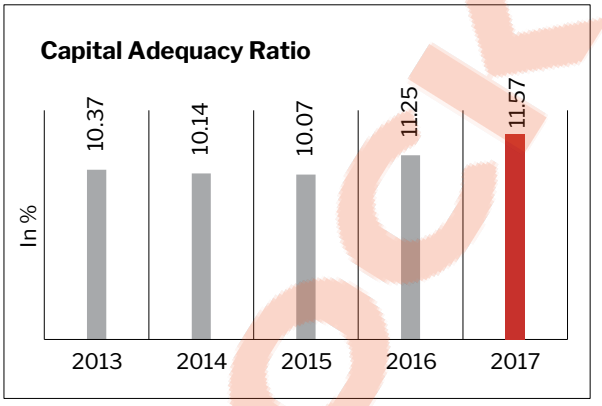


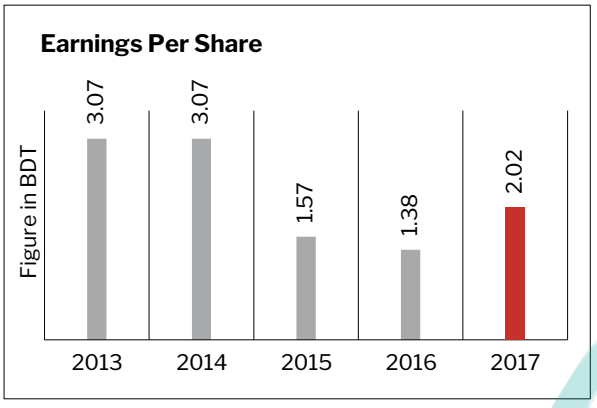


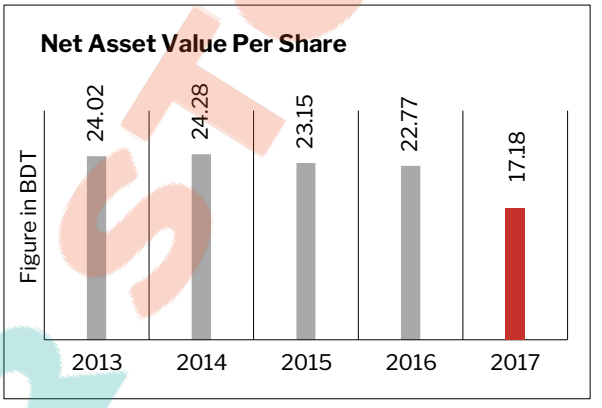


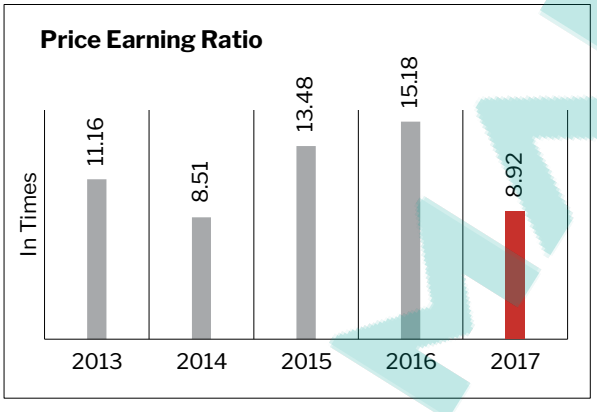
SHARESTOCK

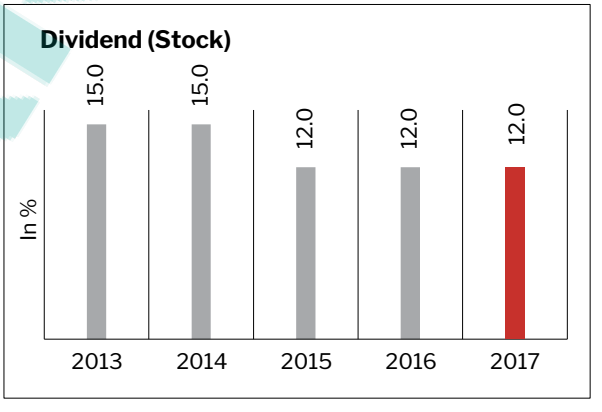

Total Regulatory Capital
BDT in million
9,631
11,308
11,813
16,928
24,114
2013
2014
2015
2016
2017

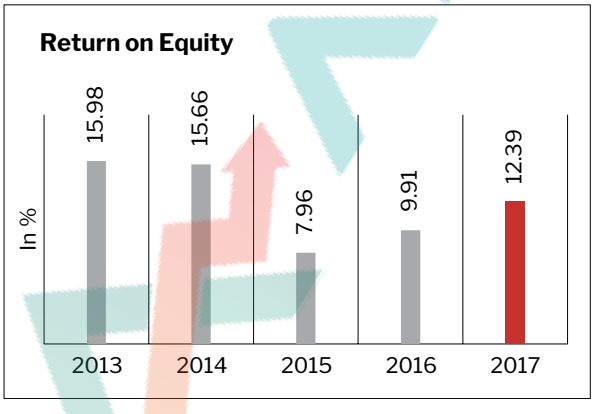

Capital Adequacy Ratio
In %
10.37
10.14
10.07
11.25
11.57
2013
2014
2015
2016
2017

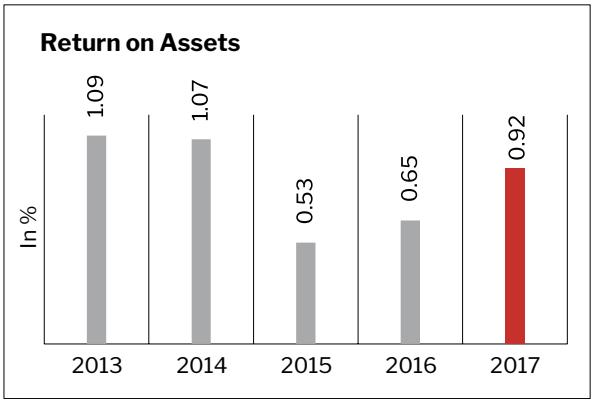

Earnings Per Share
Figure in BDT
3.07
3.07
1.57
1.38
2.02
2013
2014
2015
2016
2017


Net Asset Value Per Share
Figure in BDT
24.02
24.28
23.15
22.77
17.18
2013
2014
2015
2016
2017


Price Earning Ratio
In Times
11.16
8.51
13.48
15.18
8.92
2013
2014
2015
2016
2017


Dividend (Stock)
In %
15.0
15.0
12.0
12.0
12.0
2013
2014
2015
2016
2017

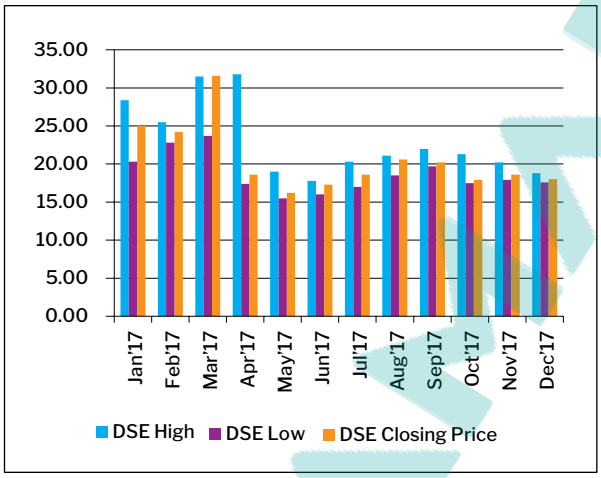

Return on Equity
In %
15.98
15.66
7.96
9.91
12.39
2013
2014
2015
2016
2017

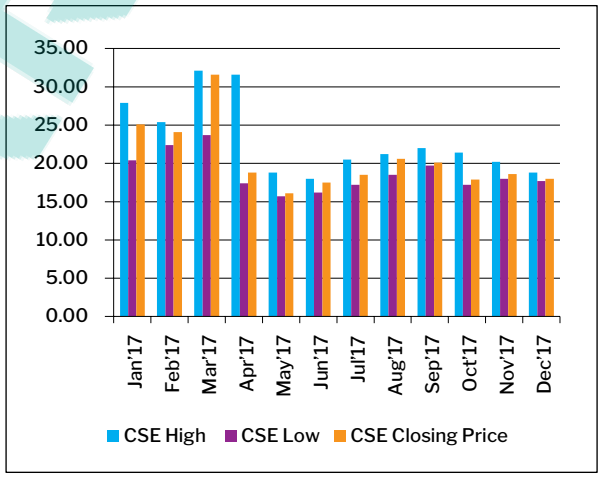

Return on Assets
In %
1.09
1.07
0.53
0.65
0.92
2013
2014
2015
2016
2017

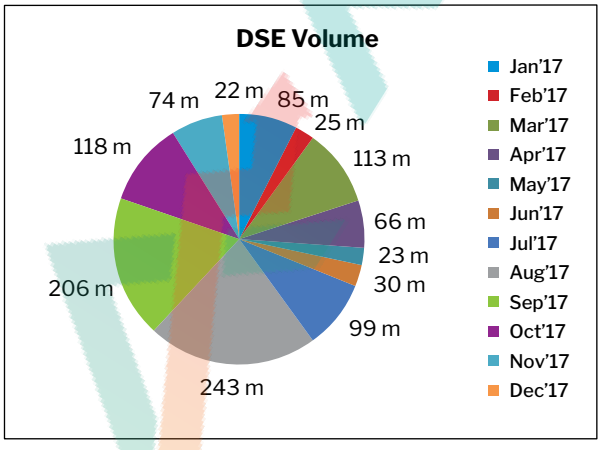
Market Price Information

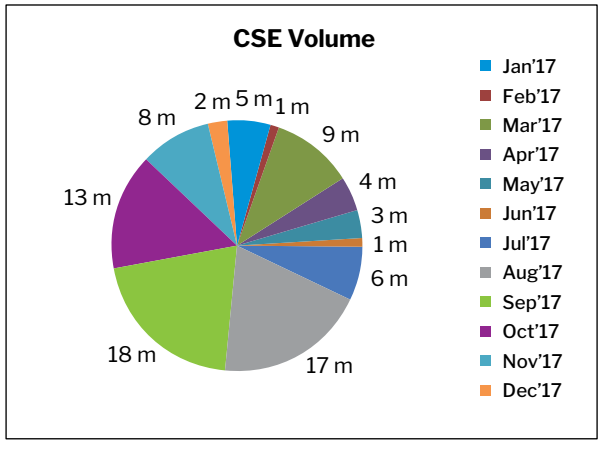
Monthly High, Low & Close price and volume of Company's shares traded on Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) during the year 2017:

Month	DSE				CSE				Total Volume on DSE & CSE
	High	Low	Closing Price	Volume	High	Low	Closing Price	Volume	
January'17	28.40	20.30	25.00	85,789,515	27.90	20.40	25.10	5,220,563	91,010,078
February'17	25.50	22.80	24.20	25,239,577	25.40	22.40	24.10	1,009,938	26,249,515
March'17	31.50	23.70	31.60	113,939,882	32.10	23.70	31.60	8,820,610	122,760,492
April'17	31.80	17.40	18.60	66,777,412	31.60	17.40	18.80	3,581,246	70,358,658
May'17	19.00	15.50	16.20	23,853,338	18.80	15.70	16.10	2,528,722	26,382,060
June'17	17.80	16.00	17.30	30,000,014	18.00	16.20	17.50	1,062,502	31,062,516
July'17	20.30	17.00	18.60	99,324,587	20.50	17.20	18.50	5,977,588	105,302,175
August'17	21.10	18.50	20.60	243,118,571	21.20	18.50	20.60	16,978,223	260,096,794
September'17	22.00	19.70	20.20	205,850,365	22.00	19.70	20.10	17,994,687	223,845,052
October'17	21.30	17.50	17.90	118,730,637	21.40	17.20	17.90	12,974,671	131,705,308
November'17	20.20	17.90	18.60	74,528,726	20.20	18.00	18.60	8,417,149	82,945,875
December'17	18.80	17.60	18.00	22,350,224	18.80	17.70	18.00	1,888,286	24,238,510









Financial Calendar

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

01 April 2018	Compliance under Listing Regulation 19(1)
10 April 2018	Approval of audited Financial Statements for the year ended 31 December 2017
10 April 2018	Disclosure on Price Sensitive Information
10 May 2018	Record Date for 41st Annual General Meeting
03 June 2018	Notice for 41st Annual General Meeting
24 June 2018	41st Annual General Meeting
3rd week of July 2018	12% Stock Dividend distribution for the year 2017
14 May 2018	Announcement of first quarter (Q1) financial results
Last week of July 2018	Announcement of second quarter (Q2) financial results
Last week of October 2018	Announcement of third quarter (Q3) financial results

Other Information

Stock Details

Particulars	DSE	CSE
Stock Symbol	IFIC	IFIC
Company Code	11103	22010
Listing Year	1986	1997
Market Category	A	A
Electronic Share	Yes	Yes
Face Value (BDT)	10.00	10.00
Market Lot (number)	1	1
Total Number of Securities	**1,195,302,442**	**1,195,302,442**

Redressal of Investors' Complaints

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

Availability of Annual Report 2017 and Information about IFIC

Annual Report 2017 and other information about IFIC Bank may be viewed on Bank's website at www.ificbank.com.bd. Copies of Annual Report 2017 also submitted to the Bangladesh Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. and the Registrar of Joint Stock Companies & Firms.

Investors' Inquiries

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

The Company Secretary

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

GLIMPSES OF THE 40TH AGM








40th
ANNUAL
GENERAL
MEETING
REGISTRATION



Market Discipline – Disclosures on Risk Based Capital
(Under Pillar-III of Basel-III Framework)

For the year ended 31 December 2017
Consolidated basis

Background

In order to make the Bank's capital adequacy assessment more risk sensitive and to abide by the international norms and practices, Bangladesh Bank took the initiative to implement Basel–III framework. Banks in Bangladesh went live under Basel–III since 01 January 2015. These disclosures under Pillar-III of Basel-III are made following 'Guidelines on Risk Based Capital Adequacy (RBCA) - Revised Regulatory Capital Framework for banks in line with Basel-III' for banks. These quantitative and qualitative disclosures are intended to complement the Minimum Capital Requirement (MCR) under Pillar-I and Supervisory Review Process (SRP) under Pillar-II of Basel-III. The purpose of these disclosures is to present relevant information on the adequacy of capital in relation to overall risk exposures of the Bank so that the market participants can assess the position and direction of the Bank in making economic decisions.

A) Scope of Application

Qualitative Disclosures

i. *The name of the top corporate entity in the group to which this guidelines applies –*

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

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

Brief Description of the Subsidiaries

IFIC Securities Limited
IFIC Securities Limited, a fully owned subsidiary company of IFIC Bank Limited was incorporated as a Public limited company in Bangladesh on 2 November 2010 vide certificate of incorporation no. C-87904/10 having registered office at IFIC Tower, 61 Purana Paltan, Dhaka-1000, Bangladesh. It acquired membership of Dhaka Stock Exchange Limited for brokerage transaction vide Security Exchange Commission certificate no. 3.1/DSE-192/2009/316 dated 1 January 2009. The main objective of the company is to carry on the business of stock brokers/ dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the company. The operation of the company started on 10 March 2011.

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

Brief Description of the Joint Ventures/ Associates of the Bank

Nepal Bangladesh Bank Limited
Nepal Bangladesh Bank Limited (NBBL) was incorporated in Nepal and registered with Office of Company Registrar (50-050/051, Dated January 14, 1994) as a public company limited by shares. NBBL was established as a joint venture bank with IFIC Bank Ltd., Bangladesh. The Bank started its banking business form 6th June 1994. IFIC's investment in the share capital of NBBL is 40.91%.

Oman Exchange LLC
Oman Exchange LLC (OE), an exchange company incorporated under the laws of the Sultanate of Oman having its registered office is Building no. 4699, Way no. 4567, Hamriya, PO Box 114, Post code 994, Hey Al Mina, Hamriya, Muscat, Sultanate of Oman. It was established in 1985 as a joint venture between IFIC Bank Limited and Oman Nationals, to facilitate remittance by Bangladeshi wage earners in Oman. The affairs and business of the company is run and managed by the Bank under a Management Contract. IFIC Bank holds 25% shares and the balance 75% is held by the Omani sponsors.

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

operation from 19 May 2010. Presently the Bank has 01 (one) Off-shore Banking Unit in Bangladesh. The OBU is governed under the rules and regulations of Bangladesh Bank.

Basis for Consolidation

The quantitative disclosures are made on the basis of consolidated audited financial statements of the bank and its subsidiaries as at and for the year ended 31 December 2017. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standards 27: *Separate Financial Statements* and Bangladesh Financial Reporting Standards 10: *Consolidated Financial Statements*. The consolidated financial statements are prepared to a common financial year ended 31 December 2017. All intra-group transactions, balances and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gain, but only to the extent that there are no evidence of impairment.

iii. Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group –

During the year one of the associate/joint venture namely NBBL increased its paid-up capital through issuance of Rights Share to comply with minimum capital requirement of their Central Bank. IFIC Bank Limited being one of the sponsor shareholder has obtained permission to subscribe in the said Rights Issue and necessary remittance has been done as per approval of Bangladesh Bank.

Quantitative Disclosures

iv. The aggregate amount of surplus capital of issuance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group – '**Nil**' in this year.

B) Capital structure

Qualitative Disclosures

i. Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET1, Additional Tier-1 or Tier-2 –

Under Basel-III capital adequacy framework, total regulatory capital of a Bank are categorized into two tiers: (1) Tier-1 Capital (going-concern capital), and (2) Tier-2 Capital (gone-concern capital). The Tier-1 Capital is further subdivided into (a) Common Equity Tier-1 (CET1) and (b) Additional Tier-1. Total eligible regulatory capital of IFIC Bank Limited consists of partly CET1 Capital and partly Tier-2 Capital. The CET1 Capital of the bank comprises Paid-up Capital, Statutory Reserve, General Reserve and Retained Earnings. Paid-up Capital of the Bank is already above the minimum requirement of BDT 4,000 million as per the directives of Bangladesh Bank. In addition, Tier-2 Capital includes General Provision, and Revaluation Reserve of Fixed Assets and Securities (up to 50 percent). The Bank issued Rights Share totaling BDT 5,638 Million at a ratio of 1R:1 i.e. one right share against one existing share on 19 July 2017.

Banks are required to maintain a capital conservation buffer of 1.25% during the year 2017, above the regulatory minimum capital requirement of 10%. No distribution of capital (i.e. paying dividends or bonuses in any form) is allowed in case capital level falls within the range between 10% to 11.25%. However, the Bank will be able to conduct business as normal. Capital conservation buffer is applicable both at the solo level as well as at the consolidated level. As per the Bangladesh Bank instructions contained in BRPD letter No: BRPD(BFIS)661/14B(P)/2015-18014 dated 24 December 2015, Deferred Tax Assets arising out of Specific Provision on Classified Loans is allowable to a maximum of 5% as Common Equity Tier-1 Capital (CET-1) while calculating CET-1 as per Basel III.

Non-convertible Subordinated Bond

In the year 2016, the Bank issued 07 (seven) years Tier-2 Non-Convertible Coupon Bearing Subordinated Bonds to several banks. The issued instrument is un-secured, non-convertible in nature and will be redeemed at the end of 3rd, 4th, 5th, 6th and 7th year of maturity at 20% of bond value respectively.

This subordinated bond has been rated by CRAB as $AA_{3\ (Hyb)}$ in Long Term category with 'Stable' outlook valid up to 28 June 2018 which is judged to be of very high quality, subject to very low credit risk. A total interest of BDT 293 Million was paid on 29 May 2017 and 29 November 2017 as second and third semi-annual coupon payment at the rate of 7.94% and 8.82% p.a. respectively.

Quantitative Disclosures

ii. The amount of Regulatory capital, with separate disclosure of –

CET1 Capital

BDT in million

Particulars	Y2017
Fully Paid-up Capital	11,953
Statutory Reserve	5,125
General Reserve	155
Retained Earnings	4,624
Total CET1 Capital [A]	**21,856**
Additional Tier-1 Capital [B]	Nil
Total Tier-1 Capital [C]=A+B	**21,856**

General Provision	1,716
Subordinated Debt	3,500
Revaluation Reserves as on 31 Dec 2014 (50% of Fixed Assets and Securities)	58
Total Tier-2 Capital [D]	**5,274**

iii. Regulatory Adjustments/Deductions from capital

BDT in million

Particulars	Y2017
Goodwill & all other Intangible Assets	275
Deferred tax assets (DTA)	1,268
Revaluation Reserves for Fixed Assets, Securities & Equity Securities (Phase-in deductions)	35
Regulatory Adjustments/Deductions from capital [E]	1,578
iv. Total eligible capital [F]=[C]+[D]-[E]	25,553

C) Capital Adequacy

Qualitative Disclosures

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

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

IFIC Bank has maintained Capital to Risk-weighted Asset Ratio (CRAR) of 13.06% as on 31 December 2017, whereas Minimum Capital Requirement (MCR) is 11.25% from 01 January 2017 as per BRPD circular No.18 dated 21 December 2014. The Bank has thus maintained excess capital of 1.81% above the minimum requirement of 11.25%. However, the Bank is continuously evaluating its capital position in comparison to its risk weighted asset's position and exploring ways and means to raise capital both internally and externally.

Quantitative Disclosures

BDT in million

Particulars	Y2017
ii. Capital requirement for Credit Risk	
On-Balance Sheet	17,676
Off-Balance Sheet	2,356
Total	**20,032**
iii. Capital requirement for Market Risk	
Interest Rate Related Instruments	21
Equities	213
Foreign Exchange Position	181
Commodities	Nil
Total	**415**
iv. Capital requirement for Operational Risk	1,556

v. Total capital, CET1 capital, Total Tier-1 capital and Tier-2 capital ratio:

• For the consolidated group	Ratios
Total Capital	13.06%
CET1 Capital	10.39%
Total Tier-1 Capital	10.39%
Total Tier-2 Capital	2.68%
• For stand alone	**Ratios**
Total Capital	12.57%
CET1 Capital	9.84%
Total Tier-1 Capital	9.84%
Total Tier-2 Capital	2.73%

vi. Capital Conservation Buffer –

As per Bangladesh Bank Transitional Arrangements for implementation of Basel-III, creation of Capital Conservation Buffer (CCB) has been made effective from 1 January 2016, 2017, 2018 and 2019 at 0.625%, 1.25%, 1.875% and 2.50% respectively above the regulatory minimum capital requirement of 10%. The minimum total capital plus CCB for the year 2017 is 11.25%.

vii. Available Capital under Pillar-II Requirement –

BDT in million

Particulars	Y2017
Total Eligible Regulatory Capital [A]	25,553
Minimum Capital Requirement under Pillar 1 [B]	19,559
Capital Conservation Buffer [C]	2,445
Minimum Capital Requirement including CCB [D=B+C]	22,003
Available Capital for Pillar 2 [E=A - D]	3,549

D) Credit Risk

Qualitative Disclosures

i. The general qualitative disclosure requirement with respect to credit risk, including –

Definitions of past due and impaired (for accounting purposes)

As per relevant Bangladesh Bank guidelines, the Bank defines the past due and impaired loans and advances for strengthening the credit discipline and mitigating the credit risk of the Bank. The impaired loans and advances are defined on the basis of (i) Objective/ Quantitative Criteria and (ii) Qualitative judgment. For this purpose, all loans and advances are grouped into 4 (four) categories, namely - (a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan and (d) Short-term Agricultural & Micro Credit.

Definition of past due/overdue:

Continuous Loan

Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/ overdue from the following day of the expiry date;

Demand Loan

Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date;

Fixed Term Loan

In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue from the following day of the expiry date.

Short-term Agricultural and Micro-Credit

The Short-term Agricultural and Micro-Credit if not repaid within the fixed expiry date for repayment will be considered past due/overdue after six months of the expiry date. However, a continuous loan, demand loan or a term loan which will remain overdue for a period of 02 (two) months or more, will be put into the "Special Mention Account (SMA)", the prior status of becoming the loan into impaired/classified/ nonperforming.

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

Continuous loan

Substandard - If it is past due /overdue for 3 (three) months or beyond but less than 6 (six) months;

Doubtful - If it is past due / overdue for 6 (six) months or beyond but less than 9 (nine) months;

Bad/Loss - If is past due / overdue for 9 (nine) months or beyond.

Demand loan

Substandard - If it remains past due / overdue for 3 (three) months or beyond but not over 6 (six) months from the date of expiry or claim by the Bank or from the date of creation of forced loan;

Doubtful - If it remains past due / overdue for 6 (six) months or beyond but not over 9 (nine) months from the date of expiry or claim by the Bank or from the date of creation of forced loan;

Bad/Loss - If it remains past due / overdue for 9 (nine) months or beyond from the date of expiry or claim by the Bank or from the date of creation of forced loan.

Fixed Term Loans

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

Substandard - If the amount of past due installment is equal to or more than the amount of installment(s) due within 03 (three) months, the entire loan will be classified as "Sub-standard".

Doubtful - If the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loan will be classified as "Doubtful".

Bad/Loss - If the amount of 'past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loan will be classified as "Bad/Loss".

In case of any installment (s) or part of installment (s) of a Fixed Term Loan amounting up-to Taka 10 lacs is not repaid within the due date, the classification is as under:

Substandard - If the amount of past due installment is equal to or more than the amount of installment (s) due within 6 (six) months, the entire loan will be classified as 'Sub- standard';

Doubtful - If the amount of past due installment is equal to or more than the amount of installment (s) due within 9 (nine) months, the entire loan will be classified as 'Doubtful';

Bad/Loss -If the amount of past due installment is equal to or more than the amount of installment (s) due within 12 (twelve) months, the entire loan will be classified as 'Bad/Loss'.

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

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

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

Quantitative Disclosures

ii. Total gross credit risk exposures broken down by major types of credit exposure.	Annexure – II.
iii. Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	Annexure – III
iv. Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Annexure – IV
v. Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Annexure – V
vi. By major industry or counterparty type: Amount of impaired loans and if available, past due loans, provided separately	Annexure – VI

BDT in million

Particulars	Y2017
Specific and general provisions	
Specific provision	3,594
General provision	1,716
Charges for specific allowances and charge-offs during the period	
Specific provision	2,132
General provision	(80)

BDT in million

Non-Performing Assets (NPAs)	Y2017
Gross non-performing assets (NPAs)	11,478
Non-Performing Assets (NPAs) to Outstanding Loans & advances	6.40%
Movement of Non-Performing Assets (NPAs)	
Opening balance	7,251
Additions	9,293
Reductions	(5,066)
Closing balance	**11,478**
Movement of specific provisions for NPAs	
Opening balance	2,355
Provisions made during the period	2,238
Write-off	(999)
Write-back of excess provisions	-
Provision transferred to general reserve	Nil
Closing balance	**3,594**

E) Equities: Disclosures for Banking Book Positions

Qualitative Disclosures

i. The general qualitative disclosure requirement with respect to equity risk, including:

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

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

Quoted Securities (Common or Preference Shares & Mutual Fund) that are traded in the secondary market (Trading Book Assets).

Unquoted securities are categorized as banking book equity exposures which are further sub-divided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future, i.e. held to maturity (HTM), and securities those are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Unquoted securities are valued at cost.

The equity positions are reviewed periodically by the senior management.

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

Important policies covering equities valuation and accounting of equity holdings in the Banking Book are based on the use of the cost price method for valuation of equities. The primary aim is to invest in these equity securities for the purpose of capital gain by selling them in the future or held for dividend income. Dividends received from these equity securities are accounted for as and when received. Both Quoted and Un-Quoted equity securities are initially recognized at cost and necessary provisions are maintained if the prices fall below the cost price after comparing with their fair value. As per to Bangladesh Bank guidelines, the HFT equity securities are revalued once in each week using marking to market concept. However equity investment in associates/joint ventures are initially recognized at cost and provision is maintained if cost is higher than lower of market value and net assets value of that investee as per instruction of Bangladesh Bank. Preference is given to purchase of shares of strong companies at face value through placement/ IPO.

Quantitative Disclosures

ii. Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

BDT in million

Particulars	Y2017
Cost price of quoted shares	824
Fair value of quoted shares	716
Decrease in value	109

iii. The cumulative realized gains (losses) arising from sales and liquidations in the reporting period	1
iv.	
Total unrealized gains (losses)	(137)
Total latent revaluation gains (losses)	Nil
Any amounts of the above included in Tier-2 capital	Nil

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

BDT in million

Capital Charge on Equities	Y2017
Specific Risk	94.6
General Market Risk	94.6
Total	**189.3**

F. Interest rate risk in the banking book (IRRBB)

Qualitative Disclosures

i. The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.

Interest Rate Risk is managed through the use of Gap analysis of rate sensitive assets and liabilities and monitored through prudential limits and stress testing. The IRRBB is monitored in movements/ changes on a monthly basis and the impact on Net Interest Income is assessed. Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). Re-pricing risk is often the most apparent source of interest rate risk for a bank and is often gauged by comparing the volume of a bank's asset that mature or re-price within a given time period with the volume of liabilities that do so. The short term impact of changes in interest rates is on the bank's Net Interest Income (NII). In a longer term, changes in interest rates impact the cash flows of the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the bank arising out of

all re-pricing mismatches and other interest rate sensitive position. The ALCO formulates the policy and strategy depending on the market conditions to maximize Net Interest Income.

Quantitative Disclosures

ii. The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).

Please refer to Annexure – VII.

G) Market Risk

Qualitative Disclosures

i. Views of BOD on trading/investment activities

The trading/investment activities in the IFIC Bank Limited are managed cautiously so that maximum returns are obtained without taking undue risks. The Board approves all policies related to market risk, set limits and review compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transactions. Market risk is the possibility of losses of assets in the balance sheet and off-balance sheet positions arising out of volatility in market variables i.e., interest rate, exchange rate and price. Allocation of capital is required in respect of the exposure to risks deriving from changes in interest rates and equity prices in the bank's trading book, in respect of exposure to risks deriving from changes in foreign exchange rates and commodity price in the overall banking activity.

The market risk covers the followings risks of the Bank's balance sheet:

Interest rate risk
Equity price risk
Foreign exchange risk; and
Commodity price risk

Methods used to measure Market risk

The Bank uses the Standardized (rule based) Approach to calculate the Market Risk for Trading Book Exposures. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risky sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk'.

Maturity Method has been prescribed by Bangladesh Bank in determining capital against market risk. In the maturity method, long or short positions in debt securities and other sources of interest rate exposures, including derivative instruments, are slotted into a maturity ladder comprising 13 time-bands (or 15 times-bands in the case of low coupon instruments). Fixed-rate instruments are allocated according to the residual term to maturity and floating-rate instruments according to the residual term to the next re-pricing date.

In Standardized (rule based) Approach the capital requirement for various market risks (interest rate risk, price, and foreign exchange risk) are determined separately.

The total capital requirement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub-categories. e.g.:

a. Capital Charge for Interest Rate Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk;

b. Capital Charge for Equity Position Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk;

c. Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk;

d. Capital Charge for Commodity Position Risk = Capital charge for General Market Risk.

Market Risk Management system

The Asset Liability Management Policy of the Bank as approved by the Board ensures effective management of the Market Risk through a well-structured Treasury function which includes a Front Office, Mid Office and Back Office and an ALCO body. The aim of the Market Risk Management System is to minimize the impact of losses on earnings due to market fluctuations.

Policies and processes for mitigating market risk

The policy contains sound Portfolio management procedures and best practices such as minimizing risks through diversification of portfolio. Policy for managing Market Risk has been set out by the Board of Directors of the Bank where clear instructions have been given to Loan Deposit Ratio, Whole Sale Borrowing Guidelines, Medium Term Funding, Maximum Cumulative Outflow, Liquidity Contingency Plan, Local Regulatory Compliance, Recommendation/ Action Plan etc. Furthermore, special emphasis has been put on the following issues for mitigating market risk:

Interest Rate Risk Management - Treasury Division reviews the risks of changes in income of the Bank as a result of movements in market interest rates. In the normal course of business, the Bank tries to minimize the mismatches between the duration of interest rate sensitive assets and liabilities. Effective Interest Rate Risk Management is done as under: been put on the following issues for mitigating market risk:

Market Analysis - Market analysis over interest rate movements are reviewed by the Treasury Division of the Bank. The type and level of mismatch interest rate risk of the Bank are

managed and monitored from two perspectives, being an economic value perspective and an earnings perspective.

Gap Analysis - ALCO has established guidelines in line with the central Bank's policy for the management of assets and liabilities, monitoring and minimizing interest rate risks at an acceptable level. ALCO in its regular monthly meeting analyzes Interest Rate Sensitivity by computing GAP i.e. the difference between Rate Sensitive Assets and Rate Sensitive Liability and take the decision of enhancing or reducing the GAP according to the prevailing market situation aiming to mitigate interest rate risk.

Foreign Exchange Risk Management - Risk arising from potential change in earnings resulted from exchange rate fluctuations, adverse exchange positioning or change in the market prices are considered as Foreign Exchange Risk. Treasury and International Division manage this risk in the following fashion:

Continuous Supervision - The Bank's Treasury Division manages and controls day-to-day trading activities under the supervision of ALCO that ensures continuous monitoring of the level of assumed risks. Treasury Division monitors the foreign exchange price changes and Back Office of the Treasury Division verifies the deals and passes the entries in the books of account.

Treasury Back Office separated from the Treasury Front Office - Treasury Back Office is conducting its operation in separate locations apart from the Treasury Front Office. Treasury Back Office is responsible for currency transactions, deal verification, limit monitoring and settlement of transactions independently. Treasury Back Office gathers the market rates from an independent source other than dealers of the same organization, which helps to avoid any conflict of interest.

Mark-to-Market Method for Approved Securities and Foreign Exchange Revaluation - All foreign exchange reserves and balances along with approved securities are revalued at Mark-to-Market method according to Bangladesh Bank's guidelines. Such valuations are made after a specific time interval as prescribed by Bangladesh bank.

Nostro Accounts - Nostro accounts are maintained by the Bank with various currencies and countries. These Accounts are operated by the International Division of the Bank. All Nostro accounts are reconciled on a monthly basis. The management reviews outstanding entry beyond 30 days for settlement purpose.

Equity Risk Management - Equity Risk is the risk of loss due to adverse changes in the market price of equities held by the Bank. Equity Risk is managed by the following fashion:

Investment Portfolio Valuation - Mark-to-Market valuations of the share investment portfolio are followed in measuring and identifying risk. Mark-to-Market valuation is done against a predetermined cut loss limit.

Diversified Investment to minimize Equity Risk - IFIC minimizes the Equity Risks by Portfolio diversification as per investment policy of the Bank.

Margin Accounts are monitored very closely: Where Margin loan is allowed, security of investment, liquidity of securities, reliability of earnings and risk factors are considered and handled professionally.

Quantitative Disclosures

BDT in million

ii. The capital requirements for	Y2017
Interest rate risk	21
Equity position risk	213
Foreign exchange risk	181
Commodity risk	Nil

H) Operational risk

Qualitative Disclosures

i. Views of BOD on system to reduce Operational Risk

IFIC Bank manages its operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events and implementing any additional procedures required for compliance with regulatory requirements. Operational risk management responsibilities are assigned to the senior management. Internal auditors are assigned for recording, identification and assessment of operational risks and to prepare reports for the Audit Committee.

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputation risk. It is inherent in every business organization and covers a wide spectrum of issues. The Board of Director (BOD) of the Bank and its Management firmly believe that this risk through a control based environment in which processes see documented, authorization as independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the group stays in line which industry

best practice and takes account or lessons learned from publicized operational failures within the financial services industry.

The BOD has also modified its operational risk management process by issuing high level standards, supplemented by more detailed formal guidance. This explains how the bank manages operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with local regulatory requirements. The Bank maintains and tests contingency facilities to support operations in the event of disasters. Additional reviews and tests are conducted in the event that any branch of the bank is affected by a business disruption event, to incorporate lessons learned in the operational recovery from those circumstances. Plans have been prepared for the continued operation of the bank's business, with reduced staffing levels.

Operational risk loss data are collected and reported to the senior management. Identifying, monitoring and recording of fraud, irregularities, unauthorized works, system breakdown, etc. are done by the Management and details of the untoward incidents are reported to the Bank's Audit Committee.

Performance gap of executives and staffs

Human Resources Development is focused on recruitment and in-house training for both on the job and off the job. IFIC Bank Training Academy, the oldest institution in the private sector, was conceived of as an in-house training center to take care of the training needs of the Bank internally. The academy is fully equipped with a professional library, modern training aids and professional faculty. The library has a huge number of books on banking, economics, accounting, management, marketing and other related subjects. Main training activities consist of in-depth foundation programs for entry level Management Trainees. Specialized training programs in the areas like general banking, advance, foreign exchange, marketing and accounts etc. are also organized by the Academy depending on need. Frequently outreach programs are organized to meet demand for new and specialized skills.

During its many years of existence, the Academy not only conducted courses, workshops and seminars as required by the Bank, but it also organized training programs for the Bank of Maldives, Nepal Bangladesh Bank Limited (NBBL) and Oman International Exchange LLC. In addition, the Academy has also the credit of organizing system of Bank of Maldives. In addition to conducting courses internally, The Academy also selects candidates for nomination to various courses conducted by distinguished training organizations in the country, including Bangladesh Bank Training Academy and Bangladesh Institute of Bank Management. The Academy also re-designs its courses, programs, etc., regularly to meet the requirement of new skills arising out of various directives, guidelines of the Central Bank and significant changes in the banking sector from time to time.

Performance goals are most often attained by executives and staffs with a few exceptions. Every organization needs to effectively manage its human resources to get the maximum contribution from its employees.

Potential external events

Losses from external events, such as a natural disaster that damages a firm's physical asset or electrical or telecommunications failures that disrupt business, are relatively easier to define than losses from internal problems, such as employee fraud and product flaws. It is needless to say that there are certain risk factors which are external in nature and can affect the business of the Bank. The factors discussed below can significantly affect the business:

External rules and regulations: Potential for actual or opportunity loss due to failure to comply with laws or regulations, or as a result of changes in laws or regulations or in their interpretation or application.

Damage to assets: Potential for loss or damage to physical assets and other property from natural disaster and other events.

Safety and security: Potential for loss or damage to health or safety of staff, customers or third parties arising from the effects of external events.

External financial crime: Potential for loss due to criminal acts by external parties such as fraud, theft and other criminal activity.

Political condition and general business: IFIC's performance greatly depends on the general economic conditions of the country. The effect of recession is still unfolding which may result to slow down in business environment. Political stability is must for growth in business activities.

Credit quality of borrowers: Risk of deterioration of credit quality of borrowers is inherent in banking business. This could result due to the global economic crisis and supply side distortion. The changes in the import prices affected the commodity sectors and ship breaking industry. A deterioration in credit quality requires provisioning.

Basel-III implementation: Basel-III is fully effective from 2015 and IFIC needs to be complied with respect to credit risk management, its supervision and establishment of effective internal control. The grading of the borrowers and its link with the capital required may slow down the credit expansion. The establishment of effective control requires more

investment in technology and operating expenses are likely to increase.

Equity markets Volatility: The Bangladesh Securities and Exchange Commission and the stock exchanges improved their supervisory role, but the equity market is still volatile. If volatility continues it is likely to affect the performance of the bank.

Changes in market conditions: Changes in market conditions, particularly interest rates on deposits and volatility in the foreign exchange market are likely to affect the performance of the bank. Depositors are becoming increasingly price sensitive and any unilateral upward change by a bank will exert pressure on the interest rate structure of the banking sector. It is feared that wage earners remittances may decline due to fall in job opportunity in international market. Unless offset by export performances, there may be pressure in the foreign exchange market.

The litigation risk: In the ordinary course of business, legal actions, claims by and against the bank may arise. The outcome of such litigation may affect the financial performance of the bank.

Policies and processes for mitigating operational risk

The Operational Risk Management Policy adopted by the Bank outlines organizational structure and detailed processes for management of operational risk. The basic objective of the policy is to closely integrate operational risk management system into day-to-day risk management process of the bank by clearly assigning roles in effectively identifying, assessing, monitoring and controlling and mitigating operational risk. Operational risks in the Bank are managed through a comprehensive and well-articulated internal control frameworks.

Approach for calculating capital charge for operational risk

The Bank follows the Basic Indicator Approach (BIA). The BIA stipulates the capital charge for operational risk is a fixed percentage, denoted by α (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula:

$K = [(GI_1 + GI_2 + GI_3) \times \alpha] / n$

Where:

K = the capital charge under the Basic Indicator Approach

GI = only positive annual gross income over the previous three years (i.e., negative or zero gross income if any shall be excluded)

α = 15 percent

n = number of the previous three years for which gross income is positive.

Besides, Gross Income (GI) is calculated as "Net Interest Income" plus "Net non-Interest Income". The GI is also the net result of:

Gross of any provisions;

Gross of operating expenses, including fees paid to outsourcing service providers;

Excluding realized profits/losses from the sale of securities held to maturity in the banking book;

Excluding extraordinary or irregular items;

Excluding the income derived from insurance.

Quantitative Disclosures

ii. The capital requirements for operational risk: BDT 1,556 Million

I) Liquidity Ratio

Qualitative Disclosures

i. Views of BOD on system to reduce liquidity Risk

In line with the provisions of liquidity risk management under Basel III, Bangladesh Bank has identified the (i) Liquidity Coverage Ratio (LCR); (ii) Net Stable Funding Ratio (NSFR); and (iii) Leverage under the purview of 'Liquidity' ratio vide BRPD Circular No. 18 dated 21 December 2014 and DOS Circular No. 1 dated 1 January 2015. The Board of Directors (BOD) reviews the liquidity risk of the Bank on quarterly rest while reviewing the Quarterly Financial Statements, Stress Testing Report etc. ALM Policy Guideline approved and revised time to time by the Board of Directors.

An overview on liquidity position and liquidity ratios are submitted annually to the BOD and the BOD approve the strategic plan for managing optimum liquidity. The Board always strives to maintain adequate liquidity to meet up Bank's overall funding need for the depositors, borrowers' requirements as well as maintain regulatory requirements comfortably.

Methods used to measure Liquidity risk

The maintenance of Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) are considered as the fundamental methods/tools to measure the liquidity position/risk of IFIC Bank. However, under Basel III, the following methods and tools are mandated for measuring the liquidity risk.

Liquidity Coverage Ratio (LCR): Liquidity Coverage Ratio ensures to maintain an adequate level of stock of high quality liquid assets that can be converted into cash to meet its liquidity needs (i.e. total net cash outflows) over the next 30 calendar days.

Net Stable Funding Ratio (NSFR): Net Stable Funding Ratio aims to limit over-reliance on short-term wholesale funding during times of abundant

market liquidity and encourage better assessment of liquidity risk across all on- and off-balance sheet items. The minimum acceptable value of this ratio is 100 percent, indicating that, available stable funding (ASF) should be at least equal to required stable funding (RSF). ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability. RSF consists of assets and off-balance sheet items, also with percentage weights attached given the degree to which they are illiquid or "long-term" and therefore requires stable funding.

In addition to the above, following measures have been put in place to monitor the liquidity risk management position of the Bank on a continued manner: i) Asset-Liability Maturity Analysis (Liquidity profile); ii) Whole sale borrowing capacity; and iii) Maximum Cumulative Outflow (MCO). Besides, following tools are also used for measuring liquidity risk: i) Stress Testing (Liquidity Stress); and ii) Net open position (NOP) limit - to monitor the FX funding liquidity risk.

Liquidity risk management system

At the management level of IFIC Bank Limited, the liquidity risk is primarily managed by the Treasury Division (Front Office) under oversight of Asset Liability Committee (ALCO) which is headed by the Managing Director along with other senior management. Treasury Division (Front Office) upon reviewing the overall funding requirements on daily basis sets their strategy to maintain a comfortable/ adequate liquidity position taking into consideration of Bank's approved credit deposit ratio, liquid assets to total assets ratio, asset-liability maturity profile, Bank's earning/profitability as well as overall market behavior and sentiment etc. Apart from the above, Basel Unit also monitors & measures the liquidity risk in line with the Basel III liquidity measurement tools, namely, LCR, NSFR, Leverage Ratio. The unit addresses the key issues and strategies to maintain the Basel III liquidity ratios to the respective division(s) on regular interval.

Policies and processes for mitigating liquidity risk

The Asset-Liability (ALCO) policy leads the process & procedures for mitigation of liquidity risk of IFIC Bank. ALCO works under specific Terms of References approved by the Board. Treasury Division (Front Office) and ALM desk under regular supervision of Top Management reviews the overall liquidity position of IFIC Bank and takes appropriate strategy, process in line with the industry position for managing liquidity risk of the Bank. The general liquidity risk management policies of the bank are as follows:

To maintain CRR

Under the surplus liquidity condition, Treasury will handle the excess liquidity by providing more loans, investing the excess liquid fund in highly marketable fixed income securities, and lending to other Banks, Financial Institutions and Reverse Repo to Central Bank.

The treasury will handle the liquidity shortfall if happened with increasing the core deposit of the Bank from the depositors for supporting the loans and advances portfolio of the Bank, and borrowing from other Banks, Financial Institutions and Central Bank.

The treasury will assess the level of interbank borrowing capacity and raise funds to meet liquidity from the most reliable sources.

To maintain SLR

Statutory Liquidity Requirement (SLR) is maintained as per directives of Bangladesh Bank from time to time by way of investment in approved securities.

To maintain NOP

The treasury manages the necessary foreign currency required by the Bank by using its own intelligence and skill and they do the following trade-Spot, Forward, Swap, Other Foreign Exchange Deals by using different hedging techniques.

To maintain Advance-to-Deposit Ratio (ADR)

The business of the Bank is forecasted based on the current loan, investment and funding strategies, and anticipated funding need.

To maintain LCR

Liquidity coverage is maintained by-

a. Increasing investment in T-bills, BGTB, BB Bill, Reverse Repo
b. Additional investment in Govt. Security shall be made in short/mid/long combination to meet liquidity as well as optimize the return
c. Balance in FC Accounts with BB to be increased
d. Deposit from FIs and Borrowing are to be reduced and replaced by increasing Customer Deposit, and
e. Lending/Placement with FI should be more preferable than lending to others.

To maintain NSFR

Stable Funding is maintained by increasing Capital, increasing stable customer Deposits, increasing Mortgage Loan and Lending having 50% risk weight, decreasing Investment in Capital Market, and controlling growth of Fixed Assets.

Quantitative Disclosures

BDT in million

ii. Liquidity Ratio	2017
Liquidity Coverage Ratio	102.9%
Net Stable Funding Ratio (NSFR)	100.2%
Stock of High quality liquid assets	39,012
Total net cash outflows over the next 30 calendar days	37,895
Available amount of stable funding	182,543
Required amount of stable funding	182,130

J) Leverage Ratio

Qualitative Disclosures

i. Views of BOD on system to reduce excessive leverage

An underlying cause of the global financial crisis was the build-up of excessive on- and off-balance sheet leverage in the banking system. In many cases, banks built up excessive leverage while apparently maintaining strong risk-based capital ratios. The BOD of IFIC Bank manages leverage risk and are conscious to address the risk of excessive leverage in a precautionary manner by taking due account of potential increases in the risk of excessive leverage caused by reductions of the bank's own funds through expected or realized losses, depending on the applicable accounting rules. The BOD primarily views on the growth of On and Off balance sheet exposures commensurate with its expected capital growth so that the excessive leverage is reduced. Within the On-balance components, again, the Board emphasizes on the growth of the prime component i.e. the loans and advances and maintaining good asset quality so as to maximize the revenue as well as the capacity to generate capital internally (in the form of retained earnings) to trade-off the excessive leverage supposed to be caused by asset growth.

Policies and processes for managing excessive on and off-balance sheet leverage

In order to avoid building-up excessive on- and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced by the Basel Committee. A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives- (a) constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy, and (b) reinforce the risk based requirements with an easy to understand and a non-risk based measure. Predominantly, Bank's policy is to maintain the Leverage Ratio well above the regulatory requirement. To this end, the striking components of balance sheet, namely, the deposits & borrowing, loans & advances, other liquid assets (treasury bills, bonds, fund placements) are analyzed. Measures are taken to contain the growth of overall size of balance sheet considering short term outlook of the industry indicators as well as possible growth of equity (Tier 1 capital) of the Bank on quarterly rest. With regard to managing the excessive leverage, the regulatory stance through the monetary policy initiatives i.e. the scope of expected business potential (growth), estimated money supply, inflation, resulting the estimated overall liquidity of the industry as well as the Bank in particular is also considered.

Approach for calculating exposure

The Bank follows the accounting measure of exposure for the leverage ratio. In order to measure the exposure consistent with financial accounts, the Bank applies following:

a. On balance sheet, non-derivative exposures will be net of specific provisions and valuation adjustments.

b. Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure.

c. Netting of loans and deposits is not allowed.

The formula for Leverage Ratio is as follows:

$$\text{Leverage Ration} = \frac{\text{Tier-1 Capital (considering all regulatory adjustments}}{\text{Total Exposure}}$$

Where, Total Exposure = On-Balance Sheet Exposure + Off-Balance Sheet Exposure - Total Deduction from On and Off-Balance Sheet Exposure/Regulatory adjustments made to Tier-1 capital.

On-Balance Sheet Items: The Bank includes items using its accounting balance sheet for the purposes of the leverage ratio. Total On balance sheet exposure can be derived by deducting 'Total Specific Provision' from 'Total On-Balance Sheet Assets'.

Off-Balance Sheet Items: The Bank calculates the off-balance sheet (OBS) items specified in Credit Risk chapter (Table 12) of 'Guidelines on Risk Based Capital Adequacy (RBCA) - Revised Regulatory Capital Framework for banks in line with Basel-III' under the section of "Risk Weights Off-Balance Sheet Exposure" by applying a uniform 100% credit conversion factor (CCF). For any commitments that are unconditionally cancellable at any time by the bank without prior notice, a CCF of 10% is being applied.

Quantitative Disclosures

BDT in million

ii. Leverage Ratio	Y2017
Leverage Ratio	7.3%
On balance sheet exposure	253,124
Off B/S exposure	25,477
Total exposure	**278,601**

K) Remuneration

Qualitative Disclosures

i. Information relating to the bodies that oversee remuneration-

Name, composition and mandate of the main body overseeing remuneration
The Board of Directors sets the remuneration structure. Based on approval of pay package from the Board, Human Resource Management Division disburses remuneration centrally which is supervised by the Management.

External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process
No external body/consultants are involved to seek advice. For market research, external data are collected informally while setting remuneration structure.

A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches
Bank's remuneration policy governs the IFIC Bank Ltd, IFIC Securities Ltd. for employees regardless of cost centers/business lines. Separate remuneration package is practiced in case of foreign subsidiaries.

A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group
Generally MANCOM members or Strategic Management Team (SMT) members are considered as material risk takers and the grade of Senior Vice President (SVP) and above are considered as senior managers.

ii. Information relating to the design and structure of remuneration processes

An overview of the key features and objectives of remuneration policy
The remuneration structure of the Bank is primarily designation wise range based which is designed to be market competitive to attract and retain talents. It is directly linked to the annual performance of an employee. Based on annual performance rating of the employees, yearly increment (Inflationary adjustment & Performance Pay) is given to the employee from the range of 5 percent to 14 percent which is calculated on initial basic salary of each job grade.

Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made
There is no specific remuneration committee to review the policy. Since the remuneration structure is linked to performance, Management of the Bank decides every year to adjust the pay structure with national inflation and individual performance to make it more market competitive with the approval of the Board of Directors.

A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee
Employees' remuneration is fully co-related with individual performance. At the beginning of the year, mutually agreed business targets/objectives are set for each employee irrespective of place of posting or cost center and end of the year employee performance is evaluated by immediate supervisor. The evaluation process is overviewed by "Performance Evaluation Review Committee". Hence, a fair performance evaluation is ensured that risk and compliance employees are remunerated independently of the businesses they oversee.

iii. Description of the ways in which current and future risks are taken into account in the remuneration processes.

An overview of the key risks that the bank takes into account when implementing remuneration measures
The business risk including credit/default risk, compliance & reputational risk are mostly considered when implementing the remuneration measures for each employee/group of employee. Financial and liquidity risks are also considered.

An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed)
Performance based remuneration is a justified way to ensure equity in remuneration. The motto of "Performance Based Remuneration" is to attract talented & skilled workforce, increase employee motivation, productivity and reduce employee turnover.

A discussion of the ways in which these measures affect remuneration
While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly the result of the performance varies from one to another and thus affect the remuneration as well.

A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration
The performance based pay package is offered to the suitable employees based on individual performance. This system has been introduced to motivate the talented staff and to attract the suitable resources.

iv. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.

An overview of main performance metrics for bank, top-level business lines and individuals
Based on Key Performance Indicators (KPI) for the Bank, Management segregates the target to the

individual branches and division which ultimately helps in setting individual KPI at branch and head office level. The most common KPIs are the achievement of loan, deposit and profit target with the threshold of NPL ratio, cost-income ratio, cost of fund, yield on loans, provision coverage ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.

A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance

As part of yearly increment, performance pay (Individual performance & bank's performance) is adjusted through giving certain percentage load on basic salary to the eligible employees in addition to inflationary adjustment.

A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak

In case of weak performance, the amount of yearly increment will not insignificant. For instance, inflationary adjustment is given for 'average' and 'above average' rating but nothing is adjusted for 'below average' rating.

v. Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance

A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance

In case of deferred benefits, gratuity amount is relatively increased with longer period based on service tenure. Additionally, provident fund amount is also affected positively with the cumulative interest applied on the fund balance.

A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements

Not applicable

vi. Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.

An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms

Variable remuneration is offered in case of yearly increment application. Moreover, bonus may be variable based on approval from the Board.

A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance

No other variable remuneration except yearly increment which is done based on performance.

Qualitative Disclosures

The quantitative disclosures detailed below covers only senior management and other material risk takers.

vii. Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	N/A*
viii. Number of employees having received a variable remuneration award during the financial year.	29
Number and total amount of guaranteed bonuses awarded during the financial year.	2 Festival & Pohela Boisakh Bonus (In Y2017: BDT 15 million)
Number and total amount of sign-on awards made during the financial year.	Nil
Number and total amount of severance payments made during the financial year.	Nil

	BDT in million
ix. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	
Cash	Nil
Shares	Nil
Share-linked instruments	Nil
Other forms	Nil
Total amount of deferred remuneration paid out in the financial year.	Nil
x. Breakdown of amount of remuneration awards for the financial year to show:	
Fixed and variable.	131
Deferred and non-deferred.	Nil
Different forms used (cash, shares and share linked instruments, other forms).	Nil

xi. Quantitative information about employees'

exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:

Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	Not applicable
Total amount of reductions during the financial year due to ex post explicit adjustments.	Not applicable
Total amount of reductions during the financial year due to ex post implicit adjustments.	Not applicable

* Management generally oversees remuneration on monthly basis.

Annexure – I: Rate of general and specific provision for loans and advances as per Bangladesh Bank Guideline

Category of Loans & Advances	Rate (%) of provision
General Provision-for Unclassified	
Loans and advances (excluding SMA)	
Small and medium enterprise	0.25%
Consumer finance (house building)	1.00%
Loans to LP/BHs/MBs/SDs share etc.	2.00%
Consumer finance	5.00%
Consumer finance (card)	2.00%
Short term agri. and micro-credit	1.00%
All other unclassified loans	1.00%
Special Mention Account (SMA)	
Small and medium enterprise	0.25%
Consumer finance (house building)	1.00%
Loans to LP/BHs/MBs/SDs share etc.	2.00%
Consumer finance	5.00%
Consumer finance (card)	2.00%
All other unclassified loans	1.00%
Off-shore banking unit	
Unclassified loans	1.00%
Specific provision-for Classified	
Sub-standard	20.00%
Sub-standard- Short term Agri. Credit	5.00%
Doubtful	50.00%
Doubtful- Short term Agri. Credit	5.00%
Bad/loss	100.00%

Particulars of required provision on Off-balance Sheet Exposure

Acceptances and endorsements	1.00%
Letters of guarantee	1.00%
Irrevocable letters of credit	1.00%
Bills for collection	1.00%

Annexure – II: Total gross credit risk exposures broken down by major types of credit exposure

BDT in million

Particulars	Y2017
Term loan industrial	17,064
Term loan consumer finance	558
Agricultural loan	3,371
Term loan women entrepreneur	11
Term loan-others	41,166
House building loans	28,602
Staff loan	1,757
Transport loan	284
Loan general	2,907
Demand loan	4,801
Overdrafts	33,845
Cash credit	25,764
Credit card finance	221
Loan against trust receipt (LTR)	6,046
Lease Finance	604
Margin Loan	4,032
Bills purchased and discounted	11,703
Off-shore banking unit	559
Total	**183,296**

Annexure-III: Geographical distribution of exposures, broken down into significant areas by major types of credit exposure

BDT in million

Division	Y2017
Dhaka	148,063
Chittagong	17,381
Sylhet	1,471
Rajshahi	7,042
Khulna	4,152

Barisal	995
Rangpur	3,029
Mymensingh	1,164
Total	**183,296**

Annexure-IV: Industry or counterparty type distribution of exposures, broken down by major types of credit exposure

BDT in million

Particulars	Y2017
Agriculture Industries	4,153
Jute Industries	2,332
Textile Industries	8,106
Garments Industries	22,846
Chemical and Chemical Products	83
Cement Industries	479
Bricks & Ceramic	1,163
Food Products & Processing	7,010
Engineering & Metal	4,572
Drugs & Pharmaceuticals	794
Hospital & Clinics	119
Paper & Paper Products Industries	730
Other Small Industries	5,574
IT Sector	3,889
Other Service Industries	18,887
Trade & Commerce	25,189
IFIC Securities Ltd.	4,032
Transport	412
Construction Firms/Companies	4,384
Housing Societies/Companies	18,618
Cold Storage	166
Consumer Finance	32,636
Energy	7,228
Telecommunication	6,481
Others	3,413
Total	**183,296**

Annexure-V: Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure

BDT in million

Particulars	Y2017
On demand	27,839
Up to 1 month	5,450
Over 1 month but not more than 3 months	16,826
Over 3 months but not more than 1 years	50,771
Over 1 year but not more than 5 years	13,746
Over 5 years	56,961
	171,593
Bill purchased and discounted	11,703
Total	**183,296**

Annexure-VI: Impaired and Past Due Loans

BDT in million

Major Counterparty Type	Status-wise amount of impaired/ classified loans				Total
	SMA	SS	DF	BL	
Continuous Loan	308	193	298	3,847	**4,646**
Demand Loan	643	1,246	86	501	**2,477**
Term Loan	6,938	1,367	130	3,766	**12,201**
Other Loan	-	35	6	2	**43**
Total	**7,889**	**2,841**	**521**	**8,116**	**19,367**

Annexure-VII: Interest Rate Risk in the Banking Book

CRAR before-shock (%) 12.57

Interest rate stress	Minor	Moderate	Major
Assumed change in interest rate	1.0%	2.0%	3.0%
Net interest income impact			
<12 months	8.43	16.86	25.28
Capital after-shock	2,419.81	2,428.24	2,436.66
CRAR after-shock (%)	**12.62**	**12.66**	**12.71**
Change in CRAR after-shock (%)	0.04	0.09	0.13
Repricing impact			
Change in the value of the bond portfolio	-51.99	-103.98	-155.97
Capital after-shock	2,367.82	2,324.25	2,280.69
CRAR after-shock (percent)	**12.35**	**12.12**	**11.89**
Change in CRAR after-shock (%)	-0.27	-0.54	-0.81
Overall change in CRAR (NII and repricing impact, %)	-0.23	-0.45	-0.68



REPORT ON SUSTAINABLE FINANCE (GREEN BANKING)

Report on Sustainable Finance

Green Products

To promote sustainable growth in economy, we provide several financial supports under Product Program Guideline named "IFIC – Green Earth" as follows:

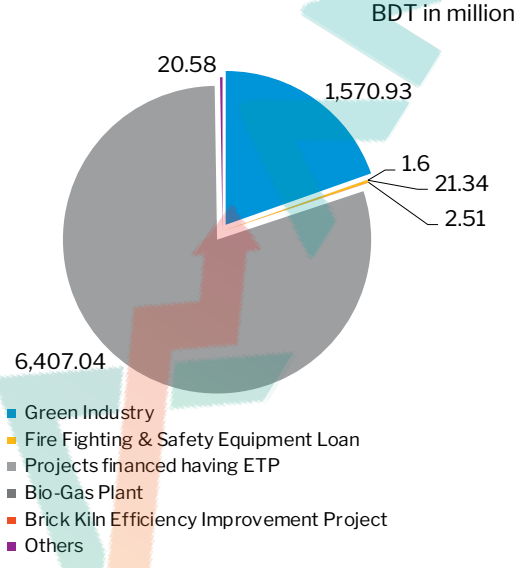
Product	Purpose
Domestic Bio-gas plant	For integrated cow raring & setting up of bio-gas plant.
	For setting up bio-gas plant in existing cattle/poultry farm.
Commercial Bio-gas plant	For setting up of bio-gas plant in existing cattle/poultry farm & produce electricity through gas generator.
Vermin compost	To meet the financial need for purchasing of 2 cows, construction of shade and for other expenses to produce vermin compost fertilizer for own use/business purpose.
Finance for Brick Kiln Efficiency Improvement Projects	To set-up HHK or equivalent technology plant.
	Conversion of traditional FCK into Improved Zig Zag Brick Kiln

IFIC Bank also finances in "Fire Fighting & Safety Equipment" "Green Industry" "Renewable Energy" sector as environment friendly investment.

An amount of BDT 8,023.99 million was disbursed as Green Finance in 2017. The Bank participated in different Green events to showcase the green products.

Product wise disbursement of Green Finance

BDT in million



Awareness Activities

IFIC Bank has organized 5 training/ workshops on "Green Banking Practices of Commercial Banks" for employees in Chittagong, Khulna and Bogra in 2017.

SME Events-2017



Honourable State Minister for Ministry of Women and Children Affairs, Honourable Governor of Bangladesh Bank along with Deputy Managing Director, Head of SME of IFIC Bank Ltd visiting the stall at 'Women Entrepreneur Product Display Fair-2017"



Loan Disbursement Program for 'Milk Production & Artificial Insemination" and other Agricultural products at Chandina, Comilla.



Financial Literacy and School Banking Conference at Bhola



REPORT ON RISK MANAGEMENT

Report on Risk Management

Risk is defined as the unexpected variability of assets and/or earnings. There are two major sources of risk: financial and business. Financial risks are the result of bank's financial market activities while business risk is the risk that is generated during daily operations and includes those risks that result from business decision environment. There are two types of risks i) Systematic Risk that can not be minimized/eliminated by diversification of portfolio exposure & ii) Un-systematic Risk is that can be minimized/eliminated by diversification of portfolio exposure. Risks are sometimes generated from macroeconomic environment which is not controllable for a particular bank but it can foresee the risk earlier to effectively manage it as a core competency. IFIC Bank has a comprehensive risk management processes (including Board and senior management oversight) to identify, evaluate, monitor, control and mitigate risks and assess the overall capital adequacy in relation to its risk profile.

The objective of the Bank is to maximize shareholders wealth by increasing our business activities within our board determined risk appetite, we are careful of achieving this objective in line with the interests of all stakeholders. The prime objective of risk management is trade-off between risk and reward in our business portfolio. The purpose of risk management is to identify potential problematic areas before they occur so that risk handling strategies may be planned and invoked in advance across the life of the product or project to mitigate adverse impacts on achieving objectives.

IFIC Bank handles core risks and other material risks of its day to day business operation and it also handles risk judiciously to ensure optimum return on asset and equity, profitability, capital adequacy and liquidity crisis in a reasonable way. Managing risks prudently and efficiently to ensure Risk management strategy proactively identifies, measures, mitigates, monitors and control risks. Functionally the risk management process is accomplished at the strategic level, the managerial level and operational level.

At the decision level, the RMC of Board approved the assessment of core risk management, status of core risk rating developed by Risk Management Division, risk governance & risk culture, reviews and risk policies as well as the threshold limits of risks to be taken in line with the bank's risk appetite. These limits are continuously monitored by an experienced risk management team. At the Board level, policies and strategies formulated by the BOD are implemented by top and middle management devoted to risk reviews. The operational level encompasses in the line of risk management where risks are actually arises.

Risk Management Process

Risks Management Process helps management to arrive at desired indicators of profitability and to avert illogical resource deployment. IFIC Bank's risk management process is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures for risk management are approved by Board of Directors and the Board of Directors has oversight on all the risks assumed by the bank.

Risk Management Division identifiy and quantify the overall risk inherent with the banking business. After are identified and measured risks we take initiative to minimize the risks and keep it within the risk appetite. IFIC Bank always monitor and control the risks.

IFIC Bank is tailoring its Risk Management Program to its need and circumstances. Hence, managing of risks consists of the following five processes:

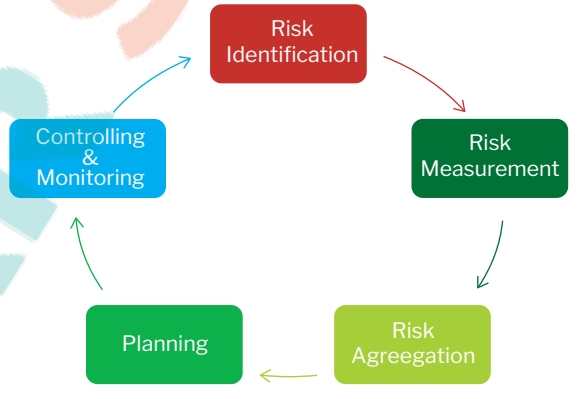


Fig: Risk Management Process

Risk Identification

The process of managing risk of the bank starts with the identification of potential risks. Hence, risk identification can start with the source of our problems. Risk sources may be internal or external to the system that is the target of risk management. Typically, IFIC distinguishes the following risk categories:

- Credit Risk;
- Foreign Exchange Risk;
- Anti Money Laundering Risk;
- Asset – Liability Management Risk;
- Internal Control & Compliance Risk;
- Information & Communication Technology Risk;
- Other risks.

Risk Measurement

Once risks have been identified, they are measured in order to determine their impact on the bank's

profitability and capital. The above-mentioned types of risks are to be consistently assessed and that is an essential prerequisite for successful risk management. Credit risk assessment and measurement in IFIC is calculated on the basis of possible losses from the credit portfolio. Potential losses in the credit business can be divided into expected losses and unexpected losses. Expected losses are derived from the borrower's expected probability of default. Unexpected losses result from deviations in losses from the expected loss.

Risk Aggregation
When aggregating risks, it is important to take into account correlation effects which cause a bank's overall risk differing from the sum of the individual risks. This applies to risks both within a risk category as well as across different risk categories.

Further, approach to manage risks at transaction level – i.e. at branch level where business transactions are undertaken – and at aggregate level – i.e. sum total of all transactions undertaken at all branches – differs.

Planning
Overall risk exposure of IFIC Bank is planned in a well organized manner. Risks are actively managed and controlled according to plan.

Controlling & Monitoring
The risks involved in the banking business are properly controlled and monitored to make sure whether the risks actually incurred lie within the stipulated limits, thus ensuring the capacity of bank to bear those risks.

Committees for Risk Management of the Bank

The Bank has specific committees for risk management such as:

- Senior Management Team (SMT)
- Credit Committee
- Asset Liability Committee (ALCO),
- Risk Management Committee at Management Level
- Risk Management Committee at Board Level

The above Committees hold meeting on a predetermine interval to appraise the credit, market, liquidity, interest rate, equity price and different risks related factors and recommend vis-a-vis implement appropriate measures to counter associated risks. Appropriate internal control measures are also in place to minimize the operational risks.

Banking Industry has entered into the Basel-III regime from January 01, 2015. Bangladesh Bank revised the capital standard based on Basel-III and planned to implement it gradually from 2015 to 2019. A Capital Conservation Buffer (CCB) of 2.5% is to be built-up @ 0.625% each year from the beginning of 2016 to 2019. This is in addition to existing Minimum Capital Requirement (MCR) of 10%. It means CRAR requirement will be 12.50% from January 01, 2019. To increase the quality and quantity of the capital base of the Bank, Basel III has introduced the following measures: 1. Tier 1 capital has been divided into two parts: Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1). 2. The definition of capital has been made stringent. Tier 3 capital has been eliminated. 3. The Bank has to maintain 3% leverage ratio along with Liquidity Coverage Ratio (LCR) of 100% or more and Net Stable Funding Ratio (NSFR) of more than 100%.

IFIC Bank is complying fully with Basel III standards as per approaches chosen by the Central Bank for implementation of Basel III accord in Bangladesh.

Risk Management Division (RMD)

Risk Management Division review and monitor the risks continuously of the Banks' Risk Management policies, methodologies, guidelines and procedures for risk identification, measurement and acceptance level of risk. Various analysis including Value at Risk (VaR) analysis are done. Stress testing is being conducted on a regular basis.

Risk management refers to the practice of identifying potential risks in advance, analyzing them and taking precautionary steps to reduce/curb the risk. Risk is an integral part of the Banking business and IFIC Bank's aim is to deliver and maximize shareholders' value by achieving an appropriate trade- off between risk and returns.

The Risk Management Division is responsible to ensure the following:

- Serving as secretariat of Risk Management Committee of the Management
- Development/review of risk management policies, methodologies, guidelines, and procedures for risk Identification, risk measurement, risk monitoring, determining acceptance level of risk, risk controlling in line with the guidelines provided by Bangladesh Bank.
- Review and update of all risks in a systematic basis as necessary at least annually, preferably twice a year, ensuring that adequate control exists and that the related returns reflect these risks and the capital allocated to support them.
- Setting of portfolio objectives and tolerance limits/parameters for each of the risks.
- Establishment of strategies and different models consistent with risk management policy based on IT policy and in house IT support which can measure, monitor and maintain acceptable risk level of the Bank.
- Development of Management Information System (MIS) inflow process and data management capabilities to support the Risk Management functions of the Bank.
- Highlighting of risky portfolios and deficiencies of

the Bank in timely manner with recommendations and suggestions.

- Analyzing data/information through preparation of Risk Management Paper and place before the Risk Management Committee for submission to Bangladesh Bank on a regular basis.
- Identifying, evaluating/measuring, controlling & monitoring of major risks in line with Risk Management guidelines provided by Bangladesh Bank.
- Reviewing of the assessment of Risk Based Capital Adequacy and oversee the capital management functions of the Bank as per Basel III Accord.
- Identifying, assessing and quantifying of key transaction risks inherent in a given transaction to ensure that the quality of the assumptions are tested against due diligence carried out by different operational business units.
- Reviewing of market conditions and recommending taking precautionary measures towards facing abnormal market situation & vulnerability of investments of the Bank.
- Analyzing of the bank's own resilience capacity towards facing financial difficulties of the Bank.
- Undertaking/reviewing of periodic Stress Testing as per Bangladesh Bank Guidelines.
- Reviewing of the Bank's risk rating systems to ensure that they are fit for the purpose and adequately utilized to control risk in the Bank.
- Recommending appropriate action to mitigate any other risk through the Risk Management Committee or to the top management of the bank.

Bangladesh Bank Requirement

Sound risk management is crucial for Banks. Necessary instructions have been issued from time to time through circulars, guidelines and letters with a view to ensuring proper application of sound risk management in Banks; i.e., for building the necessary infrastructure and taking various steps for identification, measurement, monitoring, and control or mitigation of various existing and potential risks; and maintaining adequate capital and provision to support risk-taking. For stronger and timely/updated risk management activities, bank has to follow as appended below:

- Bank shall prepare a Board-approved organogram of the risk management division, ensuring the use of information technology along with the appointment of adequate and skilled manpower.
- Bank shall appoint a Chief Risk Officer (CRO) from at least the AMD/DMD level who is not in-charge of the Internal Control and Compliance department, and shall also form a management-level risk management committee with the CRO as the head.
- Bank shall appoint at least an EVP/SVP/VP as the head of the RMD who is experienced in risk management and who will be a member of all important committees related to risks.
- The RMD shall report high-risk related matters, identified by the management-level risk committee, directly to the Board risk management committee, and shall provide a copy to the Managing Director & CEO for acknowledgement.
- Bank shall entrust in the RMD the responsibility of monitoring implementation of required corrective action, related to objections revealed in the inspections conducted on the basis of the core risk management guidelines.
- The RMD shall determine the risk appetites on yearly basis for all possible measurable risk areas. These areas include, but are not limited to, sector, industry and area- wise loan targets, credit concentration among top-20 borrowers, off-balance sheet exposure as a percentage of total assets, the annual growth rate for loans and advances, limitations on the percentage of financial liabilities sourced from the top-10 suppliers, the gaps between total assets and liabilities in different time buckets of the liquidity profile, the gap between rate-sensitive assets and rate-sensitive liabilities in different time buckets, various ratios regarding liquid assets, expected loss from operational risk, and the Capital to Risk-weighted Asset Ratio (CRAR) after applying stress test. These risk appetites must be approved by the Board and sent to Department of Off-Site Supervision (DOS), Bangladesh Bank by the end of first quarter of every year.
- Bank shall submit the soft copy of their stress test results to DOS along with the CRMRs in order to facilitate BB's determination of the Comprehensive Risk Management Rating and understanding of the shock resilience capacity of the individual bank.

Objectives of Risk Management

The objective of risk management is to identify and analyze risks and manage their consequences. The banking sector has perhaps the most specific focus on the management of financial risks. The guiding standard that is a key influence on Central Banks and banking regulations comes from the Swiss based Bank for International Settlements (BIS) and particularly it's BCBS. The update of the standards, known as Basel III, has been or is in the process of being, applied by bank regulators across the world. While Basel III introduces a new and more complex method of calculating regulatory capital requirements, its implementation requires that the bank adopt policies and procedures of risk

management for generate necessary data for sound decision making. Risk management is a discipline at the core of every financial institution and encompasses all activities that affect its risk profile. It involves identification, measurement, monitoring and controlling risks to ensure that :

- The individuals who take or manage risks clearly understand it;
- The organization's risk exposure is within the limits established by the highest authority of the institution;
- Risk taking decisions are explicit and clear;
- Risk taking decisions are in line with the business strategy and objectives set by the highest authority of the institution;
- The expected payoffs compensate for the risks taken; and
- Sufficient capital is available as a buffer to take risks.

Strategic Priorities for Prudent Risk Management

IFIC Bank try to identify and analyze the potential risks inherent with the banking business for our risk management culture, characterized by a conservative approach and rigorous processes. Always we give priorities to manage the potential risks prudently and the possibilities of risk which may occur in near future.

- For Credit Risk, our focus is developing a strategic business plan for appetite management and structured policy guideline and framework in order to manage default risk.
- Ensuring effective risk management system especially prudent management of Asset Liability risk, Foreign Exchange risk and Operational risk.
- Ensuring meticulous compliance of disbursement procedures and monitoring and follow-up of each loan by the Branch manager to ensure in time recovery.
- Strengthening recovery drive to bring down NPL at a minimum level.
- Ensuring efficient internal control and regulatory compliance in all levels of banking operations.

Risk Management Committee of the Management

IFIC Bank has a Risk Management Committee at Management Level to concentrate on the overall risk inborn of the banking business as per directive of Bangladesh Bank. After identifying, assessing and measuring various risks of the bank and also highlighting the risky areas of the bank, RMD presents before the RMC of Management with proper recommendations & suggestions to take corrective actions. Basically, RMC of the Management monitors the activities of RMD and also gives direction to the concerned divisions/departments to minimize the risks.

Risk Management Committee of the Board

The RMC of Board has been formed to minimize probable risks arisen during implementation of Board approved policies, procedures, Risk appetite, Risk tolerance, risk limit in line with Strategic planning/ Long-term Business Planning. The RMC of Board is entrusted to examine and review whether management is properly working on identification, management and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operation risk, interest rate risk and liquidity risk and keeping adequate provision and capital against the said risks.

Role and Responsibilities of the Committee

Risk Identification and Control

- To formulate and implement strategies/policies/ processes/procedures for assessment and control.
- To review existing strategies/policies/processes/ procedures as well as different internal limits and suggest/ make necessary amendments.
- Formulation and implementation of appropriate for assessment and control.
- Monitoring ongoing potential risk of the bank identified by RMD and take necessary steps to mitigate those risks.
- Constructing independent committee at management level for compliance of instructions under risk related guidelines and supervising their activities.

Review of Risk Management Policy

- Ensure to review the risk management policies annually.
- Propose amendments as necessary and send it for BOD approval.

Monitoring the Implementation Status of Overall Risk

- Monitor implementation of overall risk management policies and also monitor whether proper steps taken to mitigate all risks.
- Review limit of loan approval and ALM and Forex limit at least once in a year.

Minutes of the RMC to Bangladesh Bank

The minutes of meetings of the Risk Management Committee is to be submitted to Bangladesh Bank within 7 days after the meeting for their information.

Elements of a sound risk management system

Sound risk management is a vital to maintain for any financial institution. Some important elements of a sound risk management system should encompass the following:

- Risk management structure with board and senior management;
- Bank policies, procedures and limits that have been developed and implemented to manage

business operations effectively;

- Risk identification, measurement, monitoring, control and management information systems that are in place to support all business operations; and
- Bank established internal controls and the Performance of comprehensive audits to detect any deficiencies in the internal control environment in a timely manner.

Risk management is not only limited to the individual(s), who are responsible for overall risk management function. Business activities are equally responsible for the risks that they are taking the exposures. Because the personnel can understand the risks of their activities, any lack of accountability on their part may hinder sound and effective risk management.

Characteristics of Risk Appetite

- Business strategy, including banks objectives, business plans and stakeholders expectations.
- Insightful of all key aspects of the business.
- Risk appetite, Risk tolerance and Risk limit
- Considers the skills, resources and technology required to manage and monitor risk exposures in the context of risk appetite.
- Inclusive of a tolerance for loss or negative events that can be reasonably quantified.
- May be periodically reviewed and reconsidered with reference to evolving industries and market conditions.
- Must be approved by the Board.

Core Risk Management in the Bank

IFIC Bank, developed a Risk Management Policies according to Bangladesh Bank guidelines to take care of the following core risks:

1. Credit Risk Management
2. Asset Liability Risk Management
3. Foreign Exchange Risk Management
4. Internal Control and Compliance Risk Management
5. Money Laundering Risk Management and
6. Information & Communication Technology Risk Management.

1. Credit Risk Management (CRM)

Credit risk entails the risk of loss that may occur from the nonpayment of any borrower in accordance with agreed terms and conditions Credit risk may arise from the banking book, trading book even from non funded exposures.

Credit Risk Management Policy of the bank is sound and prudent bank management culture and complies largely with industry standard, interest rate and liquidity management requirements, corporate governance principles and carries with it best practices within the banking profession. Credit Risk Management process of the bank is articulated through various Board approved policies viz. Credit Risk Management Policy, Delegation of Business Powers to Individual Executives/Officers for loans and advances, Valuation Methodology, Standardized Recovery/Collection Procedure etc.

Objectives of Credit Risk Management

- Identifying, monitoring and controlling credit risks in order to maintain a manageable and quality loan portfolio.
- Ensuring that expected returns compensate for the risks taken.
- Ensuring credit risk decisions are explicit, clear and well calculated.
- Maintaining the overall credit exposure of the bank at prudent levels consistent with the available capital.
- Ensuring top management as well as individual responsible for credit risk management has sound expertise and knowledge to take credit risk and accomplish risk management functions.

The lending guideline covers the following:

- Industry and business segment focus including lending caps
- Types of credit facilities
- Industry and Business segment focus- grow, maintain & shrink.
- Single borrower exposure limit including syndication loans
- Discouraged business types
- Large loan -10% or more of Bank's total capital is considered and the maximum limit set according to net classified loans of the bank.
- Loan facility parameters (Loan size, tenor, margin & security etc.)
- Acceptable securities with quality and value
- Credit Risk Grading process is followed
- Insurance coverage (on goods/machineries etc financed by the bank) policy
- Loan pricing strategy
- Loan Approval process is clearly defined
- The Early Alert Reporting system is in place
- Cross border risk
- Credit assessment and credit risk grading
- Environmental Risk Rating
- NPL Account Management and Credit Recovery policy is in place.
- Audit & Inspection is done on CRM annually.

Credit Approval Process

The Credit Officer at Branch level acts as marketing and sales officer and is held responsible to ensure

the accuracy of the entire credit application/ proposal submitted for approval. A thorough credit and risk assessment is conducted prior to granting any loan. The CRM Division are actively involved in scrutinizing, analyzing, assessing and processing the credit proposal. The Credit Risk Management Division is involved

in evaluation and in-depth analysis of risks associated with the individual borrower and in finding out the mitigating factors to minimize those risks. Then the respective credit officers of Head Office place Credit Committee for decision. Upon recommendation of Head Office Credit Review Committee, the competent authority may approve or decline the proposal. Managing Director may recommend the proposals which are beyond the Managing Director's delegated authority to the BoD as per delegation for approval/ decision.

Credit Administration
Credit Administration Division is an essential part of the credit risk management. This is a continuous process that support and control extension and maintenance of credit. Major functions of credit administration are:

- Ensuring the all documentation complies with the terms of sanction.
- Obtaining appropriate insurance coverage to protect the interest of the bank as well as the borrowers.
- Monitoring loan disbursements to ensure that all the terms and conditions have been complied and all the documentation formalities have been completed before disbursement.
- Continuous monitoring of borrower's compliance with terms and conditions of the sanction as well as performance in the accounts.

In the process of evaluation and adaptation of its risk management strategy, IFIC Bank has been reviewing its CRM Policy Guideline, Lending cap, Delegation of Authority and restructured the Organogram. As per Bangladesh Bank guideline, Environmental Risk Rating is adopted in the approval process for our commitment to sustainable finance. Creating awareness among the corporate houses dealing with our bank regarding relevance of Credit Rating for ultimate introduction of risk based pricing vis-à-vis minimizing capital requirement of the bank.

Credit Risk Mitigation process
The bank makes all possible efforts to mitigate risks associated with credit accounts through suitable collaterals, guarantors, insurance coverage etc. wherever it is considered feasible and desirable. In addition to that, terms and conditions under which credit is sanctioned also go a long way to mitigate risks associated with credit.

Regular monitoring and control of accounts also add to the risk mitigation. In order to mitigate risks, the Bank takes necessary guarantees and documents including charge documents.

2. Asset Liability Risk Management
The Assets and Liabilities Management are managed in order to balance sheet risks management, ensure adequate liquidity, maximize stake holder's value to enhance profitability and increase capital and overall maintaining sustainable profitability of the bank and to protect the bank from any disastrous financial consequences. The Board of Directors believes that accepting some level of interest rate risk is necessary in order to achieve realistic profit goals. The responsibility of managing the asset/ liability management procedures are monitored by the Asset/Liability Management Committee (ALCO).

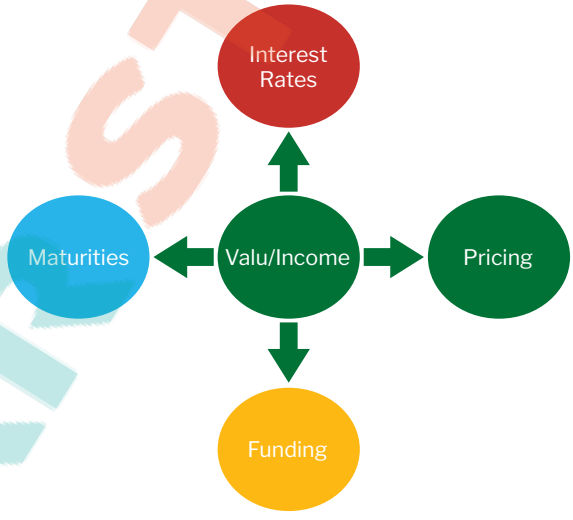


Fig: ALM at a glance

Asset Liability Risk Management is an essential part of risk management in a bank. There is a structured and organized process to manage the asset liability risk as well as the Balance Sheet risks. Asset Liability Management (ALM) Desk is an independent unit within the Treasury Division. The desk meticulously monitors and analyzes balance sheet, cash flows , balance sheet gaps, daily profit and loss, economic trends, investment options, arbitrage opportunities, business growth, liquidity and places the facts and findings before the ALCO with its recommendations on a regular basis.

Asset Liability Committee (ALCO) comprising senior management of the bank has been established to make important decisions relating to liquidity, interest rate and balance sheet management of the bank. The ALCO is headed by the Managing Director.

ALCO meeting is held once or more in every month to analyze, review and formulate strategies in order to manage the same. However, the main responsibility of the ALCO are:

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

Liquidity Risk Management

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 without incurring unacceptable cost or losses. Liquidity risk is often triggered by the consequences of other financial risks such as credit risk, interest rate risk, foreign exchange risk, etc.

The intensity and sophistication of liquidity risk management processes depend on the nature, size and complexity of a bank's activities. Sound liquidity risk management employed in measuring, monitoring and controlling liquidity risk is critical to the viability of the bank. Our liquidity risk management procedures are comprehensive and holistic. Responsibility of managing and controlling liquidity of the bank lies with Asset Liability Committee (ALCO) and the committee meets at least once in every month. Asset Liability

Management (ALM) desk of the treasury function closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities and they are primarily responsible for management of liquidity in the bank. A monthly projection of fund flows is received in ALCO meeting regularly.

Interest Rate Risk Management

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 re-pricing 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 must be conducted within the context of a comprehensive business plan.

Interest Rate Risk is the current or potential risk to the interest rate sensitive assets and liabilities of a bank's balance sheet as well as the off-balance sheet items arising out of adverse or volatile movements in market interest rate. Volatile movements of market interest rate adversely affect the value of interest rate sensitive assets and liabilities that consequentially results in the loss of equity value also affects the earnings of the bank. An effective risk management process that maintains interest rate risk within prudent levels is essential to the safety and soundness of the bank. The ALCO has been monitoring continuously about the market condition as well as the bank's interest rate on both deposits & lending.

However, Bank has been segregated both the interest rate sensitive assets and liabilities into different time buckets to find the asset/liability mismatch. The duration gap analysis is also being done on quarterly basis. DGAP is found positive for all the quarters of 2016 which indicates that assets are more price sensitive than liabilities, on average. Thus, when interest rates shifted downward by 1%, assets will fall proportionately less in value than liabilities and the market value of equity will rise accordingly.

Existing Interest Rate Risk assessment structure and control system of the Bank are as follows:

- Duration Gap Analysis**:** Calculate net GAP per time period and the cumulative GAP. Determine maximum tolerated GAP as determined by the ALCO policy.
- Market Value Analysis

The following ratios are good indicators of Interest Rate Risk analysis & these are calculated on regular basis :

- Net Interest Income
- Net Interest Margin
- Interest Earning Asset to Total Assets
- Average Interest Rates of Loan
- Average Interest Rates of Deposit etc.
- Value at Risk (VaR) is calculated
- Sensitivity Analysis
- Maturity profile Analysis
- Stress Testing is conducted

3. Foreign Exchange Risk Management

Foreign Exchange risk arises from adverse movements in exchange rates in the market.

Market Risk arises when potential effect on market component such as interest rates, foreign exchange rates, equity prices and commodity prices.

It is a part of the market risk management activity to identify and specify all relevant market factors for each risk-taking unit and to take them into

consideration in the establishment of the independent market risk limit frameworks.

Treasury Division of the bank measured and monitored the Foreign exchange risks. The bank has formulated a treasury manual which has been implemented for managing foreign exchange risks as per directives of Bangladesh Bank,. The functions of treasury front office, mid office and back office have been segregated. The operational guidelines have also been formulated specifying the roles and responsibilities of front, mid and back office so that various foreign exchange transactions can be conducted according to the policy guidelines of the Bangladesh Bank and the risks can be measured, monitored and mitigated.

Value-at-Risk (VAR): VAR is intended to estimate the potential decline in the value of a position or a portfolio, under normal market conditions, within

a defined confidence level, and over a specific time period.

Front Office: The front office or the dealing room acts as the bank's interface to international and domestic financial market. The front office is the center for market risk management activities in the bank. The front office is the unit that interacts with the market within the generally approved framework and the authority given to dealers by the Board of Directors of the bank.

Functions of Treasury Front Office

- Statutory management
- Optimization of risk return through specialization and management
- Funding of the Balance Sheet at optimum prices
- Proposing interest rate matrix to the ALCO
- Proposing various investment options to the ALCO
- Analyze various economic trends and propose
- Balance Sheet Strategy to the ALCO
- Quotation of various foreign exchange and interest rates to customers
- Dealing in foreign exchange for position covering as well as for own account trading
- Various funding activities through various Derivatives
- Provide structured treasury solutions to customer
- Remain vigilant for any arbitrage opportunities
- Marketing activities for future business growth
- Record/maintain all foreign exchange and money market positions and check for differences with system generated/back-office reports
- Sending dealing information to Back Office through deal slip (if the deal is not done throuh automated system)
- Performing money market activities
- Security/fixed income trading (if it is a PD)
- Estimate daily P&L and work with reporting unit in resolving any difference

Value at Risk (VaR) Analysis

Value at Risk (VaR) is a statistical estimate of an upper boundary, within a specified confidence level, of the potential amount a trading position or portfolio could decrease in value during the time needed to close out a position. Specifically, it is a measure of potential loss from an event in a normal, everyday market environment.

Risk related to the uncertainty of an Financial Institution's earnings on its trading portfolio. Risk related to the uncertainty of an Financial Institution's earnings on its trading portfolio caused by change in market conditions.

Methods of Calculating VaR

The methods of calculating VaR are as follows:

- The Variance – Covariance Method
- Historical Method
- Monte Carlo Simulation

Among the three method the Variance - Covariance method is simple to apply and fairly straight forward to explain. Also data sets for its use are immediately available. That's why the bank is advised to follow Variance – Covariance Method for measuring VaR.

Back Office: The market risk exposure and particularly front office activities are monitored by the back office. The back office is responsible for monitoring of deal confirmation, deal settlement, funding to nostro account, maintenance and reconciliation of nostro account etc. Monitoring and reporting of all limits including open positions, counterparty settlement, overall limits and portfolio limits are also the responsibility of the back office.

Functions of Treasury Back Office

- Input, verification and settlement of deals
- Receiving and sending of deal confirmation Certificates
- Preparation of currency positions (of previous day-end) and report to traders prior to commencement of day's dealings
- Reconciliation of currency positions
- Rate appropriateness function for all deals done
- Revaluation of all foreign exchange positions at a pre-determined frequency
- Managing discrepancies and disputes

- Daily calculation for adherence to statutory maintenance
- Reconciliation of nostro accounts
- Reconciliation of vostro accounts
- Claim/pay good value date effect of late settlements

Mid Office: The mid office is responsible to independently monitor measure and analyze risks inherent in treasury operations of the bank. The mid office performs risk review function of day-to-day activities and prepare various risk reports to check whether there is any violation or not and submit the risk reports to the top management. If there is any violation of activities of TFO & TBO the mid office informs the concerned department to take necessary measures.

Responsibilities of Treasury Mid Office :

- Limits monitoring and managing limit
- Adherence to various internal as well as regulatory policies
- Minimization of all risks
- Monitoring & management of various foreign exchange and money market positions
- Monitoring & management of various cash flows and cash positions
- Proposals/renewals for various internal limits
- Monitor for trader's adherence to various internal and regulatory limits
- Monitor for trader's adherence to various counterparty limits
- Prepare, monitor and manage all balance sheet gaps
- Report any occurrence of crossing limit
- Various internal and regulatory reporting

4. Internal Control and Compliance Risk Management

Internal Control is the process affected by Board of Directors, Senior Management and all levels of personal designed to provide reasonable assurance regarding the achievement of objective in the effectiveness and efficiency of operation, the reliability of financial reporting and Compliance with applicable laws, regulations and internal policies.

For safeguarding the organization's assets, internal control primarily aim to support the management in the identification and mitigation of those risks which the Bank may encounter in the fulfillment of its business objectives.

The internal control system of the bank ensures that all the necessary policies, guidelines and manuals are in place and all concerns are following the same strictly and meticulously including Departmental Control Function Check List (DCFCL). To monitor the overall effectiveness of the internal control system the Management Committee (MANCOM) regularly reviews the policies & procedures as well as the structure assigning clear responsibility, authority and reporting relationship.

Objective of Internal Control

The primary objective of internal control system is to help the bank perform in a sound and prudent manner with minimal resources. Through an effective internal control system the bank shall identity its operational weakness and take appropriate measures to overcome the same. The main objectives of the internal controls are categorized as follows:

- **Operations Objectives:** It relates to the effectiveness and efficiency of the Bank by using its assets and others resources for achievement of the bank's basic mission and vision.
- **Reporting Objectives:** It addresses the preparation of timely, accurate and comprehensive reporting, financial and non-financial, internal and external.
- **Compliance Objective:** It demonstrates that all banking activities are performed in compliance with applicable rules and regulations of regulatory bodies, own policy, plan and procedures.

The Internal Control & Compliance (ICC) Division is working independently to evaluate the Internal Control System of the Bank so as to ensure good governance, transparency & accountability. The ICC Division is conducting comprehensive internal audit of the branches as well as different divisions/departments of Head Office ongoing basis. The Division reviews the activities of branch's Internal Control Unit (ICU) continuously through different control processes to minimize irregularities/ lapses, to prevent fraud/ forgery and to control existing/emerging risks. The significant deficiencies identified by the audit team are placed before the senior management as well as the Audit Committee of the Board. Audit Committee of the Board regularly monitors the functions of Internal Control & Compliance Division with their necessary suggestions/recommendations and also reports to the Board of Directors from time to time.

Risk Based Internal Audit (RBIA) is being carried out annually for risk profiling/categorization of the branches based on the level of its various risks. Up-gradation of existing RBIA format is under process which will be finalized soon. Strong monitoring & close supervision ensure functional efficiency of the branches & different divisions/departments of Head Office by maintaining control environment at operational level. Compliance culture is developed by strict adherence to statutory & regulatory requirement and also bank's own policy & procedures.

By enforcing effective & sound Internal Control System, ICC is performing its activities for further improving overall work performance of the bank towards achieving its ultimate objectives.

5. Money Laundering Risk Management

Money Laundering (ML) and Terrorist Financing (TF) are major threats to the world's Financial Service Industry. IFIC Bank is pledge-bound not to allow its banking channel to be used by any criminal, terrorist or network of terrorists to carry out subversive activities or militancy in the country and elsewhere. The Bank is committed to ensuring the best corporate governance practices and aims at protecting the Bank and its employees, shareholders, management and customers from the adverse effect of ML and TF

"Guidelines on Prevention of Money Laundering" and "Policy for Combating Financing of Terrorism" has been formulated for strict compliance as per directives of Bangladesh Bank

The Chief Anti-Money Laundering Compliance Officer (CAMLCO) regularly submits status report to the competent authorities as per regulatory requirement in respect of hundi activities, abnormal transactions, Suspicious Transaction Report (STR), Cash Transaction Report (CTR), Know Your Customer (KYC) Procedure, Transaction Monitoring Report, Structuring Monitoring Report, Half Yearly Report on Self Assessment Reports of branches & independent testing procedure conducted by ICC Division and similar other areas. The bank has been complying all the rules and regulations on Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) issues.

Characteristics of effective AML risk management
The characteristics of effective AML risk management include the following:

a) Management fully understands the aspects of AML risk and exhibits strong commitment to compliance;

b) When deficiencies are identified, management promptly implements meaningful corrective action

c) Authority and accountability for compliance are clearly defined and enforced, including designation of a qualified AML compliance officer;

c) The Board has approved an AML compliance program that includes adequate policies, procedures, controls, and information systems

d) Training is appropriate, effective, covers applicable personnel, and necessary resources have been provided to ensure compliance;

e) Effective customer identification processes and account opening procedures are in place;

f) Management has identified and developed controls that are applied appropriately to high risk areas, products, services, and customers of the bank, and there are few or no instances of unreported suspicious activity, unreported large currency transactions, structured transactions, or substantive violations of law;

g) The compliance system and controls quickly adapt to changes in international lists;

h) The compliance system and controls effectively identify and appropriately report suspicious activity.

In addition, the management of money laundering risk has been extensively described in the "Managing Core Risks in Banking: Guidance Notes on Prevention of Money Laundering" issued by Bangladesh Bank.

IFIC Bank Limited is regularly arranging Training Programs on Prevention of Money Laundering & Combating Financing of Terrorism for all categories of Executives/Officers of the Bank. During the year 2017, the Bank arranged several training courses on Prevention of Money Laundering & Combating Financing of Terrorism where Executives/ Officers of the Bank attended.

6. Information & Communication Technology Risk Management

Information Technology in Banks has greatly contributed to improve operational efficiency, transparency, speed and accuracy in banking transactions. The customers are benefited by getting a number of options for doing banking through a different delivery channels according

to their convenience. The business people are also getting benefit of faster realization of receivables from their clients and making payments to their suppliers instantly and securely through various established payment channels.

This year, the Bank has scaled its technology infrastructure to create a contemporary, secure and robust infrastructure and taken several initiatives to protect its information assets from cyber threats. IFIC has established its Data Center (DC) and Disaster Recovery Site (DRS) keeping in mind future expandability to meet emerging needs

and for high availability. During setup of Data Center, environmental security has been provided highest priority. This year more manpower (experienced and fresh) has been recruited for capacity expansion of IT. The Core Banking Software (CBS) has been upgraded to its latest release to enhance existing features and functionalities and ensure transaction security.

The Bank has reviewed its ICT infrastructure and taken pragmatic steps to procure state of the art IT Security solutions (Hardware and Software) for implementation of multi-layer security with multiple security solutions for Network, Mailing System, Web/ Internet and the end users devices. Various policies and procedures including ICT Security Policy have been revised to minimize

technological and operational risks and comply with ICT Security Guideline-2015 of Bangladesh Bank. The Business Continuity Plan (BCP) and Disaster Recovery Plan have also been revised. The SWIFT payment

channel has been reviewed and restructured through separating its network connectivity from Office LAN and internet access of SWIFT user PCs and file sharing with other PCs have also been blocked. Several training on ICT Security and Risk Management has been arranged throughout the year at the Training Institute of the Bank as part of awareness buildup among the employees of the Bank. As the business processes and initiatives are now driven by IT, therefore, the Bank will continue investing in IT to ensure sound and secure IT operation.

Stress Testing

Stress Testing is one of the effective and popular ways to alert bank management with regard to adverse unexpected outcomes related to variety of risks and provides an indication how much capital adequacy ratio (CAR) might be needed to absorb losses, if any shocks occur.

Stress Testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/ or movement in a set of financial variables. It refers to the process to cover multiple risk measures across categories and complements traditional risk models. The traditional focus of stress testing relates to exceptional but plausible events.

Stress Testing Process

Stress testing process includes

- Identification of specific vulnerabilities or areas of concern;
- Construction of a scenario;
- Performing the numerical analysis;
- Considering the numerical analysis; and
- Summarizing and interpreting the results.

Stress Testing is a risk management tool that helps in assessment of the risks quantifies the resilience towards shock events and helps to manage the shock results. Stress Testing are generally of two categories and concepts i.e. – Simple Sensitivity Analysis and Scenario Tests. Now, we follow the Simple Sensitivity Analysis concept as per Bangladesh Bank Guidelines.

Stress Testing is carried out at three different shock levels

- Minor Level Shocks
- Moderate Level Shock; and
- Major Level Shocks

The following risk factors are measured while conducting Stress Testing

- Credit Risk: Stress test for credit risk assesses the impact of increase in the level of non-performing loans of the bank.
- Interest Rate Risk: Interest rate risk is the potential that the value of the on-balance sheet and off- balance sheet positions of the bank would be negatively affected with the change in the interest rates.
- Exchange Rate Risk: The stress test for exchange rate assesses the impact of change in exchange rate on the value of equity. To assess foreign exchange risk the overall net exchange position of the bank including the on-balance sheet and off-balance sheet exposures are charged by the weightage of 5%, 10% and 15% for minor, moderate, and major levels respectively.
- Equity Price Risk: The stress test for equity price risk assesses the impact of the fall in the stock market index.
- Liquidity Risk: The liquidity test shows how many days a bank would be able to survive a liquidity drain without resorting to liquidity from outside.
- Combined Shock: IFIC bank assesses combined shock by aggregating the results of credit shock, exchange rate shock, equity shock and interest rate shock.

IFIC Bank prepares Stress Testing Report based on the financials of the bank on quarterly basis and submit the report to Bangladesh Bank as well Board of Directors. The result sheet of stress testing reflects the strength of the bank to absorb the shocks with the capital of different risk profiles of the bank.



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility

Our Bank undertook following activities in the field of CSR in 2017

IFIC Bank provided blankets for the cold-hit people to Prime Minister's Relief Fund

The Bank rewarded two winners of IFIC Bank Shahittyo Purosker.



The Bank handed over a donation to Prime Minister's Education Support Trust (Prodhanmontrir Shikhkha Shohayota Trust).



The Bank provided money to Shuchona Foundation for the welfare of autistic children.



The Bank donated money to Bangabandhu Sheikh Mujibur Rahman Memorial Trust.



Dhamura Bohumukhi Madhyamik Bidyaloy received donations for providing stipends to students and development of their playground.

Biswashahitya Kendra received a donation to support their educational activities.

The Bank donated money to a day care centre for the children of Banks' employees.



The Bank donated multimedia projectors to Rajarbagh Police Line School & College.

PRODUCTS AND SERVICES



Deposit Products

- Current Account
- Savings Account
- Smart Savings Plan
- IFIC Amar Account
- School Savings Plan
- Sanchita-Female
- Payroll Savings
- Millionaire Dream Plan (MDP)
- Special Notice Deposit-SND
- Fixed Deposit Receipts-(FDR)
- Pension Savings Scheme-PSS
- Monthly Income Scheme
- Double Return Deposit Scheme
- Freedom Flexi DPS
- IFIC Aagami
- IFIC Corporate plus

Loan Products

- Term Loan (Industrial)
- Term Loan (Others)
- Loan General
- OD-Working Capital Loan
- Amar Account OD
- Easy Loan
- Consumer Durable Loan
- Parua (Educational Loan)
- IFIC Home Loan
- IFIC Peshajeebi Loan
- Auto Loan
- Any Purpose Loan
- Marriage Loan
- CNG Conversion Loan
- Home Renovation/ Interior Decoration Loan
- Medical Loan
- Holiday Loan
- Premium Overdraft
- Salary Loan
- Credit Card
- IFIC Krishi Shilpo
- IFIC Shilpo Sohay
- IFIC Shilpo Shongjog
- IFIC-Prantonari
- WEC Loan Protyasha
- WEC Loan Joyeeta
- Transport Loan
- Commercial House Building Loan
- Bidders Loan
- Contractors Loan
- Easy Commercial Loan
- Lease Finance
- IFIC -Subornogram
- Krishi Soronjam Rin
- Sech Soronjam Rin
- IFIC-Green Earth
- IFIC-Joibo Shakti
- Fire Fighting & Safety Equipment



FINANCIAL STATEMENTS

এম, জে, আবেদীন এন্ড কোং
চার্টার্ড একাউন্টেন্টস্
M. J. ABEDIN & CO
CHARTERED ACCOUNTANTS

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Dhaka-1205, Bangladesh

Auditors' Report

To the Shareholders of IFIC Bank Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of IFIC Bank Limited and its subsidiaries (the "Group")as well as the separate financial statements of IFIC Bank Limited(the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2017 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in **note 2.1** and for such internal control as management determines necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 as amended and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and also 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 2017, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards as explained in **note 2.1.**

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

(a) 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.

(b) 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:

  i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2.2.6.10 of the financial statements appeared to be materially adequate;

  ii) 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 Bank and its related entities during the year ended 31 December 2017.

(c) financial statements of subsidiary companies of the Bank namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited have been audited and properly reflected in the consolidated financial statements;

(d) 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;

(e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;

(f) the expenditure incurred was for the purposes of the Bank's business;

(g) 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;

(h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;

(i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(j) the information and explanation required by us have been received and found satisfactory;

(k) Capital to Risk-weighted Asset Ratio (CRAR) as required by the Bangladesh Bank has been maintained adequately during the year and

(l) we have reviewed over 80% of the risk weighted assets of the bank and we have spent around 4,225 person hours for the audit of the books and accounts of the bank.

Dated: 10 April 2018
Dhaka

M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Balance Sheet

as at 31 December 2017

Amount in BDT

Particulars	Note	31 December 2017	31 December 2016
PROPERTY AND ASSETS			
Cash		**15,487,553,511**	**14,079,419,866**
Cash in hand (including foreign currency)	3.a	2,251,768,572	2,018,405,559
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.b	13,235,784,939	12,061,014,307
Balance with other banks and financial institutions	**4.a**	**10,623,519,846**	**9,008,977,771**
In Bangladesh	4.a(i)	8,068,534,922	7,592,399,021
Outside Bangladesh	4.a(ii)	2,554,984,924	1,416,578,750
Money at call and on short notice	**5**	**3,830,000,000**	**-**
Investments		**29,290,877,363**	**26,279,460,893**
Government securities	6.a	23,943,582,942	20,754,752,878
Other investments	6.b	5,347,294,421	5,524,708,015
Loans and advances		**183,296,111,106**	**141,258,758,320**
Loans, cash credit, overdrafts etc.	7.a	171,593,194,706	132,138,872,955
Bills purchased and discounted	8.a	11,702,916,400	9,119,885,365
Fixed assets including premises, furniture and fixtures	**9.a**	**3,539,338,093**	**3,498,780,629**
Other assets	**10.a**	**10,277,591,453**	**5,752,191,395**
Non-banking assets	**11**	**373,474,800**	**373,474,800**
Total assets		**256,718,466,172**	**200,251,063,674**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	**12.a**	**8,473,580,748**	**6,161,734,496**
Subordinated debt	**13**	**3,500,000,000**	**3,500,000,000**
Deposits and other accounts	**14.a**	**200,148,679,835**	**160,132,621,436**
Current deposit and other accounts		30,611,131,194	20,040,265,832
Bills payable		2,238,152,090	2,075,645,107
Savings bank deposits		27,058,321,723	27,886,177,596
Fixed deposits		140,241,074,828	110,130,532,901
Other liabilities	**15.a**	**22,492,022,640**	**16,534,308,924**
Total liabilities		**234,614,283,223**	**186,328,664,856**
Capital/Shareholders' equity			
Paid up capital	**16.2**	11,953,024,420	5,638,219,070
Statutory reserve	**17**	5,124,540,729	4,649,226,843
General reserve	**18**	155,071,397	155,071,397
Revaluation reserve against securities	**19.a**	6,229,549	13,387,424
Revaluation reserve against fixed assets	**20**	115,314,704	115,314,704
Foreign currency translation reserve	**20.a**	126,200,022	(27,858,562)
Surplus in profit and loss account	**22**	4,623,795,459	3,379,031,381
Attributable to equity holders		**22,104,176,280**	**13,922,392,257**
Non-controlling interest	**23**	6,669	6,561
Total shareholders' equity		**22,104,182,949**	**13,922,398,818**
Total liabilities and shareholders' equity		**256,718,466,172**	**200,251,063,674**

Particulars	Note	31 December 2017	31 December 2016
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	**24**	**58,620,180,261**	**52,602,485,841**
Acceptances and endorsements	24.1	19,010,992,711	15,524,365,117
Letters of guarantee	24.2	10,475,384,676	9,742,638,146
Irrevocable letters of credit	24.3	19,364,242,284	17,535,059,809
Bills for collection	24.4	9,769,560,590	9,800,422,769
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		**58,620,180,261**	**52,602,485,841**

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

Managing Director & CEO | Director | Director | Director

Signed as per our annexed report of same date

10 April 2018
Dhaka

M. J. Abedin & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Profit and Loss Account

for the year ended 31 December 2017

Amount in BDT

Particulars	Note	2017	2016
Interest income	**26.a**	15,039,273,910	12,626,234,009
Interest paid on deposits, borrowings etc.	**27.a**	9,439,023,057	8,221,339,559
Net interest income		**5,600,250,853**	**4,404,894,450**
Investment income	**28.a**	2,105,410,059	2,081,237,711
Commission, exchange and brokerage	**29.a**	1,717,435,369	1,552,391,886
Other operating income	**30.a**	535,737,818	557,424,783
		4,358,583,246	**4,191,054,380**
Total operating income		**9,958,834,099**	**8,595,948,830**
Salary and allowances	**31.a**	2,600,408,127	2,536,189,910
Rent, taxes, insurance, electricity etc.	**32.a**	702,972,532	706,221,522
Legal expenses	**33.a**	11,625,374	11,200,649
Postage, stamp, telecommunication etc.	**34.a**	76,477,658	92,005,382
Stationery, printing, advertisement etc.	**35.a**	433,195,870	265,945,744
Managing Director's salary	**36**	15,120,000	15,120,000
Directors' fees	**37.a**	1,621,500	1,495,750
Auditors' fees	**38.a**	1,866,696	2,251,927
Charges on loan losses		244,828,037	281,172,341
Depreciation and repair of bank's assets	**39.a**	495,842,413	557,399,835
Other expenses	**40.a**	829,823,238	667,929,672
Total operating expenses		**5,413,781,445**	**5,136,932,732**
Operating profit		**4,545,052,654**	**3,459,016,098**
Share of profit of joint ventures/associates	**40.b. (iii)**	**355,283,995**	**382,821,516**
Profit before provision		**4,900,336,649**	**3,841,837,614**
Provision for loans, investments & other assets	**41.a**		
Specific provision		2,231,656,980	735,235,892
General provision		(80,431,752)	505,554,055
Provision for off-shore banking unit		13,148,354	(4,712,963)
Provision for off-balance sheet exposures		60,176,944	59,810,890
Provision for diminution in value of investments		(106,366,393)	51,923,927
Provision for other assets		19,525,474	24,120,508
Total provision		**2,137,709,607**	**1,371,932,309**
Profit/(Loss) before taxes		**2,762,627,042**	**2,469,905,305**
Provision for taxation			
Current tax	**42.a**	807,210,974	717,569,284
Deferred tax expense/(income)	**42.b**	(441,248,283)	169,805,699
		365,962,691	**887,374,983**
Net profit after taxation		**2,396,664,352**	**1,582,530,322**
Net profit after tax attributable to:			
Equity holders of the Bank		2,396,664,244	1,582,530,314
Non-controlling interest		108	8
Retained earnings brought forward from previous year		**3,379,031,381**	**2,817,321,961**
Add/(less): Adjustment due to issuance of shares of subsidiaries	**23.1**	-	968
Add: Net profit after tax (attributable to equity holders of the Bank)		2,396,664,244	1,582,530,314
Profit available for appropriation		**5,775,695,625**	**4,399,853,243**
Appropriations:			
Statutory reserve		475,313,886	416,726,963
General reserve		-	-
Dividend		676,586,280	604,094,900
		1,151,900,166	**1,020,821,863**
Retained surplus		**4,623,795,459**	**3,379,031,381**
Earnings Per Share (EPS)	**48.a**	**2.34**	**1.79**

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

Managing Director & CEO | Director | Director | Director

Signed as per our annexed report of same date

10 April 2018
Dhaka

M. J. Abedin & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Cash Flow Statement

for the year ended 31 December 2017

Amount in BDT

	Particulars	Note	2017	2016
A.	**Cash flows from operating activities**			
	Interest received		16,998,394,318	14,545,532,739
	Interest payments		(8,984,625,603)	(8,307,226,698)
	Dividend received		65,028,135	75,411,582
	Fees and commission received		1,761,868,025	1,581,266,572
	Recoveries of loans and advances previously written-off		106,277,295	433,046,280
	Cash payments to employees		(2,565,528,127)	(2,480,309,910)
	Cash payments to suppliers		(482,189,662)	(341,150,987)
	Income taxes paid		(840,794,890)	(1,054,531,613)
	Receipts from other operating activities	**43.a**	580,115,746	573,850,649
	Payments for other operating activities	**44.a**	(1,763,578,270)	(1,613,974,673)
	Operating cash flows before changing in operating assets and liabilities		**4,874,966,967**	**3,411,913,941**
	Increase/(decrease) in operating assets and liabilities			
	Statutory deposits		-	-
	Loans and advances to other banks		-	-
	Loans and advances to customers		(42,754,900,754)	(15,040,588,693)
	Other assets	**46.a**	(371,172,827)	(1,518,288,761)
	Deposits from other banks		20,224,643,000	(783,680,000)
	Deposits from customers		19,345,508,796	14,274,274,321
	Other liabilities	**47.a**	242,678,067	351,055,163
			(3,313,243,718)	**(2,717,227,970)**
	Net cash flows from/(used in) operating activities		**1,561,723,249**	**694,685,971**
B.	**Cash flows from investing activities**			
	Net proceeds/(payments) from sale/(purchase) of Government securities		(3,195,532,139)	2,809,897,359
	Net proceeds/(payments) from sale/(purchase) of securities		629,772,038	451,192,822
	Purchase of property, plant & equipment		(337,425,131)	(622,660,050)
	Proceeds from sale of property, plant & equipment		5,301,340	6,287,392
	Net cash flows from/(used in) investing activities		**(2,897,883,892)**	**2,644,717,523**
C.	**Cash flows from financing activities**			
	Borrowing from other banks, financial institutions and agents		2,311,846,252	(1,331,720,180)
	Receipts from issue of sub-ordinated bond		-	3,500,000,000
	Payment against lease obligation		(3,620,804)	(5,394,235)
	Receipts from issuance of rights share		5,638,219,070	-
	Net cash flows from/(used in) financing activities		**7,946,444,518**	**2,162,885,585**
D.	**Net increase/(decrease) in cash (A+B+C)**		**6,610,283,876**	**5,502,289,079**
E.	Effects of exchange rate changes on cash and cash equivalents		242,847,644	(19,118,617)
F.	**Opening balance of cash and cash equivalents**		**23,091,914,737**	**17,608,744,275**
G.	**Closing balance of cash and cash equivalents (D+E+F)**		**29,945,046,257**	**23,091,914,737**
	Closing cash and cash equivalents	**45.a**		
	Cash in hand		2,251,768,572	2,018,405,559
	Balance with Bangladesh Bank and its agents bank		13,235,784,939	12,061,014,307
	Balance with other banks and financial institutions		10,623,519,846	9,008,977,771
	Money at call and on short notice		3,830,000,000	-
	Prize bonds		3,972,900	3,517,100
			29,945,046,257	**23,091,914,737**

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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Statement of Changes in Equity

for the year ended 31 December 2017

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 2017	5,638,219,070	4,649,226,843	155,071,397	13,387,424	115,314,704	(27,858,562)	3,379,031,381	6,561	**13,922,398,818**
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2017	**5,638,219,070**	**4,649,226,843**	**155,071,397**	**13,387,424**	**115,314,704**	**(27,858,562)**	**3,379,031,381**	**6,561**	**13,922,398,818**
Surplus/(deficit) on account of revaluation of investments	-	-	-	(7,157,875)	-	-	-	-	**(7,157,875)**
Effect of foreign currency translation	-	-	-	-	-	154,058,584	-	-	**154,058,584**
Net gain and losses not recognized in the profit and loss account	**5,638,219,070**	**4,649,226,843**	**155,071,397**	**6,229,549**	**115,314,704**	**126,200,022**	**3,379,031,381**	**6,561**	**14,069,299,527**
Net profit for the year	-	-	-	-	-	-	2,396,664,244	108	**2,396,664,352**
Bonus share issued for the year 2016	676,586,280	-	-	-	-	-	(676,586,280)	-	-
Issuance of rights share (1R:1)	5,638,219,070	-	-	-	-	-	-	-	**5,638,219,070**
Transfer to statutory reserve	-	475,313,886	-	-	-	-	(475,313,886)	-	-
Balance as at 31 December 2017	**11,953,024,420**	**5,124,540,729**	**155,071,397**	**6,229,549**	**115,314,704**	**126,200,022**	**4,623,795,459**	**6,669**	**22,104,182,949**
Balance as at 1 January 2016	5,034,124,170	4,232,499,880	155,071,397	41,391,939	115,314,704	(25,350,388)	2,817,321,961	7,521	**12,370,381,184**
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2016	**5,034,124,170**	**4,232,499,880**	**155,071,397**	**41,391,939**	**115,314,704**	**(25,350,388)**	**2,817,321,961**	**7,521**	**12,370,381,184**
Surplus/(deficit) on account of revaluation of investments	-	-	-	(28,004,515)	-	-	-	-	**(28,004,515)**
Effect of foreign currency translation	-	-	-	-	-	(2,508,174)	-	-	**(2,508,174)**
Adjustment due to issuance of shares of subsidiaries							968	(968)	-
Net gain and losses not recognized in the profit and loss account	**5,034,124,170**	**4,232,499,880**	**155,071,397**	**13,387,424**	**115,314,704**	**(27,858,562)**	**2,817,322,929**	**6,553**	**12,339,868,495**
Net profit for the year	-	-	-	-	-	-	1,582,530,314	8	**1,582,530,322**
Bonus share issued for the year 2015	604,094,900	-	-	-	-	-	(604,094,900)	-	-
Transfer to statutory reserve	-	416,726,963	-	-	-	-	(416,726,963)	-	-
Balance as at 31 December 2016	**5,638,219,070**	**4,649,226,843**	**155,071,397**	**13,387,424**	**115,314,704**	**(27,858,562)**	**3,379,031,381**	**6,561**	**13,922,398,818**

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet

as at 31 December 2017

Amount in BDT

Particulars	Note	31 December 2017	31 December 2016
PROPERTY AND ASSETS			
Cash	**3**	**15,478,772,582**	**14,067,154,663**
Cash in hand (including foreign currency)	3.1	2,242,987,643	2,006,140,356
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	13,235,784,939	12,061,014,307
Balance with other banks and financial institutions	**4**	**10,623,519,845**	**9,008,977,771**
In Bangladesh	4.1	8,068,534,921	7,592,399,021
Outside Bangladesh	4	2,554,984,924	1,416,578,750
Money at call and on short notice	**5**	**3,830,000,000**	**-**
Investments	**6**	**27,858,142,242**	**25,204,524,182**
Government securities	6.1	23,943,582,942	20,754,752,878
Other investments	6.2	3,914,559,300	4,449,771,304
Loans and advances	**7**	**179,264,206,747**	**137,118,111,549**
Loans, cash credit, overdrafts etc.	7.1	167,561,290,347	127,998,226,184
Bills purchased and discounted	8	11,702,916,400	9,119,885,365
Fixed assets including premises, furniture and fixtures	**9**	**3,528,384,037**	**3,487,927,670**
Other assets	**10**	**12,292,441,552**	**7,790,544,123**
Non-banking assets	**11**	**373,474,800**	**373,474,800**
Total assets		**253,248,941,805**	**197,050,714,758**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial Institutions and agents	**12**	**8,473,580,748**	**5,827,168,923**
Subordinated debt	**13**	**3,500,000,000**	**3,500,000,000**
Deposits and other accounts	**14**	**200,205,665,479**	**160,155,006,094**
Current deposit and other accounts	14.1	30,668,116,838	20,062,650,490
Bills payable	14.2	2,238,152,090	2,075,645,107
Savings bank deposits	14.3	27,058,321,723	27,886,177,596
Fixed deposits	14.4	140,241,074,828	110,130,532,901
Other liabilities	**15**	**20,530,574,923**	**14,728,215,189**
Total liabilities		**232,709,821,150**	**184,210,390,206**
Capital/Shareholders' equity			
Paid up capital	**16.2**	11,953,024,420	5,638,219,070
Statutory reserve	**17**	5,124,540,729	4,649,226,843
General reserve	**18**	155,071,397	155,071,397
Revaluation reserve against securities	**19**	6,229,549	13,387,424
Revaluation reserve against fixed assets	**20**	115,314,704	115,314,704
Surplus in profit and loss account	**21**	3,184,939,855	2,269,105,114
Total shareholders' equity		**20,539,120,655**	**12,840,324,552**
Total liabilities and shareholders' equity		**253,248,941,805**	**197,050,714,758**

Particulars	Note	31 December 2017	31 December 2016
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	**24**	**58,620,180,261**	**52,602,485,841**
Acceptances and endorsements	24.1	19,010,992,711	15,524,365,117
Letters of guarantee	24.2	10,475,384,676	9,742,638,146
Irrevocable letters of credit	24.3	19,364,242,284	17,535,059,809
Bills for collection	24.4	9,769,560,590	9,800,422,769
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		**58,620,180,261**	**52,602,485,841**

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

Managing Director & CEO | Director | Director | Director

Signed as per our annexed report of same date

10 April 2018
Dhaka

M. J. Abedin & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Profit and Loss Account

for the year ended 31 December 2017

Amount in BDT

Particulars	Note	2017	2016
Interest income	26	14,924,359,151	12,557,119,949
Interest paid on deposits, borrowings, etc.	27	9,434,132,813	8,182,432,849
Net interest income		**5,490,226,338**	**4,374,687,100**
Investment income	28	2,071,096,827	2,077,195,970
Commission, exchange and brokerage	29	1,667,194,163	1,477,982,991
Other operating income	30	534,037,827	555,812,934
		4,272,328,817	**4,110,991,895**
Total operating income		**9,762,555,155**	**8,485,678,995**
Salary and allowances	31	2,577,447,176	2,513,087,117
Rent, taxes, insurance, electricity, etc.	32	687,650,692	690,620,503
Legal expenses	33	9,121,163	7,330,881
Postage, stamp, telecommunication, etc.	34	76,244,922	91,830,999
Stationery, printing, advertisement, etc.	35	432,887,521	265,582,034
Managing Director's salary	36	15,120,000	15,120,000
Directors' fees	37	1,472,000	1,352,000
Auditors' fees	38	1,277,778	1,597,222
Charges on loan losses		244,828,037	281,172,341
Depreciation and repair of bank's assets	39	492,434,975	554,114,506
Other expenses	40	809,791,856	643,854,488
Total operating expenses		**5,348,276,120**	**5,065,662,091**
Profit/(Loss) before provision		**4,414,279,035**	**3,420,016,904**
Provision for loans, investments and other assets	41		
Specific provision		2,131,656,980	699,685,673
General provision		(80,431,752)	505,554,055
Provision for off-shore banking unit		13,148,354	(4,712,963)
Provision for off-balance sheet exposure		60,176,944	59,810,890
Provision for diminution in value of investments		(106,366,394)	51,923,927
Other provisions		19,525,474	24,120,508
Total Provision		**2,037,709,606**	**1,336,382,090**
Profit/(Loss) before taxes		**2,376,569,429**	**2,083,634,814**
Provision for taxation	42		
Current tax		750,000,000	700,000,000
Deferred tax expense/(income)		(441,165,478)	169,519,042
		308,834,522	**869,519,042**
Net profit after taxation		**2,067,734,907**	**1,214,115,772**
Retained earnings brought forward from previous year		2,269,105,114	2,075,811,205
		4,336,840,021	**3,289,926,977**
Appropriations			
Statutory reserve		475,313,886	416,726,963
General reserve		-	-
Dividend		676,586,280	604,094,900
		1,151,900,166	**1,020,821,863**
Retained surplus		**3,184,939,855**	**2,269,105,114**
Earnings Per Share (EPS)	48	**2.02**	**1.38**

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

Managing Director & CEO | Director | Director | Director

Signed as per our annexed report of same date

10 April 2018
Dhaka

M. J. Abedin & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Cash Flow Statement

for the year ended 31 December 2017

Amount in BDT

	Particulars	Note	2017	2016
A.	**Cash flows from operating activities**			
	Interest received		16,883,479,561	14,476,418,679
	Interest payments		(8,979,735,359)	(8,268,319,988)
	Dividend received		57,296,849	67,961,786
	Fees and commission received		1,667,194,163	1,501,859,330
	Recoveries of loans and advances previously written-off		106,277,295	433,046,280
	Cash payments to employees		(2,542,567,176)	(2,457,207,117)
	Cash payments to suppliers		(482,189,662)	(341,150,987)
	Income taxes paid		(796,454,642)	(1,026,016,855)
	Receipts from other operating activities	**43**	536,217,165	570,556,210
	Payments for other operating activities	**44**	(1,724,441,334)	(1,569,092,154)
	Operating cash flows before changing in operating assets and liabilities		**4,725,076,860**	**3,388,055,184**
	Increase/(decrease) in operating assets and liabilities			
	Statutory deposits		-	-
	Loans and advances to other banks		-	-
	Loans and advances to customers		(42,859,794,573)	(14,594,692,885)
	Other assets	**46**	(387,638,876)	(1,541,682,833)
	Deposits from other banks		20,224,643,000	(783,680,000)
	Deposits from customers		19,380,109,782	14,325,164,751
	Other liabilities	**47**	244,452,255	(35,588,429)
			(3,398,228,411)	**(2,630,479,397)**
	Net cash flows from/(used in) operating activities		**1,326,848,448**	**757,575,787**
B.	**Cash flows from investing activities**			
	Net proceeds/(payments) from sale/(purchase) of Government securities		(3,195,532,139)	2,809,897,359
	Net proceeds/(payments) from sale/(purchase) of securities		535,212,004	451,192,822
	Purchase of property, plant & equipment		(337,324,034)	(622,044,414)
	Proceeds from sale of property, plant & equipment		5,301,340	6,287,392
	Net cash flows from/(used in) investing activities		**(2,992,342,829)**	**2,645,333,159**
C.	**Cash flows from financing activities**			
	Borrowing from other banks, financial institution and agents		2,646,411,825	(1,373,644,791)
	Receipts from issue of sub-ordinated bond		-	3,500,000,000
	Payment against lease obligation		(3,620,804)	(5,394,235)
	Receipts from issuance of rights share		5,638,219,070	-
	Net cash flows from/(used in) financing activities		**8,281,010,091**	**2,120,960,974**
D.	**Net increase/(decrease) in cash (A+B+C)**		**6,615,515,711**	**5,523,869,920**
E.	Effects of exchange rate changes on cash and cash equivalents		241,100,083	(23,876,339)
F.	**Opening balance of cash and cash equivalents**		**23,079,649,534**	**17,579,655,952**
G.	**Closing balance of cash and cash equivalents (D+E+F)**		**29,936,265,327**	**23,079,649,534**
	Closing cash and cash equivalents	**45**		
	Cash in hand		2,242,987,643	2,006,140,356
	Balance with Bangladesh Bank and its agents bank		13,235,784,939	12,061,014,307
	Balance with other banks and financial institutions		10,623,519,845	9,008,977,771
	Money at call and on short notice		3,830,000,000	-
	Prize bonds		3,972,900	3,517,100
			29,936,265,327	**23,079,649,534**

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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Statement of Changes in Equity

for the year ended 31 December 2017

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 2017	5,638,219,070	4,649,226,843	155,071,397	13,387,424	115,314,704	2,269,105,114	**12,840,324,552**
Impact of changes in accounting policy	-	-	-	-	-	-	**-**
Restated balance as at 1 January 2017	**5,638,219,070**	**4,649,226,843**	**155,071,397**	**13,387,424**	**115,314,704**	**2,269,105,114**	**12,840,324,552**
Surplus/deficit on account of revaluation of investments	-	-	-	(7,157,875)	-	-	**(7,157,875)**
Effect of foreign currency translation	-	-	-	-	-	-	**-**
Net gain and losses not recognized in the income statement	**5,638,219,070**	**4,649,226,843**	**155,071,397**	**6,229,549**	**115,314,704**	**2,269,105,114**	**12,833,166,677**
Net profit for the year	-	-	-	-	-	2,067,734,907	**2,067,734,907**
Bonus share issued for the year 2016	676,586,280	-	-	-	-	(676,586,280)	**-**
Issuance of rights share (1R:1)	5,638,219,070	-	-	-	-	-	**5,638,219,070**
Transfer to statutory reserve	-	475,313,886	-	-	-	(475,313,886)	**-**
Balance as at 31 December 2017	**11,953,024,420**	**5,124,540,729**	**155,071,397**	**6,229,549**	**115,314,704**	**3,184,939,855**	**20,539,120,655**
Balance as at 1 January 2016	5,034,124,170	4,232,499,880	155,071,397	41,391,939	115,314,704	2,075,811,205	**11,654,213,295**
Impact of changes in accounting policy	-	-	-	-	-		**-**
Restated balance as at 1 January 2016	**5,034,124,170**	**4,232,499,880**	**155,071,397**	**41,391,939**	**115,314,704**	**2,075,811,205**	**11,654,213,295**
Surplus/deficit on account of revaluation of investments	-	-	-	(28,004,515)	-	-	**(28,004,515)**
Net gain and losses not recognized in the income statement	**5,034,124,170**	**4,232,499,880**	**155,071,397**	**13,387,424**	**115,314,704**	**2,075,811,205**	**11,626,208,780**
Net profit for the year	-	-	-	-	-	1,214,115,772	**1,214,115,772**
Bonus share issued for the year 2015	604,094,900	-	-	-	-	(604,094,900)	**-**
Transfer to statutory reserve	-	416,726,963	-	-	-	(416,726,963)	**-**
Balance as at 31 December 2016	**5,638,219,070**	**4,649,226,843**	**155,071,397**	**13,387,424**	**115,314,704**	**2,269,105,114**	**12,840,324,552**

AMARSTOCK

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Liquidity Statement

Maturity Analysis of Assets and Liabilities
as at 31 December 2017

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)	3,577,397,000	121,388,815	121,388,814	-	11,658,597,953	**15,478,772,582**
Balance with other banks and financial institutions	6,173,519,845	4,450,000,000	-	-	-	**10,623,519,845**
Money at call and on short notice	3,830,000,000	-	-	-	-	**3,830,000,000**
Investment	6,148,867,885	4,909,031,451	3,873,922,325	5,268,550,365	7,657,770,217	**27,858,142,242**
Loans and advances	36,614,728,008	19,665,736,948	52,276,860,247	13,745,948,626	56,960,932,917	**179,264,206,747**
Fixed assets including premises, furniture and fixture		352,838,404	529,257,606	1,411,353,615	1,234,934,413	**3,528,384,037**
Other assets	2,352,804,246	3,807,983,870	2,352,804,246	1,545,617,230	2,233,231,960	**12,292,441,552**
Non-banking assets	-	-	-	373,474,800	-	**373,474,800**
Total assets	**58,697,316,984**	**33,306,979,488**	**59,154,233,238**	**22,344,944,636**	**79,745,467,460**	**253,248,941,805**
Liabilities						
Subordinated debt	-	-	-	1,400,000,000	2,100,000,000	**3,500,000,000**
Borrowing from other banks, financial institutions and agents	950,928,192	3,069,002,175	4,014,232,069	439,418,312	-	**8,473,580,748**
Deposits and other accounts	34,614,075,808	52,365,945,228	41,861,661,553	68,957,623,692	2,406,359,199	**200,205,665,479**
Other liabilities	1,636,734,755	204,562,382	3,070,003,708	1,952,409,260	13,666,864,819	**20,530,574,923**
Total liabilities	**37,201,738,755**	**55,639,509,785**	**48,945,897,330**	**72,749,451,263**	**18,173,224,018**	**232,709,821,150**
Net liquidity	**21,495,578,228**	**(22,332,530,297)**	**10,208,335,908**	**(50,404,506,628)**	**61,572,243,442**	**20,539,120,655**

1 Legal Status and Nature of the Bank

1.1 IFIC Bank Limited

IFIC Bank Limited denoted as International Finance Investment and Commerce Bank Limited (hereinafter referred to as "the Bank" / "IFIC"), 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. In 1983 when the Government allowed to open up banking in the private sector, the finance company was converted into a full fledge commercial bank and incorporated as a public limited company in Bangladesh under the Companies Act 1913, currently governed under the Banking Companies Act 1991 as amended and rules and regulations issued by Bangladesh Bank. The registered office and principal place of business of the Bank is situated at IFIC Tower, 61, Purana Paltan, Dhaka -1000. Its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Directors and Sponsors hold 38.67% share including 32.75% of the Government of the People's Republic of Bangladesh and the remaining 61.33% share held by the institutions, foreign and general investors.

The Bank has 141 branches and 71 own ATM booths with 88 ATMs as on 31 December 2017. The Bank has an Off-shore Banking Unit (OBU) located at Dhaka and also two subsidiary companies (note-1.4) namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited (hereinafter together referred to as "the Group"). Moreover, the Bank has investment in two joint venture/associate companies (note-1.5) in abroad namely Nepal Bangladesh Bank Limited, Nepal and Oman Exchange LLC, Oman. The Bank has also investment in another company in abroad namely MCB Bank Limited, Pakistan (note-1.6).

1.2 Principal activities and nature of operation

The principal activities of the Bank are to provide all types of commercial banking services, within the stipulations laid down by the Banking Companies Act 1991 as amended and directives as received from Bangladesh Bank and other regulatory authorities time to time, through its branches and alternative delivery channels like ATM Booths and Internet Banking etc. During the financial year under review, no significant changes in the nature of the principal activities of the Bank to address.

1.3 Off-shore Banking Unit (OBU)

Off-shore Banking Unit (OBU) is a separate business unit of IFIC Bank Limited. Bank obtained permission for OBU operations from Bangladesh Bank vide its letter no. BRPD (P-3) 744 (104)/2009-4233 dated 17 November 2009. The unit commenced its operation from 10 May 2010. Presently the Bank has one Off-shore Banking Unit in Bangladesh. The OBU is governed under the rules and regulations of Bangladesh Bank. Separate Financial Statements of the Bank have been prepared including the affairs of OBU. Separate Financial Statements of Off –shore Banking Unit are shown in ***Annexure-K.***

1.4 Subsidiaries of the Bank

1.4.1 IFIC Securities Limited

IFIC Securities Limited, a fully owned subsidiary company of IFIC Bank Limited was incorporated as a public limited company in Bangladesh on 2 November 2010 vide certificate of incorporation no. C-87904/10 having registered office at IFIC Tower, 61, Purana Paltan, Dhaka -1000. The total paid up capital of IFIC Securities Limited is Tk. 2,200 million divided into 220 million shares of Tk. 10 each; out of which IFIC Bank Limited holds 219,999,400 shares (99.99%). It acquired membership of Dhaka Stock Exchange Limited for brokerage transaction vide Bangladesh Securities Exchange Commission (BSEC) certificate no. 3.1/DSE-192/2009/316 dated 1 January 2009. The main objectives of the company is to carry out the business of stock brokers/ dealers relating to dealing of shares and securities as well as other services as mentioned in the Memorandum and Articles of Association of the company. The operation of the company starts on 10 March 2011. Separate Financial Statements of IFIC Securities Limited are shown in ***Annexure-L.***

1.4.2 IFIC Money Transfer (UK) Limited

IFIC Money Transfer (UK) Limited was incorporated as a private limited company with Companies House of England and Wales under registration no. 07379137 on 16 September 2010. The total paid

up capital of IFIC Money Transfer (UK) Limited is GBP 300,000. The company is a wholly owned subsidiary of IFIC Bank Limited. IFIC Money Transfer (UK) Limited obtained Money Laundering registration on 17 January 2011 issued by HM Customs and Excise. The company got registration from Financial Services Authority (FSA) on 16 June 2011 under Payment Services Regulations 2009. The company commenced its operation on 31 August 2011. The registered office of the company is located at Ferrari House, 2nd Floor, 102 College Road, Harrow, Middlesex, United Kingdom HAI IES, London, UK. The Bank has obtained necessary permission from Bangladesh Bank to open the fully owned subsidiary in UK. Financial Statements of the company are shown in ***Annexure-M***.

1.5 Joint Ventures/Associates of the Bank

1.5.1 Nepal Bangladesh Bank Limited

Nepal Bangladesh Bank Limited (NBBL) was incorporated in Nepal and registered with Office of Company Registrar (50-050/051, dated 14 January 1994) as a public company limited by shares. NBBL was established as a joint venture bank with IFIC Bank Limited, Bangladesh. The Bank started its banking business from 06 June 1994. IFIC has Management & Technical Service Agreement to provide technical know-how and professional knowledge to strengthen the smooth function of NBBL.

IFIC holds 40.91% shares capital of NBBL of Nepal. The Bank's total holding is 29,543,243 number of shares out of 72,190,590 number of shares of the Bank. The face value of the share is NRS 100 each. Nepal Bangladesh Bank Limited is listed with Nepal Stock Exchange Limited.

1.5.2 Oman Exchange LLC

Oman Exchange LLC, an exchange company incorporated under the laws of the Sultanate of Oman. Its registered office is Building no. 4699, Way no. 4567, Hamriya, PO Box 114, Post code 994, Hey Al Mina, Hamriya, Muscat, Sultanate of Oman. It was established in 1985 as a joint venture between IFIC Bank Limited and Oman Nationals, to facilitate remittance by Bangladeshi wage earners in Oman. IFIC Bank holds 25% shares and the balance 75% is held by the Omani sponsors. Out of total 11,793 shares of the company, IFIC Bank owns 2,948 shares of which face value is RO 100 per share.

1.6 Investment in MCB Bank Ltd., Pakistan

IFIC Bank had two branches in Pakistan, one at Karachi and the other at Lahore. Karachi Branch was opened on 26 April 1987, while the Lahore Branch was opened on 23 December 1993.

To meet the Minimum Capital Requirement of the State Bank of Pakistan, Pakistan branches of IFIC merged with a reputed leasing company named NDLC and renamed the same as NDLC-IFIC Bank Limited with effect from 02 October 2003 and it was subsequently renamed as NIB Bank Limited with effect from 28 November 2005. IFIC Bank owned 24,578,800 shares out of total number of 10,302,851,164 shares of NIB Bank Limited. In 13 June 2017, the State Bank of Pakistan has passed an order to merge of NIB Bank Limited with MCB Bank Limited. Consequently IFIC Bank Limited entitled 175,508 nos. of shares of MCB Bank Limited against 24,578,800 nos. of shares in NIB Bank Limited at the swap ratio of 1:140.043 and subsequently regarding this swap, IFIC Bank has taken necessary approval from Bangladesh Bank.

2 Basis of Preparation and Significant Accounting Policies

2.1 Basis of preparation

2.1.1 Statement of compliance

The separate financial statements of the Bank and the consolidated financial statements of the Group comprising the Bank, its subsidiaries and its associates, (except for Nepal Bangladesh Bank Limited, associate of IFIC, its financial statements are prepared in accordance with the regulatory requirement of Nepal Rashtra Bank), as at and for the year ended 31 December 2017 have been prepared on a going concern basis in accordance with the "First Schedule" (section 38) of the Banking Companies Act 1991 as amended, BRPD Circular # 14 dated 25 June, 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), etc.

The Bank complied with the requirements of following regulatory and legal authorities:

i) The Banking Companies Act, 1991;

ii) The Companies Act, 1994;

iii) Rules and Regulations Issued by Bangladesh Bank;

iv) Financial Reporting Act 2015;

v) Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities and Exchange ordinance 1969, Bangladesh Securities and Exchange Act 1993, Bangladesh Securities and Exchange Commission IPO Rules 2006;

vi) The Income Tax ordinance, 1984;

vii) The Value Added Tax Act, 1991;

viii) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations;

As such the Group and the Bank has departed from those contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i) Investment in shares and securities

BFRS: As per requirements of BAS 39: *Financial Instruments: Recognition and Measurement*, investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment (portfolio basis); otherwise investments are recognized at cost.

ii) Revaluation gains/losses on Government securities

BFRS: As per requirement of BAS 39: *Financial Instruments: Recognition and Measurement*, where securities will fall under the category of Held for Trading (HFT), any change in the fair value of those assets are recognized through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortized cost method using effective interest rate.

Bangladesh Bank: According to DOS Circular no. 05 dated 26 May 2008 and subsequent clarification in DOS Circular 05 dated 28 January 2009, loss on revaluation of Government securities (T-bills/corded under RT-bonds) which are categorized as held for trading should be charged through profit or loss account, but any gain on such revaluation should be recorded under Revaluation Reserve Account. However, at the revaluation loss for that particular held for trading T-bills/T-bonds. T-bills designated as held to maturity are measured at amortized cost method but interest income/gain should be recognized through other reserve as a part of equity.

iii) Provision on loans and advances/investments

BFRS: As per BAS 39: *Financial Instruments: Recognition and Measurement*, an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD Circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 15 dated 27 September 2017 and BRPD circular No. 1 dated 20 February 2018 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 all off-balance sheet exposures. Moreover, a provision for Short-Term Agricultural and Micro-Credits has to be provided at the rate of 5% for 'sub-standard' and 'doubtful' loans and at the rate of 100% provision for the 'bad/ Loss' loans. As per BRPD Circular no.-04 dated 29 January 2015, 1% additional provision have to be maintained for large restructured loan. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) Recognition of interest in suspense

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

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.

v) Other comprehensive income

BFRS: As per BAS 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 the elements of OCI are 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. Furthermore, the above templates require disclosure of appropriation of profit on the face of profit and loss account.

vi) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements cannot be made in the financial statements as per BFRS 7: *Financial Instruments: Disclosures and BAS 32: Financial Instruments: Presentation.*

vii) Financial guarantees

BFRS: As per BAS 39, financial guarantee is a contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are recognized as liability initially and recorded at fair value and the initial fair value is amortized over the life of the financial guarantee. The liability of financial guarantee is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

viii) Cash and cash equivalent

BFRS: As per BAS 7: *Statements of Cash Flows*, cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Therefore, some items like Balance with Bangladesh Bank on account of CRR/SLR are not part of cash and cash equivalent as those are not readily available.

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, and treasury bills, prize bonds are shown in investments.

ix) Non-banking asset

BFRS: No indication of Non-banking asset is found in any BFRS.

Bangladesh Bank: As per BRPD circular no. 14, there must exist a face item named Non-banking asset.

x) Cash flow statement

BFRS: The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

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

xi) Balance with Bangladesh Bank: (Cash Reserve Requirement)
BFRS: As per BAS 7, 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 is treated as cash and cash equivalents.

xii) Presentation of intangible asset
BFRS: Intangible asset must be identified, recognized and disclose in the financial statements as per BAS 38.

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

xiii) Off-balance sheet items
BFRS: There is no concept of off-balance sheet items in any BFRS; 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) Loans and advances/Investments net off provision
BFRS: Loans and advances/Investments should be presented in the financial statements after net off provision.

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

2.1.2 Basis of measurement

The financial statements of the Group and the Bank have been prepared on historical cost basis except the following:

- Government Treasury Bills and Bonds considered as 'Held for Trading (HFT)' are measured at present value using mark to market with gains credited directly to revaluation reserve but loss charged to Profit and Loss Account.
- Government Treasury Bills and Bonds considered as 'Held to Maturity (HTM)' at present value using amortization concept.
- Zero Coupon Bond at present value using amortization concept.
- Land is recognized at cost at the time of acquisition and subsequently measured at fair value following revaluation model as per BAS 16: *Property Plant and Equipment.*

2.1.3 Reporting period

These consolidated and separate financial statements cover 1 year from 1 January to 31 December which has been followed consistently over the period. The reporting period of the subsidiaries namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited and one of the joint ventures/ associates Oman Exchange LLC is in line with that of the parent i.e. IFIC Bank Limited. The reporting period of Nepal Bangladesh Bank Limited is as per Nepalese Calendar Year which generally ends around 15/16 July of each year. Due to that reason the operating results of Nepal Bangladesh Bank Ltd have been adjusted proportionately in line with the reporting period of its parent i.e. IFIC Bank Limited during calculation of share of post-acquisition profit from associates/joint ventures in its consolidated financial statement.

2.1.4 Directors' responsibility statement

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

2.1.5 Date of authorization

The Board of Directors has authorized these financial statements for public issue on 10 April 2018.

2.1.6 Functional and presentation currency

The consolidated financial statements of the Group and the separate financial statements of the Bank 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 IFIC Money Transfer (UK) Limited is US Dollar (USD) and Great Britain Pound (GBP) respectively. Functional currency for two joint ventures/

associates - Oman Exchange LLC and NBBL 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 BAS 21: *The Effects of Changes in Foreign Exchange Rates*, where applicable.

2.1.7 Use of estimates and judgments

In the preparation of the consolidated financial statements of the group and the separate financial statements of the Bank in conformity with BFRSs 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.

The key estimates, judgments and assumptions are applied to measure the following:

a) Provision for loans, advances and investments
b) Revaluation of land & buildings
c) Deferred tax assets/liabilities
d) Measurement of defined benefit obligation (Provision for gratuity)
e) Provision for expenses
f) Provision for current taxation
g) Contingent Liability (Letter of Guarantee)

2.1.8 Going concern

The Bank has no such reason to assume that it will not be able to continue its operation for foreseeable future because it has adequate resources in all respects, promising profitability, and forward looking strategy. For this reason, the directors continue to adopt going concern basis in preparing the financial statements. The current operations of the Bank provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.1.9 Basis of consolidated and separate financial statements

The financial statements of the Bank include the Consolidated Financial Statements of the Bank as a Group of Bank and its subsidiaries and the Separate Financial Statements of the Bank as the stand-alone entity. The consolidated financial statements include the financial statements of the Bank and its two subsidiary companies namely, IFIC Securities Limited operating in Bangladesh and IFIC Money Transfer (UK) Limited operating in United Kingdom made up to the end of the year. The separate financial statements are derived by combining the financial statements of main operation of IFIC Bank Limited and the financial statements of Off-shore Banking Unit operating in Bangladesh.

The consolidated and separate financial statements have been prepared in accordance with BAS 27: *Separate Financial Statements* and BFRS 10: *Consolidated Financial Statements*. The consolidated financial statements are prepared to a common year ended 31 December 2017. Since the reporting period of one of the joint ventures/associates Nepal Bangladesh Bank Limited is different from that of the parent so necessary adjustments have been made to the financial results of Nepal Bangladesh Bank Limited for 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.

2.1.9.1 Subsidiary

Subsidiary is the entity which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an entity, so as to obtain economic benefits from its activities.

The consolidated financial statements incorporate the financial statements of IFIC Bank Limited and financial statements of subsidiary companies from the date that control commences until the date that control 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.

2.1.9.2 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. Unrealized losses

are eliminated in the same way as unrealized gain, but only to the extent that there are no evidence of impairment.

2.1.10 Cash flow statement

Cash flow statement has been prepared in accordance with BAS 7: *Cash Flow Statement*, and under the guideline of Bangladesh Bank BRPD Circular no. 14 dated 25 June 2003.

2.1.11 Statement of changes in equity

Statement of changes in equity has been prepared in accordance with BAS 1: *Presentation of Financial Statements*, and following the guidelines of Bangladesh Bank BRPD Circular no. 14 dated 25 June 2003.

2.1.12 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. Following bases are used for preparation of the 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

2.2 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 the Central Bank as prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current period's presentation.

2.2.1 Materiality and aggregation

Each material item considered by management as significant has been presented separately in the financial statements. No amount has been set off 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.

2.2.2 Foreign currency

2.2.2.1 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 BAS 21: *The Effect of Changes in Foreign Exchange Rates*. Monetary assets and liabilities in foreign currencies at the reporting date are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank. Foreign exchange differences are generally recognized in the profit and loss account.

2.2.2.2 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.

2.2.3 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.2.4 Assets and basis of their measurement

2.2.4.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, 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.

2.2.4.2 Investment

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. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009. The valuation methods of investment used are :

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

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

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

Investment primarily held for selling/trading is classified in this category. After initial recognition, investments are revalued weekly basis on mark to market policy. Decrease in the book value is recognized in the profit and loss statement and any increase is transferred to revaluation reserve account.

Value of investments has been enumerated as follows :

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. securities - HFT	Cost	Market value	Loss to profit and loss account and gain to revaluation reserve.
Govt. securities - HTM	Cost	Amortized value	Increase in value to equity and decrease to equity as long as there are balances available otherwise to profit & loss account.
Debenture	Face value	Face value	None
Prize bond	Cost	Cost	None

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. 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.

v) Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's separate financial statements in accordance with the *BAS 27: Separate Financial Statements and BFRS 3: Business Combination.*

vi) Investment in associates and joint ventures

Associates are those entities in which the Bank has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Bank has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Associates and joint ventures are accounted for using the equity method (equity accounted investees) in the consolidated financial statements as per BAS 28: *Investment in Associates and Joint Venture*. 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 or joint control commences until the date that significant influence or joint control ceases. This is consistent with BFRS 11: *Joint Arrangements* and BFRS 12: *Disclosure of Interests in Other Entities*. However investment in associates and joint ventures are recognized at cost in the separate financial statements as per BAS 27: *Separate Financial Statements.*

vii) Repo and reverse repo

The Bank recorded the repo and reverse repo transactions in compliance with the DOS Circular No. 06, dated 15 July 2010 of Bangladesh Bank. In case of repo for both coupon and non-coupon bearing securities, the Bank adjust the revaluation reserve account for HFT securities and cease the weekly revaluation of such securities if the revaluation date falls within the repo period. For interest bearing securities, the Bank does not accrue interest during the repo period.

2.2.4.3 Loans and advances

i) Loans and advances have been stated at gross value as pre requirements of the Banking Companies Act, 1991 as amended. General provisions on unclassified loans and contingent assets, specific provisions for classified loans and interest suspense thereon are shown under other liabilities.

ii) Provision for loans and advances are made on the basis of instructions contained in Bangladesh Bank BRPD circular No. 14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular No. 16 dated 18 November 2014, BRPD circular No. 15 dated 27 September 2017 and BRPD circular no 1 dated 20 February 2018. As per BRPD circular no. 4 dated 29 January 2015, 1% additional provision has to be maintained for restructured large loan.

iii) Interest is calculated on classified loans and advances as per BRPD circular no. 14 dated 23 September 2012 and recognized as income on realization.

The classification rates are given below:

Types of loan and advances		Provision				
		STD	SMA	SS	DF	BL
Consumer	Housing finance	1%	1%	20%	50%	100%
	Professionals	2%	2%	20%	50%	100%
	Other than housing finance & professionals to set up business	5%	5%	20%	50%	100%
Provision for loan to broker house, merchant banks, stock dealers etc.		2%	2%	20%	50%	100%
Short-term agri-credit and micro credit		1%	1%	5%	5%	100%
Small and medium enterprise finance		0.25%	0.25%	20%	50%	100%
Others		1%	1%	20%	50%	100%
Off-balance sheet		1%				

iv) Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, and (ii) against which legal cases are filed and classified as bad/loss for more than five years as per guidelines of Bangladesh Bank. These write off however, will not undermine/affect the claim amount against the borrower.

To close monitor the written off loan , a separate Remedial Asset Management (RAM) has been formed and legal action taken through the money loan court by the in-house law division. The RAM maintains a separate record for all individual cases written off by each branch. The RAM follow-up on the recovery efforts of these written off loans and reports to management on a periodic basis.

2.2.4.4 Stock of stationery

Stock of stationery e.g. security stationery, printing stationery etc. has been shown under other assets and is valued at cost.

2.2.4.5 Fixed assets and depreciation

A. Acquisition through outright purchase

i) Fixed assets are stated at cost/revalued amount less accumulated depreciation for those acquired through outright purchase except Land. The bank has changed the depreciation calculation method from reducing balance to straight line method in 2016 and reviewed and fixed the useful of the fixed assets under different categories as follows:

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 is initially recognized at cost and subsequently carried at revalued amount following revaluation model as per *BAS 16: Property, plant and equipment*. The Bank regularly reviews if the fair value of Land 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 when the asset is disposed. Land and building are revalued in sufficient regularity and gain/(loss) on revaluation recognized in equity under the head 'Revaluation reserve against fixed assets' in the financial statements.

iv) Assets that take some time to get it ready for use such as construction 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 concerned category of fixed assets and calculation of depreciation starts accordingly.

B. Acquisition under finance lease

Assets acquired under finance lease are stated at cost less accumulated depreciation. Leased assets are depreciated in a consistent and systematic basis among the useful life. The useful life of leased assets are determined considering its economic life and lease term, whichever is lower.

2.2.4.6 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. It comprises the value of computer application software licensed for the Bank, other than software applied to the operating systems of computers. An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Bank over a period of time and the cost of the asset can be measured reliably as per BAS 38: *Intangible Assets*. Intangible assets acquired separately are recorded on initial recognition at costs and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure on intangible asset

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

Amortization of intangible asset

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

2.2.4.7 Impairment of assets

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

2.2.4.8 Leasing

Leases are classified as finance leases when risk and rewards substantially transferred to the lessee whether title of lease assets eventually transfer or not as per BAS 17: *Leases*.

i) The Bank as lessor

The Bank has finance lease under its credit portfolio. Amount disbursed to lessees under finance lease is recorded as lease at constant periodic rate of return on the Bank's net investment outstanding in respect of the leases as per BAS 17: *Leases*.

ii) The Bank as lessee

Assets acquired under lease arrangement where substantially all the risks and rewards incidental to ownership are transferred to the lessees i.e. IFIC Bank Limited, are treated as finance lease and recognized as leased assets of the Bank as per BAS 17: *Leases*. Leased assets are stated at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly in profit & loss.

2.2.5 Liabilities, provisions and basis of their measurement

2.2.5.1 Borrowings from other banks, financial institutions and agents

Borrowing funds include call money deposits, borrowings under re-finance scheme and other short term and long term borrowings from banks and financial institutions. Interest paid/payable on these borrowings is charged to the profit and loss accounts.

2.2.5.2 Deposits and other accounts

Deposits and other accounts include interest and non-interest bearing demand and time deposits received from the customers/depositors in the form of current, savings and term deposits etc. Interest paid/payable is charged to the profit and loss account.

2.2.5.3 Provision for taxation

i) Current tax

Provision for taxation has been made as per Income Tax Ordinance, 1984 on the profit made by the bank after considering taxable add backs of income and disallowances of expenditure as per tax laws as well as excess or deficit in provision made in previous years.

ii) Deferred tax

Deferred tax is calculated as per BAS 12: *Income Taxes* on taxable/deductible temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized, including specific provision (only doubtful and bad / loss) against the classified loan and advance, to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

2.2.5.4 Provision for liabilities

Other liabilities comprise items such as provision for loans and advances, provision for taxes, interest payable, interest suspense and accrued expenses. Other liability is recognized in the balance sheet according to the guideline of Bangladesh Bank, BAS and BFRS, Income Tax Ordinance 1984 and internal policies of the bank. Provisions and accrued expenses are recognized in the financial statement 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.

2.2.5.5 Provision for Nostro Account

Provision for Nostro accounts is maintained as per Circular Letter No. FEPD(FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank.

2.2.5.6 Employee benefits

Accounting recognition and measurement, as well as the disclosures requirements for different benefit schemes for employees are the followings:

i) 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.

ii) 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 of last one year 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.

iii) 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.

iv) 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 respective dependents at rates provided in the Insurance Coverage Scheme of the Bank.

Performance bonus

Bank provides performance bonus to the eligible employees in every year. This bonus amount is being distributed among the employees based on their performance and management decision. The bonus amount is paid annually, normally by the half of the every following year and the costs are accounted for in the period to which it relates.

Annual leave

The provision for leave fare represents the current outstanding liability to employees at the balance sheet date. Leave Fare Assistance 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 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.

2.2.5.7 Off-balance sheet items
Under general banking transactions liabilities against acceptance, endorsement and other obligations and bills against which acceptance has been given and claim exists there against have been shown as off balance sheet items. General provision at the rate 1% has been made for the off balance sheet exposures as per instruction contained in Bangladesh Bank BRPD circular No. 14 dated 23 September 2012.

2.2.5.8 Revenue recognition
As per Bangladesh Accounting Standard (BAS) 18: Revenue, revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Bank and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

The revenue during the period is recognized following BAS 18: Revenue as detailed below:

i) Interest income
In terms of BAS 18: Revenue the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified. Interest on classified loans and advances is kept into interest suspense account. Loan and advances are classified as bad, interest ceases to apply and recorded in a memorandum account. However, interest on classified loans and advances is accounted for on realization basis as per Bangladesh Bank circulars.

ii) Fees and commission income
Fees and commission income arising on services provided by the Bank are recognized at the time of realization. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

iii) Investment income
Income on investments is recognized on accrual basis. Capital gain/loss is recognized at the time of realization.

iv) Dividend income on shares
Dividend income on shares is recognized when dividend is declared, ascertained and right to receive the payment is established.

2.2.5.9 Interest paid on deposits and borrowings
In terms of the provisions of the BAS 1: *Presentation of the Financial Statements* interest expenses are recognized on accrual basis.

2.2.5.10 Interest on subordinated debt
Interest on subordinated debt is recognized on accrual basis and paid as per the respective terms of interest payment.

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

2.2.6 General

2.2.6.1 Share capital
Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

2.2.6.2 Statutory reserve
As per 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.

2.2.6.3 Fixed assets revaluation reserve
When an asset's carrying amount is increased as a result of a revaluation the increase amount should be credited directly to equity under the heading of revaluation surplus/reserve as per BAS 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.

2.2.6.4 Non controlling interest

Non controlling interest is that portion of the profit or loss and net assets of the subsidiaries attributable to equity interests that are not owned, directly or indirectly by the Parent i.e. IFIC Bank Limited.

2.2.6.5 Reconciliation of books of account

Books of account with regard to inter bank (in Bangladesh and outside Bangladesh) and inter branch transactions are reconciled and no material differences exist which may affect the financial statements significantly.

2.2.6.6 Earnings per share (EPS)

Earning per share (EPS) has been computed as per BAS 33: *Earnings Per Share* by dividing the basic earning by the weighted average number of ordinary Shares outstanding as at 31 December 2017 which has been shown on the face of the profit and loss account.

i) Basic earnings per share

This represents earnings for the period attributable to ordinary shareholders. As there was no preference share, 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 ordinary shares outstanding

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-waiting 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 BAS 33: *Earnings per share*. The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings. In contrast, other shares were issued against consideration in cash or in kind, and accordingly there is an increase in recourses generating new earnings. Therefore, the total number of shares issued in 2017 has been multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

iii) Diluted earnings per share

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

2.2.6.7 Related party transactions

As per BAS 24: *Related Party Disclosures*, parities 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 BAS 24: *Related Party Disclosures*, Bangladesh Bank and BSEC guidelines. Details of the related party transactions have been disclosed in ***Annexure F.***

2.2.6.8 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 BAS 10: *Events after the Reporting Period*.

2.2.6.9 Subordinated debt

In 2016, the Bank with prior consent of Bangladesh Securities and Exchange Commission (vide letter no. BSEC/CI/DS-32/2015/644 dated 28 December 2015) and Bangladesh Bank (vide letter no. BRPD(BFIS)661/18B(P)/2016-938 dated 08 February 2016 and BRPD(BFIS)661/18B(P)/2016-2475 dated 17 April 2016) issued 07 (seven) years Non-Convertible Coupon Bearing Subordinated Bonds as a part of eligible capital under Tier-II as per Basel-III. The issued instrument is un-secured, non-convertible in nature and will be redeemed at 20% of its face value each year which will start at the end of 3rd year.

The rate of interest of the Bond is Reference Rate + 4.8% Margin, where Reference Rate is the latest 182 days Bangladesh Govt. T-Bill rate. Coupon floor rate is 7.0% and coupon ceiling rate is 11.0%.

Coupon to be paid semi-annually. This subordinated bond has been rated by CRAB as AA3 (Hyb) in Long Term category with 'Stable' outlook valid up to 28 June 2018 which is judged to be of very high quality, subject to very low credit risk.

2.2.6.10 Risk management

Risk is an inherent part of the business activities and risk management is pivotal for the sustainability of business. The Risk of the Bank is defined as the probability of losses, financial or otherwise. The standards of Risk Management as guided by the Bank for International Settlements (BIS) and particularly Basel Committee on Banking Supervision (BCBS), has been applied by bank regulators across the world. Bangladesh Bank also issued guidelines which forms the basis of risk management of all scheduled banks in Bangladesh. The guidelines require that the banks adopt enhanced policies and procedures of risk management.

IFIC has an approved 'Risk Management Policy' for managing Core risks and other material risks inherent with the banking business i.e. Credit Risk Management, Foreign Exchange Risk Management, Asset liability Management, Prevention of Money Laundering, Internal Control and Compliance and Information & Communication Technology. Other risks like operational risk, liquidity risk, interest rate risk, equity price risk, market risk are also managed on a regular basis.

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 Bank has a Managerial layer headed by Deputy Managing Director & Chief Risk Officer (CRO) and an Operational layer represented by Risk Management Division (RMD). RMD is the organizational arm performing the functions of identifying, measuring, analyzing, monitoring and controlling the various risks and assists the Apex level committee i.e. Strategic layer and Managerial layer in conversion of policies into action. RMD as Operational layer analyze risk appetite / tolerance / limit of all related divisions of the Bank and conducts internal rating of core risks, stress test in order to gauge shock absorbing capacity of the Bank. Shocks are applied at minor, moderate and major levels as to ascertain that whether bank could sustain under the stress situations or not. The prime objective of the risk management is to identify and analyze the risks and manage their consequences. Bank may take the risks according to risk appetite approved by the Board of Directors subject to it's capital base. Bank should always keep the cushion of capital to face loss when arises any specific event or systematic risk.

i) Credit risk

Credit risk is most simply defined as the probability that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of the Bank Credit Risk Management is to maximize the bank's risk-adjusted rate of return by maintaining credit risk exposure within the acceptable parameters.

The Credit Risk Management works within the scope defined regulations and is in charge of specifying and implementing the policies towards the effective functioning of the Bank's lending process and to 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.

ii) Asset liability management risk

Asset Liability Management (ALM) is the most important aspect for the Bank to manage Balance Sheet Risk, especially for managing of liquidity risk and interest rate risk. Changes in market liquidity and interest rate expose Bank business to the risk of loss. Failure to identify the risks associated with business and to take timely measures against those risks may threaten the survival of institution. As such, it is important that the senior management as well as the Board of Directors to understand the existence of such risk on the Balance Sheet and ensure that the structure of the Bank business and the level of Balance Sheet risks are effectively managed by adopting the appropriate policies, procedures to control these risks as well as resources available for evaluating and controlling such risk. To address all the risk elements of the Balance Sheet, 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. The maturity gap of the assets-liabilities and interest rate movement are strongly monitored by the ALCO. Moreover, ALCO of the Bank also monitor the optimum liquidity

position of the Bank in line with regulatory requirement. The policy guidelines on asset liability management which are approved by the Board of Directors have been reviewed time to time.

iii) Money laundering risk

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. To mitigate this risk, since 2002 Bank has been complying with all the rules and regulations on AML/CFT issues. As directed by the BFIU of Bangladesh Bank, the Bank has formulated "Money Laundering & Terrorist Financing Risk Management Guidelines 2016 (amendment)" which is strictly followed by the branches and officers of the Bank.

In line with the noted policy and regulatory requirement, the Chief Anti-Money Laundering Compliance Officer (CAMLCO) regularly submits status report to the competent authorities in respect of the Suspicious Transaction Report (STR), Cash Transaction Report (CTR), Know Your Customer (KYC) Procedure, Transaction Monitoring Report, Structured Monitoring Report as well as submits the half yearly Self Assessment Report of branches and independent testing procedures conducted by Internal Control & Compliance Division and similar other areas. The Bank is consistently maintaining very good rating on AML/CFT issues.

Bank is regularly arranging training programs on prevention of money laundering & combating financing of terrorism with the particular focus on Trade Based Money Laundering for its all executives & officers. During the period, the Bank arranged several training programs on prevention of money laundering & combating financing of terrorism where a number of executives & officers were participated.

iv) Internal control and compliance risk

The operational performance of the Bank is depended on efficient and sound internal control system for establishing corporate governance, transparency and accountability. 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 consist three units namely; Compliance, Monitoring and Audit & Inspection. These units are 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 a 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. In 2016 the Bank has introduced 'Risk based Internal Audit Policy', Branch Audit Rating System in order to up grade the operational efficiency of the branches.

v) Fraud risk

Fraud is a concept that is generally understood but whose characteristics are often not recognized in due course. 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.

vi) Foreign exchange risk

Foreign Exchange Risk arises from adverse movement in currency exchange rates. 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.

vii) Information and communication technology (ICT) risk

The Bank underlined concentration on creating a technology backbone that enabled IFIC to realize its mission to become the preferred financial service provider through innovative, sustainable and inclusive growth and deliver the best in class value to all stakeholders.

Accordingly, the Bank has formulated policies and procedures for ICT Security and has taken steps to protect the information and related assets from unauthorized access, modification and destruction for the sake of the interest of its customers. To mitigate risks in ICT operations, the Bank is continuously conducting training sessions on sensitive IT tasks (i.e. operational procedures, security procedures etc.) and creating Cyber Security Awareness for relevant employees.

The Bank is taking Data Backup on daily basis; one copy is being stored in fire-proof Vault and another copy is being kept at remote site to face any disaster in Data Centre. Disaster Recovery (DR) Site has been established at Uttara, Dhaka to replicate data of Data Centre and failover business operations in case of any emergency or any disaster at Data Centre. Business continuity Plan has also been developed.

The Bank Management has been putting conscious efforts to improve problem Management, ICT Operation Management, Change Management, Asset Management and Request Management to maintain maximum uptime of automated online banking business.

Bank's ICT –Security Guideline is made as per the guideline of Bangladesh Bank. Physical security is being maintained for its workplace to properly protect ICT resources as per the guideline of Bangladesh Bank. The Bank also strictly follow 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.

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 of critical IT Assets and maintaining IT Assets Inventory.

The Bank has developed Fall Back Plan of IT Human Resources with detailed job descriptions and segregation of duties for IT tasks. The Bank has also completed all ICT Security documentation to ensure security of ICT Systems and is continuously updating them to strengthen security of the systems.

viii) 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, 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, steams 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) 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 polices 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.

2.2.6.11 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.

2.2.6.12 Credit rating of the bank

The Bank has been awarded its credit rating done by Credit Rating Agency of Bangladesh Limited (CRAB) based on the financial statements and other relevant information as at and for the year ended 31 December 2016 as per BRPD Circular no. 6 dated 5 July 2006. The following ratings for different year have been awarded:

Type of Rating	Period of Financial statements used as basis	Rating Status			Validity
		Long term	Short term	Outlook	
Entity	January to December 2016	AA_2	ST-2	Stable	30-Jun-18
Entity	January to December 2015	AA_2	ST-2	Stable	30-Jun-17
Entity	January to December 2014	AA_2	ST-2	Positive	30-Jun-16

2.2.6.13 Compliance report on Bangladesh Financial Reporting Standards (BFRSs):

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Financial Reporting Standards (BFRSs) including Bangladesh Accounting Standards (BASs) as of 31 December 2017. While preparing the financial statements, Bank complied all the applicable BASs and BFRSs as adopted by ICAB except those described in note 2.1.1. Details are given below:

Name of the BFRS	BFRS 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
Consolidated Financial Statements	10	Complied
Joint Arrangements	11	Complied
Disclosure of Interests in Other Entities	12	Complied
Fair Value Measurement	13	Complied
Regulatory Deferral Accounts	14	N/A

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Complied
Inventories	2	Complied
Statement of Cash Flows	7	Complied

Accounting Policies, Changes in Accounting estimates & Errors	8	Complied
Events After the Reporting Period	10	Complied
Construction Contracts	11	N/A
Income Taxes	12	Complied
Property, Plant and Equipment	16	Complied
Leases	17	Complied
Revenue	18	Complied
Employee Benefits	19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Complied
Borrowing Costs	23	Complied
Related Party Disclosure	24	Complied
Accounting and Reporting by Retirement Benefits Plans	26	N/A
Separate Financial Statements	27	Complied
Investment in Associates and Joint Ventures	28	Complied
Financial Reporting in Hyperinflationary Economies	29	N/A
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Complied*
Earnings Per Share	33	Complied
Interim Financial Reporting	34	Complied
Impairment of Assets	36	Complied
Provisions, Contingent Liabilities and Contingent Assets	37	Complied
Intangible Assets	38	Complied
Financial Instruments: Recognition and Measurement	39	Complied*
Investment Property	40	N/A
Agriculture	41	N/A

Note: N/A - Not Applicable

* In order to comply with certain specific rules and regulations of the local Central Bank (Bangladesh Bank) which are different to BAS/BFRS, some of the requirements specified in these BAS/BFRSs are not applied.

New accounting standards not yet adopted

In December 2017, ICAB has decided to adopted IFRS replacing BFRS effective for annual periods beginning on or after 1 January 2018. However, since currently issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on financial statements.

The following BFRSs were issued but not effective as at 31 December 2017:

Name of the BFRS	BFRS No.	Effective From
Financial Instruments	BFRS 9	On or after 01.01.2018
Revenue form Contracts with Customers	BFRS 15	On or after 01.01.2018

In addition to this a new standard as "IFRS 16 Leases" have been published by IASB but the same is yet to be adopted in Bangladesh as BFRS by ICAB. Hence old accounting standard in this respect has been followed in the preparation of these financial statements.

Amount in BDT

		Note	31 December 2017	31 December 2016
3	**Cash**			
	Cash in hand (including foreign currency)	3.1	2,242,987,643	2,006,140,356
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	13,235,784,939	12,061,014,307
			15,478,772,582	**14,067,154,663**
3.1	**Cash in hand (including foreign currency)**			
	Local currency in hand		2,007,898,180	1,852,141,398
	Foreign currencies in hand		31,065,052	22,916,697
	Cash with ATM		204,024,411	131,082,261
			2,242,987,643	**2,006,140,356**
3.2	**Balance with Bangladesh Bank and its agents bank**			
	Bangladesh Bank			
	Local currency		11,658,597,953	10,132,261,714
	Foreign currency		1,213,888,149	1,480,549,588
			12,872,486,102	**11,612,811,302**
	Sonali Bank as agent of Bangladesh Bank		363,298,837	448,203,005
			13,235,784,939	**12,061,014,307**

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Banking Companies Act 1991 as amended and MPD circular no. 1, dated 23 September 2014 and MPD circular no. 2, dated 10 December 2013.

3.3.1 Cash Reserve Requirement (CRR)

As per Bangladesh Bank MPD Circular no. 1 dated 23 June 2014 [effective from 24 June 2014], all scheduled banks have to maintain CRR of minimum 6.0% on daily basis and 6.5% on bi-weekly basis based on weekly average demand and time liabilities excluding inter-bank deposits of immediate preceding two months [i.e. CRR of December 2017 was based on weekly average balance of October 2017]. CRR maintained by the Bank as per statutory requirement is shown below:

Average time and demand liabilities	172,336,019,750	155,514,904,000
Required reserve	11,201,841,284	10,108,468,760
Actual reserve maintained*	11,615,875,000	10,206,217,000
Surplus	**414,033,716**	**97,748,240**

* As per Bangladesh Bank current account statement.

3.3.2 Statutory Liquidity Ratio (SLR)

As per Bangladesh Bank MPD Circular no. 2 dated 10 December 2013 [effective from 1 February 2014], all scheduled banks have to maintain SLR of minimum 13.0% of weekly average demand and time liabilities excluding inter-bank deposits of immediate preceding two months [i.e. SLR of December 2017 was based on weekly average balance of October 2017]. SLR maintained by the Bank as per statutory requirement is shown below:

Average time and demand liabilities	172,336,019,750	155,514,904,000
Required reserve	22,403,682,568	20,216,937,520
Actual reserve maintained	26,959,930,238	23,303,327,379
Surplus	**4,556,247,671**	**3,086,389,859**

		Note	31 December 2017	31 December 2016
	Actual reserve maintained for SLR			
	Cash in hand	3.1	2,242,987,643	2,006,140,356
	Balance with Bangladesh Bank in excess of CRR		414,033,716	97,748,240
	Balance with Sonali Bank as agent	3.2	363,298,837	448,203,005
	Government securities (HFT)	6.3	11,070,665,980	7,456,069,889
	Government securities (HTM)	6.3	12,868,944,062	13,295,165,889
			26,959,930,238	**23,303,327,379**
3.a	**Consolidated cash in hand**			
	IFIC Bank Limited	3.1	2,242,987,643	2,006,140,356
	IFIC Securities Limited		7,105	238,310
	IFIC Money Transfer (UK) Limited		8,773,824	12,026,893
			2,251,768,572	**2,018,405,559**
3.b	**Balance with Bangladesh Bank and its agents bank**			
	IFIC Bank Limited	3.2	13,235,784,939	12,061,014,307
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			13,235,784,939	**12,061,014,307**
			15,487,553,511	**14,079,419,866**
4	**Balance with other banks and financial institutions**			
	In Bangladesh	4.1	8,068,534,921	7,592,399,021
	Outside Bangladesh *		2,554,984,924	1,416,578,750
			10,623,519,845	**9,008,977,771**
	* Details of Balance with outside Bangladesh are shown in "Annexure-A".			
4.1	**In Bangladesh**			
	In current deposit account with			
	Agrani Bank Limited		32,525,278	39,028,153
	Sonali Bank Limited		44,109,821	36,599,776
	Islami Bank Bangladesh Limited		99,150	100,000
			76,734,249	**75,727,929**
	In Special Notice Deposit account with			
	Trust Bank Limited		33,078,349	45,507,166
	Standard Chartered Bank		8,692,380	14,864,880
			41,770,729	**60,372,046**
	In Beneficiary Owner (BO) account with			
	IFIC Securities Limited		659	6,269,312
	Latif Securities Limited		29,284	29,734
			29,943	**6,299,046**

		Note	31 December 2017	31 December 2016
	In Fixed Deposit account with banks and NBFIs			
	Peoples Leasing & Financial Services Limited		150,000,000	150,000,000
	Investment Corporation of Bangladesh (ICB)		7,800,000,000	5,000,000,000
	Mercantile Bank Limited		-	700,000,000
	Industrial and Infrastructure Development Finance Company Limited		-	100,000,000
	BRAC Bank Limited		-	1,000,000,000
	National Bank Limited		-	500,000,000
			7,950,000,000	**7,450,000,000**
			8,068,534,921	**7,592,399,021**
4.2	**Maturity grouping of balance with other banks and FIs**			
	Receivable on demand		2,673,489,902	1,552,678,725
	Upto 1 month		3,500,029,943	4,706,299,046
	More than 1 month but not more than 3 months		4,450,000,000	2,750,000,000
	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		-	-
			10,623,519,845	**9,008,977,771**
4.a	**Consolidated balance with other banks and financial institutions**			
4.a (i)	**In Bangladesh**			
	IFIC Bank Limited	4.1	8,068,534,921	7,592,399,021
	IFIC Securities Limited		95,242,495	86,488,370
	IFIC Money Transfer (UK) Limited		-	-
			8,163,777,416	**7,678,887,391**
	Less: Inter -company transaction		95,242,494	86,488,370
			8,068,534,922	**7,592,399,021**
4.a (ii)	**Outside Bangladesh**			
	IFIC Bank Limited	4	2,554,984,924	1,416,578,750
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	
			2,554,984,924	**1,416,578,750**
			10,623,519,846	**9,008,977,771**
5	**Money at call and on short notice**			
	AB Bank Limited		500,000,000	-
	Basic Bank Limited		650,000,000	-
	BRAC Bank Limited		100,000,000	-
	Habib Bank Limited		330,000,000	-
	NCC Bank Limited		500,000,000	-
	Pubali Bank Limited		1,400,000,000	-
	The City Bank Limited		150,000,000	-
	Bank Alfalah Limited		200,000,000	-
			3,830,000,000	-

		Note	31 December 2017	31 December 2016
6	**Investments**			
	Government Securities	6.1	23,943,582,942	20,754,752,878
	Other Investments	6.2	3,914,559,300	4,449,771,304
			27,858,142,242	**25,204,524,182**
6.1	**Government securities**			
	Treasury bills	6.1.1	8,371,890,078	7,456,069,889
	Treasury bonds	6.1.2	12,868,944,062	13,295,165,889
	Bangladesh Bank bills		2,698,775,902	-
	Prize bond		3,972,900	3,517,100
			23,943,582,942	**20,754,752,878**
6.1.1	**Treasury bills**			
	91 days treasury bills		5,062,153,880	4,672,588,368
	182 days treasury bills		2,055,468,793	1,798,183,630
	364 days treasury bills		1,254,267,405	985,297,891
			8,371,890,078	**7,456,069,889**
6.1.2	**Treasury bonds**			
	2 years Treasury bond		1,551,864,375	1,167,069,006
	5 years Treasury bond		1,416,584,158	1,617,976,286
	10 years Treasury bond		5,508,401,071	6,089,743,240
	15 years Treasury bond		2,941,619,589	2,961,973,520
	20 years Treasury bond		1,450,474,869	1,458,403,837
			12,868,944,062	**13,295,165,889**
6.2	**Other investments**			
	Unquoted shares			
	Karma Sangsthan Bank		20,000,000	20,000,000
	Central Depository Bangladesh Limited		22,847,220	22,847,220
	Energy Pack Power Company Limited		25,960,000	25,960,000
			68,807,220	**68,807,220**
	Quoted shares			
	National Housing Finance & Investment Limited		39,010,000	39,010,000
	Power Grid Company Limited		215,882,261	275,412,488
	Summit Alliance Port Limited		5,692,616	28,198,825
	Eastland Insurance Company Limited		7,958,672	8,941,428
	TITAS Gas Transmission and Distribution Limited		412,348,120	465,701,734
	Unique Hotel and Resorts Limited		21,029,385	21,029,385
	Fareast Life Insurance Limited		122,511,641	136,631,812
	Delta Life Insurance Company Limited		-	56,270,614
	Summit Power Limited		-	108,786,696
	British American Tobacco Bangladesh Limited		-	80,528,642
	Beximco Limited		-	1,032,063,098
	Malek Spinning Mills Company Limited		-	7,681
	The City Bank Limited		-	194,197,477
	Northern General Insurance Company Limited		-	10,951,563
	Reliance Insurance Limited		-	11,674,463
			824,432,695	**2,469,405,906**

		Note	31 December 2017	31 December 2016
	Mutual funds			
	IFIC Bank 1st Mutual Fund		250,000,000	250,000,000
	ICB Employee 1st Mutual Fund		17,986,473	17,986,473
			267,986,473	**267,986,473**
	Foreign Investment			
	Investment in associates:			
	Nepal Bangladesh Bank Limited		2,383,257,623	1,291,386,223
	Oman Exchange LLC		18,797,875	17,889,167
			2,402,055,498	**1,309,275,390**
	Other foreign investment			
	MCB Bank Limited, Pakistan *		351,277,414	334,296,315
			2,753,332,912	**1,643,571,705**
			3,914,559,300	**4,449,771,304**

Details of investment in shares are shown in "Annexure-B".

* In 13 June 2017, NIB Bank Limited merged with MCB Bank Limited which is described in note: 1.6.

6.3	**Government securities classified according to Bangladesh Bank Circular**			
	Held for trading (HFT)	6.1	11,070,665,980	7,456,069,889
	Held to maturity (HTM)	6.1.2	12,868,944,062	13,295,165,889
	Other securities	6.1	3,972,900	3,517,100
			23,943,582,942	**20,754,752,878**
6.4	**Maturity grouping of investments**			
	On demand		3,972,900	3,517,100
	Up to 1 month		6,144,894,985	6,521,506,276
	Over 1 month but not more than 3 months		4,909,031,451	208,208,137
	Over 3 months but not more than 6 months		1,142,973,870	1,698,409,762
	Over 6 months but not more than 1 years		2,730,948,455	2,170,200,316
	Over 1 year but not more than 5 years		5,268,550,365	6,790,108,908
	Over 5 years		7,657,770,217	7,812,573,683
			27,858,142,242	**25,204,524,182**

6.5 Disclosure regarding outstanding Repo and Reverse Repo

Sl.	Counterparty name	Agreement date	Reversal date	Amount
-	-	-	-	-
Total				

Disclosure regarding outstanding Reverse Repo

Sl.	Counterparty name	Agreement date	Reversal date	Amount
-	-	-	-	-
Total				-

Disclosure regarding overall transaction of Repo and Reverse Repo

Counterparty name	Minimum outstanding in Y2017	Maximum outstanding in Y2017	Daily average outstanding in Y2017
Securities sold under Repo			
With Bangladesh Bank	-	-	-
With other Banks and FIs	198,369,400	499,329,500	25,901,956
Securities purchased under Reverse Repo			
From Bangladesh Bank	-	-	-
From other Banks and FIs	131,408,923	999,596,757	54,877,702

		Note	31 December 2017	31 December 2016
6.a	**Consolidated investments**			
	Government Securities			
	IFIC Bank Limited	6.1	23,943,582,942	20,754,752,878
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			23,943,582,942	**20,754,752,878**
6.b	**Consolidated other investments**			
	IFIC Bank Limited	6.2	3,914,559,300	4,449,771,304
	IFIC Securities Limited		86,482,525	181,042,559
	IFIC Money Transfer (UK) Limited		-	-
	Less: Book value of investment in joint venture/associate-NBBL		(2,383,257,623)	(1,291,386,223)
	Less: Book value of investment in joint venture/associate -OE LLC		(18,797,875)	(17,889,167)
	Add: Investment in NBBL under equity method	40.b(i)	3,696,288,544	2,147,122,580
	Add: Investment in OE LLC under equity method	40.b(ii)	52,019,550	56,046,962
			5,347,294,421	**5,524,708,015**
			29,290,877,363	**26,279,460,893**
7	**Loans and advances**			
	Loans, cash credit, overdraft etc.	7.1	167,561,290,347	127,998,226,184
	Bill purchased and discounted	8	11,702,916,400	9,119,885,365
			179,264,206,747	**137,118,111,549**
7.1	**Loans, cash credit, overdraft etc.**			
	Term loan industrial		17,063,561,459	12,333,703,299
	Term loan consumer finance		558,364,756	636,390,971
	Agricultural loan		3,371,120,066	3,006,803,426
	Term loan women entrepreneur		11,013,182	11,309,924
	Term loan-others		41,166,349,180	27,807,286,029
	House building loans		28,602,090,173	14,951,644,865
	Staff loan		1,757,091,256	1,858,818,100
	Transport loan		283,941,559	402,695,352
	Loan general		2,907,043,082	2,401,964,880
	Demand loan		4,801,451,088	3,877,619,292
	Overdrafts		33,845,375,485	26,839,671,440
	Cash credit		25,763,648,192	27,235,145,835
	Credit card finance		221,172,914	248,056,244
	Loan against trust receipt (LTR)		6,045,961,917	4,753,716,891
	Lease finance	7.16	603,861,134	661,639,981
	Loan against imported merchandise(LIM)		-	70,710,364
			167,002,045,443	**127,097,176,893**
	Off-shore banking unit		559,244,904	901,049,291
			167,561,290,347	**127,998,226,184**

		Note	31 December 2017	31 December 2016
7.2	**Residual maturity grouping of Loans, cash credit, overdraft etc.**			
	On demand		27,838,862,770	17,200,313,375
	Up to 1 month		5,450,193,405	6,711,824,959
	Over 1 month but not more than 3 months		16,826,336,698	19,167,679,490
	Over 3 months but not more than 1 years		46,739,015,931	40,182,681,587
	Over 1 year but not more than 5 years		13,745,948,626	29,248,892,257
	Over 5 years		56,960,932,917	15,486,834,516
			167,561,290,347	**127,998,226,184**
7.3	**Loans and advances under broad categories**			
	Loans		107,952,266,670	73,923,408,909
	Cash credit		25,763,648,192	27,235,145,835
	Overdrafts		33,845,375,485	26,839,671,440
			167,561,290,347	**127,998,226,184**
	Bill purchased and discounted	8	11,702,916,400	9,119,885,365
			179,264,206,747	**137,118,111,549**
7.4	**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		1,757,091,256	1,858,818,100
	Advances to customers' groups		177,507,115,491	135,259,293,449
			179,264,206,747	**137,118,111,549**
7.5	**Loans and advances allowed to each customer exceeding 10% of Bank's total capital**			
	Number of customers		18	26
	Outstanding - Funded		42,831,500,000	47,180,600,000
	Outstanding - Non-funded		16,705,600,000	17,257,200,000
	Amount classified		28,560,000	-

Amount of loans and advances (comprising funded and non funded facilities) to each customer exceeding BDT 2,411.38 million which is computed as 10% of the Bank's capital (as defined under the Banking Companies Act 1991 as amended) of BDT 24,113.77 million as at 31 December 2017. As at 31 December 2016, 10% of Bank's total capital was BDT 1,692.77 million.

Details of loans and advances to each customer exceeding 10% Banks capital are shown in "Annexure-C".

7.6	**Industry wise position of loans and advances including bills purchased and discounted**			
	Agriculture		4,152,871,153	3,006,803,426
	Jute		2,332,158,477	2,177,571,726
	Textile		8,106,041,668	5,852,215,119
	Garments		22,846,097,610	19,811,098,814
	Chemical and chemical products		82,717,360	222,144,269
	Cement		478,685,019	153,876,760
	Bricks & ceramic		1,162,799,867	988,423,251
	Food products & processing		7,009,933,259	4,995,132,406
	Engineering & metal		4,572,114,176	3,470,605,332

		Note	31 December 2017	31 December 2016
	Drugs & pharmaceuticals		793,677,153	731,973,543
	Hospital & clinics		118,930,607	139,144,277
	Paper & paper products		729,630,865	518,183,348
	Other small industries		5,573,560,408	5,093,500,000
	IT sector		3,888,500,063	2,846,175,215
	Other service industries		18,887,301,387	13,440,500,000
	Trade & commerce		25,189,491,153	24,579,900,000
	Transport		412,158,286	471,725,998
	Construction firms/companies		4,383,749,184	4,527,265,356
	Housing societies/companies		18,618,329,957	9,218,362,247
	Cold storage		166,427,636	75,695,741
	Consumer finance		32,636,155,787	18,732,800,000
	Energy		7,228,342,800	6,861,220,917
	Telecommunication		6,481,185,089	6,509,698,926
	Others		3,413,347,782	2,694,094,878
			179,264,206,747	**137,118,111,549**
7.7	**Sector wise position of loans and advances including bills purchased and discounted**			
	Government sector		-	-
	Other public sector		-	-
	Private sector		179,237,084,214	137,118,111,549
	Co-operative sector		27,122,534	-
			179,264,206,747	**137,118,111,549**
7.8	**Geographical location-wise loans and advances including bills purchased and discounted**			
	Dhaka division		144,030,740,953	106,867,444,901
	Chittagong division		17,381,011,763	14,489,000,151
	Sylhet division		1,470,580,894	1,189,600,750
	Rajshahi division		7,042,320,828	6,495,230,894
	Khulna division		4,151,988,855	3,597,882,692
	Barisal division		994,648,565	772,909,575
	Rangpur division		3,028,618,733	2,806,230,392
	Mymensingh division		1,164,296,156	899,812,194
			179,264,206,747	**137,118,111,549**
7.9	**Business segment-wise concentration of loans and advances as per CL**			
	Corporate		114,268,773,216	86,839,155,707
	SME		28,689,558,321	28,067,807,778
	Short term agri credit		3,761,090,000	3,455,899,073
	Consumer (including staff)		6,598,267,850	5,920,416,396
	Others		25,946,517,361	12,834,832,595
			179,264,206,747	**137,118,111,549**

		Note	31 December 2017	31 December 2016
7.10	**Loans and advances including bills purchased and discounted as per CL**			
	Continuous loan			
	Consumer finance		3,476,707,674	2,738,419,963
	Small and medium enterprise		22,256,621,260	21,892,111,930
	Loans to BHs/MBs/SDs		398,612,145	276,174,603
	Other continuous loans		31,991,528,702	27,775,315,651
			58,123,469,781	**52,682,022,147**
	Demand loans			
	Consumer finance		645,345,795	541,756,803
	Small and medium enterprise		2,677,584,337	2,533,393,610
	Loans to BHs/MBs/SDs		20,039,788	-
	Other demand loans		23,934,076,194	20,076,574,116
			27,277,046,114	**23,151,724,529**
	Term loan			
	Consumer finance (including staff, other than HF)		2,476,214,381	2,640,239,630
	Small and medium enterprise		3,755,352,724	3,642,302,238
	Housing finance (HF)		25,519,413,170	12,550,047,581
	Loans for professionals		880,603	1,948,736
	Loans to BHs/MBs/SDs		7,571,655	6,661,675
	Other fixed term loan		58,343,168,319	38,987,265,940
			90,102,600,852	**57,828,465,800**
	Short term loan			
	Short term agri credit		3,761,090,000	3,455,899,073
			179,264,206,747	**137,118,111,549**
7.11	**Security/collateral-wise concentration of loans and advances including bills purchased and discounted**			
	Collateral of movable/immovable assets		149,412,525,582	86,057,158,678
	Local banks and financial institutions' guarantee		4,399,751,912	3,980,742,065
	Export documents		2,235,024,178	2,388,335,564
	Fixed deposit receipts		6,900,692,558	8,331,397,013
	Personal guarantee		6,453,205,313	6,664,571,443
	Other securities		9,863,007,205	29,695,906,786
			179,264,206,747	**137,118,111,549**
7.12	**Particulars of loans and advances**			
i)	Loans considered good in respect of which the Bank is fully secured		168,190,076,609	126,224,755,305
ii)	Loans considered good for which the Bank holds no other security than the debtors' personal guarantee		221,172,914	248,056,244
iii)	Loans considered good being secured by personal security of one or more persons in addition to the personal security of the debtors		10,852,957,224	10,645,300,000
iv)	Loans adversely classified; provision not maintained there against		-	-
			179,264,206,747	**137,118,111,549**

		Note	31 December 2017	31 December 2016
v)	Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons.		1,757,091,256	1,858,818,100
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		1,847,022,714	1,996,593,922
viii)	Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or in the case of private companies as members		-	-
ix)	Due from banking companies		-	-
x)	a) Amount of classified loan on which interest has not been charged should be mentioned as follows:			
	Increase/(decrease) in specific provision		1,144,330,431	(196,204,799)
	Amount of loan written off		1,516,812,121	2,108,806,541
	Amount recovered against the loans previously written off		107,849,295	444,881,280
	b) Amount of provision kept against loans classified as bad/loss as at the Balance Sheet date		3,224,075,507	2,079,745,076
	c) Amount of interest creditable to the interest suspense account		2,302,722,641	2,591,920,936
xi)	Cumulative amount of written off loan:			
	Opening balance		10,470,681,046	8,805,293,785
	Amount written off during the year		1,516,812,121	2,108,806,541
	Interest charged		3,560,000	1,462,000
	Recovery from written-off during the year*		(107,849,295)	(444,881,280)
			11,883,203,872	**10,470,681,046**
*	Recovery from written-off loans during the year include interest waiver of Tk. 1,572,000 [Y2016: Tk. 11,835,000]			
7.13	**Cumulative amount of written off loans for which law suits have been filed**			
	Opening balance		15,737,399,687	13,628,593,146
	During the year		1,516,812,121	2,108,806,541
			17,254,211,808	**15,737,399,687**
	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.			
7.14	**Classification of loans and advances**			
	Unclassified			
	Standard		159,896,974,048	120,511,796,179
	Special mention account		7,889,353,032	9,355,372,486
			167,786,327,080	**129,867,168,665**
	Classified			
	Substandard		2,840,907,426	1,750,246,665
	Doubtful		521,370,466	466,870,669
	Bad/Loss		8,115,601,775	5,033,825,550
			11,477,879,667	**7,250,942,884**
			179,264,206,747	**137,118,111,549**

		Note	31 December 2017	31 December 2016
7.15	**Movements of classified loans and advances**			
	Opening balance		7,250,942,884	7,962,051,830
	Additions during the year		9,293,289,090	5,443,874,000
	Reduction during the year		(5,066,352,307)	(6,154,982,945)
			11,477,879,667	**7,250,942,884**
	Loans and advances has been classified as per Bangladesh Bank letter reference no: DBI-1/32/2018-1082 dated 22 March 2018.			
7.16	**Net lease receivable**			
	Gross lease receivable within 1 year		115,910,449	125,504,543
	Gross lease receivable 1 - 5 years		638,830,811	710,157,776
	Total lease rental receivable		**754,741,261**	**835,662,319**
	Less: Unearned income		150,880,127	174,022,338
	Net lease receivable		**603,861,134**	**661,639,981**
7.a	**Consolidated loans and advance**			
	Loans, cash credits, overdrafts etc.			
	IFIC Bank Limited	7.1	167,561,290,347	127,998,226,184
	IFIC Securities Limited		4,031,904,359	4,140,646,771
	IFIC Money Transfer (UK) Limited		-	-
			171,593,194,706	**132,138,872,955**
	Less: Inter-company transactions		-	-
			171,593,194,706	**132,138,872,955**
8	**Bills Purchased and Discounted**			
	Payable in Bangladesh	8.1	11,029,263,524	8,481,801,746
	Payable outside Bangladesh	8.1	673,652,876	638,083,619
			11,702,916,400	**9,119,885,365**
8.1	**Bill purchased and discounted**			
	Payable in Bangladesh			
	Local bills/documents			
	Inland documentary bill purchase (IDBP)		1,315,396,432	1,507,874,841
	Payment against documents-cash		127,852,644	355,707,464
	Payment against documents-EDF		5,724,232,382	4,861,696,637
	Payment against documents-forced (Inland)		843,396,126	507,654,967
	Payment against documents-forced (Foreign)		673,091,858	513,142,225
	Payment against documents-Others		150,999,876	198,071,221
			8,834,969,317	**7,944,147,355**
	Off-shore banking unit		2,194,294,207	537,654,391
			11,029,263,524	**8,481,801,746**
	Payable outside Bangladesh			
	Foreign documentary bill purchase (FDBP)		673,652,876	638,083,619
			11,702,916,400	**9,119,885,365**

		Note	31 December 2017	31 December 2016
8.2	**Residual maturity grouping of bill purchased and discounted**			
	On demand		1,765,458,061	1,959,941,110
	Up to 1 month		1,560,213,773	1,631,128,725
	Over 1 month but not more than 3 months		2,839,400,250	2,269,700,072
	Over 3 moths but not more than 6 months		3,337,347,403	3,259,115,458
	Over 6 months		2,200,496,913	-
			11,702,916,400	**9,119,885,365**
8.a	**Consolidated bills purchased and discounted**			
	IFIC Bank Limited	8	11,702,916,400	9,119,885,365
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			11,702,916,400	**9,119,885,365**

9 Fixed Assets Including Premises, Furniture and Fixtures

Cost/revalued:		
Land	475,118,759	475,118,759
Buildings and premises	1,902,617,204	1,891,680,528
Wooden furniture	249,945,814	248,371,766
Steel furniture	65,205,635	62,300,831
Computer equipment	737,808,649	715,903,279
Office equipment	219,597,186	204,176,631
Electrical & gas equipment	796,346,586	703,698,482
Leasehold improvement	261,520,676	254,466,084
Vehicles	119,768,760	111,849,395
Leased vehicles	47,600,000	47,600,000
Soft furnishing	11,468,191	11,369,205
Software	542,871,430	513,048,657
	5,429,868,890	**5,239,583,617**
Capital work in progress *	232,657,045	130,257,471
	5,662,525,935	**5,369,841,088**
Less: Accumulated depreciation	2,134,141,897	1,881,913,418
Written down value	**3,528,384,037**	**3,487,927,670**

Details of fixed assets are shown in "Annexure-D"

* Capital work in progress represents the amount paid for fire protection system, Data center, Data Management System and Fusion Banking Essence.

9.a	**Consolidated fixed assets including premises, furniture and fixtures**			
	IFIC Bank Limited	9	3,528,384,037	3,487,927,670
	IFIC Securities Limited		5,055,648	5,438,105
	IFIC Money Transfer (UK) Limited		5,898,408	5,414,854
			3,539,338,093	**3,498,780,629**

		Note	31 December 2017	31 December 2016
10	**Other Assets**			
	Stationery and stamps		35,525,576	23,519,852
	Suspense account	10.1	1,002,872,721	676,537,516
	Advance, deposit and prepayments	10.2	6,804,282,523	3,209,033,338
	Accrued interest & other income receivable	10.3	901,974,973	849,474,743
	Investment in subsidiaries	10.4	2,233,231,960	2,228,860,390
	Deferred tax assets	10.5	1,112,948,910	671,783,431
	Revaluation account FDBP		1,791,292	1,791,292
	Receivable others		38,742,987	38,000,578
			12,131,370,942	**7,699,001,140**
	Off-shore banking unit		161,070,610	91,542,983
			12,292,441,552	**7,790,544,123**
10.1	**Suspense account**			
	Advance against bills, new branches		16,863,890	15,970,230
	Advance against TA / DA		2,276,340	932,640
	Law charges		184,012,612	157,187,734
	Sanchayapatra paid		606,941,080	366,370,584
	Wage earners development bond paid		44,468,281	13,180,454
	Investment bond paid		22,305,287	914,721
	Sundry debtors		123,930,599	120,221,016
	CIB charge recovery		401,744	254,154
	Cash incentive audit fees		110,400	110,400
	EFTN receivable		959,133	531,429
	VISA card		603,355	864,155
			1,002,872,721	**676,537,516**
10.2	**Advance, deposit and prepayments**			
	Rent		289,314,164	270,305,144
	Income tax	10.2.1	6,225,321,335	2,604,728,491
	Security deposit including demand note		12,966,474	13,230,006
	Car purchase		133,852,149	192,224,594
	Insurance premium		9,975,024	385,310
	Protested bills		23,740,892	22,478,394
	Cash remittance		98,761,562	86,280,028
	Supplier		9,214,902	18,045,350
	Fixed assets		240,000	460,000
	Lease vehicle		896,021	896,021
			6,804,282,523	**3,209,033,338**
10.2.1	**Advance income tax**			
	Opening balance on 1 January		2,604,728,491	1,578,711,636
	Add: Payment made during the year		796,454,642	1,026,016,855
	Add: Prior years adjustment made during the year *		2,824,138,202	-
	Closing balance		**6,225,321,335**	**2,604,728,491**

		Note	31 December 2017	31 December 2016
	Year wise break up of Advance income tax:			
	Previous years (2003 to 2009)		-	427,452,521
	Year 2010		1,385,538,554	1,385,538,554
	Year 2013		1,119,224,008	1,011,147,127
	Year 2014		1,215,276,325	1,215,276,325
	Year 2015		951,376,970	951,376,970
	Year 2016		912,690,222	438,075,196
	Year 2017		641,215,256	-
	Set off with provision - earlier years *		-	(2,824,138,202)
			6,225,321,335	**2,604,728,491**

* In earlier years, advance income tax was presented on net-basis which is shown in gross basis in 2017. As such necessary adjustments of Tk. 2,824,138,202 has been made under the head of Advance income tax in the year 2017.

10.3 Accrued interest & other income receivable

Treasury bonds and bills	410,601,747	440,909,952
Receivables from Government	41,272,375	41,272,375
Interest accrued on loans and advances	349,168,073	324,134,083
Investment on term and call	100,932,778	43,158,333
	901,974,973	**849,474,743**

10.4 Investment in subsidiaries

IFIC Securities Limited	2,199,994,000	2,199,994,000
IFIC Money Transfer (UK) Limited	33,237,960	28,866,390
	2,233,231,960	**2,228,860,390**

10.5 Deferred tax assets

Deferred tax assets have been recognized and measured as per Bangladesh Accounting Standards 12: Income Taxes and BRPD Circular no. 11 dated 12 December 2011 based on temporary difference in the carrying amount of the assets and liabilities in the financial statements and its tax base. Calculation of deferred tax assets is as follows:

Deferred tax assets	1,334,667,576	862,970,743
Deferred tax liabilities	(221,718,666)	(191,187,312)
Deferred tax assets/(liabilities)	**1,112,948,910**	**671,783,431**

i) Deferred tax on provision for loans and advances classified as doubtful and bad & loss

Carrying amount	3,336,668,941	2,157,426,858
Tax base	-	-
Deductible/(taxable) temporary difference	3,336,668,941	2,157,426,858
Tax rate	40.00%	40.00%
Closing deferred tax assets/(liabilities)	**1,334,667,576**	**862,970,743**
Opening deferred tax assets/(liabilities)	862,970,743	1,041,964,428
Deferred tax (expense)/income (A)	**471,696,833**	**(178,993,685)**

		Note	31 December 2017	31 December 2016
ii)	**Deferred tax on fixed assets**			
	Carrying amount		2,792,370,798	2,846,285,277
	Tax base		2,238,074,133	2,368,316,998
	Deductible/(Taxable) temporary difference		**554,296,665**	**477,968,279**
	Tax rate		40.00%	40.00%
	Closing deferred tax assets/(liabilities)		**(221,718,666)**	**(191,187,312)**
	Opening deferred tax assets/(liabilities)		(191,187,312)	(200,661,955)
	Deferred tax (expense)/income (B)		**(30,531,355)**	**9,474,643**
	Deferred tax (expense)/income (A+B)		**441,165,478**	**(169,519,042)**
10.6	**Income generating other assets**			
	Investment in subsidiary-IFIC Securities Limited	10.4	2,199,994,000	2,199,994,000
	Investment in subsidiary-IFIC Money Transfer (UK) Limited	10.4	33,237,960	28,866,390
			2,233,231,960	**2,228,860,390**
10.7	**Non-Income generating other assets**			
	Stationery and stamps		35,525,576	23,519,852
	Advance against bills, new branches		16,863,890	15,970,230
	Advance against TA / DA		2,276,340	932,640
	Law charges		184,012,612	157,187,734
	Advance against insurance premium		9,975,024	385,310
	Investment bond		22,305,287	914,721
	Advance against rent		289,314,164	270,305,144
	Advance income tax		6,225,321,335	2,604,728,491
	Sundry debtors		123,930,599	120,221,016
	Sanchaya patra paid		606,941,080	366,370,584
	Wage earners development bond paid		44,468,281	13,180,454
	Security deposit including demand note		12,966,474	13,230,006
	Advance against car purchase		133,852,149	192,224,594
	Protested bills		23,740,892	22,478,394
	Accrued interest & other income receivable	10.3	901,974,973	849,474,743
	CIB charge recovery		401,744	254,154
	Deferred tax assets	10.5	1,112,948,910	671,783,431
	Cash remittance		98,761,562	86,280,028
	Revaluation account FDBP		1,791,292	1,791,292
	Accounts receivable others		38,742,987	38,000,578
			9,886,115,171	**5,449,233,396**
	Off-shore banking unit		161,070,610	91,542,983
			10,047,185,781	**5,540,776,379**
10.a	**Consolidated other assets**			
	IFIC Bank Limited	10	12,292,441,552	7,790,544,123
	Less: Investment in IFIC Securities Limited	10.4	2,199,994,000	2,199,994,000
	Less: Investment in IFIC Money Transfer (UK) Limited	10.4	33,237,960	28,866,390
			10,059,209,592	**5,561,683,733**
	IFIC Securities Limited		217,744,800	189,954,390
	IFIC Money Transfer (UK) Limited		637,061	553,272
			10,277,591,453	**5,752,191,395**

		Note	31 December 2017	31 December 2016
11	**Non-banking assets**			
	Through the verdict of honorable court under section 33(7) of the Artharin Adalat Act 2003, the Bank has got an absolute ownership on few mortgaged properties. These properties were recorded at Tk. 373,474,800 as non-banking assets in the year 2013.			
12	**Borrowing from other banks, financial institutions and agents**			
	In Bangladesh	12.1	6,404,087,443	5,276,253,523
	Outside Bangladesh	12.2	2,069,493,305	550,915,400
			8,473,580,748	**5,827,168,923**
12.1	**In Bangladesh**			
	Obligation under lease finance		26,773,597	32,937,677
			26,773,597	**32,937,677**
	Refinance from Bangladesh Bank			
	Export Development Fund (EDF)		5,467,225,444	4,494,212,546
	Small and Medium Enterprise (SME)		832,119,174	749,103,300
	Long Term Financing Facility (LTFF)		77,969,228	-
			6,377,313,846	**5,243,315,846**
			6,404,087,443	**5,276,253,523**
12.2	**Outside Bangladesh**			
	Nepal Bangladesh Bank Limited		1,984,800,000	550,915,400
	Standard Chartered Bank (Singapore)		84,693,305	-
			2,069,493,305	**550,915,400**
	Borrowing from outside Bangladesh is used for Off-shore Banking unit.			
12.3	**Secured and unsecured borrowing from other banks, financial institutions and agents**			
	Secured borrowing		-	-
	Unsecured borrowing		8,473,580,748	5,827,168,923
			8,473,580,748	**5,827,168,923**
12.4	**Maturity grouping of borrowing from other banks, financial institutions and agents**			
	Payable			
	On demand		38,666,411	22,395,111
	Up to 1 month		912,261,781	805,217,782
	Over 1 month but not more than 3 months		3,069,002,175	2,576,550,529
	Over 3 months but not more than 1 year		4,014,232,069	2,054,666,454
	Over 1 year but not more than 5 years		439,418,312	368,339,047
	Over 5 years		-	-
			8,473,580,748	**5,827,168,923**

		Note	31 December 2017	31 December 2016
12.a	**Consolidated borrowing from other banks, financial institutions and agents**			
	In Bangladesh			
	IFIC Bank Limited	12.1	6,404,087,443	5,276,253,523
	IFIC Securities Limited		-	334,565,573
	IFIC Money Transfer (UK) Limited		-	-
			6,404,087,443	**5,610,819,096**
	Less: Inter -company transactions		-	-
			6,404,087,443	**5,610,819,096**
	Outside Bangladesh			
	IFIC Bank Limited	12.2	2,069,493,305	550,915,400
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			2,069,493,305	**550,915,400**
			8,473,580,748	**6,161,734,496**

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 2017	Outstanding 31 December 2016
Sonali Bank Limited	1,000,000,000	-	1,000,000,000	1,000,000,000
Janata Bank Limited	1,000,000,000	-	1,000,000,000	1,000,000,000
Rupali Bank Limited	1,000,000,000	-	1,000,000,000	1,000,000,000
Agrani Bank Limited	500,000,000	-	500,000,000	500,000,000
	3,500,000,000	**-**	**3,500,000,000**	**3,500,000,000**

* Details of Subordinated debt are explained in note: 2.2.6.9.

14 Deposits and other accounts

Current deposit and other accounts	14.1	30,668,116,838	20,062,650,490
Bills payable	14.2	2,238,152,090	2,075,645,107
Savings bank deposits	14.3	27,058,321,723	27,886,177,596
Fixed deposits	14.4	140,241,074,828	110,130,532,901
		200,205,665,479	**160,155,006,094**

14.1	**Current deposit and other accounts**		
	Current accounts	16,097,196,971	10,159,614,547
	IFIC AAMAR account	5,838,655,265	1,816,117,096
	Foreign currency deposit	972,467,714	697,452,479
	Resident foreign currency deposit	45,830,669	41,585,730
	Exporters foreign currency account	5,410,636,302	5,154,508,496
	Margin on letters of credit	1,611,822,555	1,460,771,373
	Margin on letters of guarantee	332,769,212	338,047,232
	Investors' account credit balance	549,350	549,350
	Q-cash, prepaid, cheque card	1,093,075	2,975,276
	Sundry deposit	357,095,725	391,028,911
		30,668,116,838	**20,062,650,490**

		Note	31 December 2017	31 December 2016
14.1.1	**Sundry deposit**			
	Sundry creditor		135,646,439	139,645,741
	Lease deposit		25,383,032	26,023,913
	Risk fund-lease, CCS & others		510,971	582,172
	Clearing collection		40,287,044	49,022,752
	Visa credit card		65,863,557	44,505,663
	Sundry deposit BFF		25,912,400	25,912,400
	FDD issued but not presented		13,001,395	12,739,055
	IBC lodgment		62,595	62,595
	Key deposit		5,664,500	4,712,500
	CIB Charges		2,768,941	2,007,885
	Credit report charge		1,847,368	-
	Other sundry deposits		40,147,483	85,814,235
			357,095,725	**391,028,911**
14.2	**Bills payable**			
	Payment order		2,230,597,345	2,067,975,012
	Demand draft		5,737,767	5,745,117
	Security deposit receipt		1,816,978	1,924,978
			2,238,152,090	**2,075,645,107**
14.3	**Savings bank deposit**			
	Savings account		18,222,098,068	18,017,628,404
	Super savings plus		7,270,200,846	8,340,057,011
	Payroll savings		325,373,793	317,333,284
	Sanchita-female savings		1,082,972,982	1,083,828,762
	Student savings - duronto		157,445,075	127,081,696
	Interest payable on savings deposit		230,959	248,439
			27,058,321,723	**27,886,177,596**
14.4	**Fixed deposit**			
	Special notice deposit (SND)		19,779,157,220	22,878,541,220
	Term deposit	14.4.1	112,267,520,646	80,325,286,909
	Recurring deposit	14.4.2	8,154,214,626	6,884,738,242
	Non resident foreign currency deposit (NFCD)		8,928,117	8,455,327
	Export retention quota (ERQ)		31,254,219	33,511,203
			140,241,074,828	**110,130,532,901**
14.4.1	**Term deposit**			
	Fixed deposits		95,864,403,286	62,879,550,900
	Double return deposit scheme		9,183,547,333	9,943,130,477
	Three years deposit plus		5,323,766	4,200,000
	Monthly income scheme		5,415,049,683	6,113,136,155
	Monthly income scheme - Arjon		122,372,295	144,822,295
	Interest payable on term deposit		1,676,824,283	1,240,447,082
			112,267,520,646	**80,325,286,909**

		Note	31 December 2017	31 December 2016
14.4.2	**Recurring deposit**			
	Pension savings scheme (PSS)		6,614,966,251	5,668,282,309
	Pension savings scheme - Joma		17,760,200	12,103,335
	Flexi DPS - Freedom		755,196,423	471,326,321
	Millionaire dream plan		455,980,489	457,540,080
	School savings plan		43,205,010	41,097,344
	IFIC AGAMI		23,170,518	-
	Interest payable on recurring deposit		243,935,735	234,388,853
			8,154,214,626	**6,884,738,242**
14.5	**Deposit and other accounts of the banks**			
	Deposit form banks	14.9	20,607,563,000	382,920,000
	Deposit from customers		179,598,102,479	159,772,086,094
			200,205,665,479	**160,155,006,094**
14.6	**Payable on demand and time deposit**			
	Demand deposits			
	Current deposits		21,960,064,868	11,979,256,269
	Savings deposits		2,435,228,168	2,509,733,624
	Security deposits		1,816,978	1,924,978
	Sundry deposit		5,227,334,761	4,412,425,427
	Bills payable		2,236,335,112	2,073,720,129
			31,860,779,887	**20,977,060,427**
	Time deposits			
	Savings deposits		30,033,498,898	30,530,704,027
	Fixed deposits		105,047,950,619	72,822,681,377
	Special notice deposits		19,810,411,439	22,912,052,423
	Deposits under schemes		13,453,024,636	12,912,507,840
			168,344,885,592	**139,177,945,667**
			200,205,665,479	**160,155,006,094**
14.7	**Sector-wise concentration of deposits and other accounts**			
	Government deposits		3,714,695,000	4,370,619,000
	Other public sector		24,735,873,000	23,972,431,000
	Deposit for banks		20,607,563,000	382,920,000
	Foreign currency deposits		6,437,862,802	697,452,479
	Private sectors		144,709,671,677	130,731,583,615
			200,205,665,479	**160,155,006,094**
14.8	**Unclaimed deposits**			
	Current deposits		8,876,209	559,386
	Savings deposits		26,276,492	9,884,707
	Special notice deposits		11,021,134	791,814
	Pay order		4,813,581	4,511,142
	Demand Draft		583,710	477,421
	Security deposit receipt		235,163	220,763
			51,806,289	**16,445,233**

		Note	31 December 2017	31 December 2016
14.9	**Residual maturity grouping of deposits and other accounts**			
	Maturity grouping of deposit from banks			
	On demand		162,729,000	382,920,000
	Up to 1 month		11,250,000,000	-
	Over 1 month but not more than 3 months		9,194,834,000	-
	Over 3 months but not more than 1 year		-	-
	Over 1 year but not more than 5 years		-	-
	Over 5 years		-	-
			20,607,563,000	**382,920,000**
	Maturity grouping of deposit from customers excluding bills payable			
	On demand		1,215,437,463	2,071,698,108
	Up to 1 month		21,314,463,719	22,937,667,765
	Over 1 month but not more than 3 months		42,723,480,810	36,523,712,977
	Over 3 months but not more than 1 year		41,637,846,343	28,807,877,436
	Over 1 year but not more than 5 years		68,509,993,273	55,283,786,593
	Over 5 years		1,958,728,781	12,071,698,108
			177,359,950,389	**157,696,440,987**
	Maturity grouping of bills payable			
	On demand		223,815,208	103,802,255
	Up to 1 month		447,630,418	518,911,277
	Over 1 month but not more than 3 months		447,630,418	415,109,021
	Over 3 months but not more than 1 year		223,815,210	207,604,512
	Over 1 year but not more than 5 years		447,630,418	415,109,021
	Over 5 years		447,630,418	415,109,021
			2,238,152,090	**2,075,645,107**
			200,205,665,479	**160,155,006,094**
14.a	**Consolidated deposits and other accounts**			
	Current deposits and other accounts			
	IFIC Bank Limited	14.1	30,668,116,838	20,062,650,490
	IFIC Securities Limited		38,256,850	64,103,712
	IFIC Money Transfer (UK) Limited		-	-
			30,706,373,688	**20,126,754,202**
	Less: Inter -company transactions		95,242,494	86,488,370
			30,611,131,194	**20,040,265,832**
	Bills payable			
	IFIC Bank Limited	14.2	2,238,152,090	2,075,645,107
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			2,238,152,090	**2,075,645,107**
	Savings bank deposit			
	IFIC Bank Limited	14.3	27,058,321,723	27,886,177,596
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			27,058,321,723	**27,886,177,596**

		Note	31 December 2017	31 December 2016
	Fixed deposits			
	IFIC Bank Limited	14.4	140,241,074,828	110,130,532,901
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			140,241,074,828	**110,130,532,901**
			200,148,679,835	**160,132,621,436**

15 Other liabilities

Specific provision for classified loans and advance	15.1	3,594,107,146	2,354,935,029
General provision for unclassified loans and advances	15.2	1,715,857,694	1,783,141,092
Provision for off balance sheet items	15.3	598,707,834	538,530,890
Provision for diminution in value of investments	15.4	339,557,533	445,923,927
Provision for nostro account	15.5	10,382,985	9,881,061
Provision for other assets	15.6	339,541,220	320,517,670
Provision for taxation	15.7	7,972,933,786	4,398,795,584
Interest suspense accounts	15.8	4,953,004,400	4,195,820,550
Incentive bonus	15.9	251,000,000	201,000,000
Rebate to good borrowers	15.10	51,870,000	41,870,000
Interest payable on borrowing and bond		53,840,584	48,970,537
Accrued expenses		37,845,053	21,673,765
Withholding Tax payable to government *		244,417,451	104,629,547
Withholding VAT payable to government *		56,486,370	34,127,139
Excise duty payable to government *		164,385,378	121,419,858
Dividend		2,814,447	2,814,447
Revaluation of investment abroad		30,946,297	30,946,297
Oman Exchange LLC		1,656,242	676,659
Sale proceeds of PSP & TC		1,527,464	515,971
Buying house commission		20,535,151	14,047,766
Recovery on court cases		7,170,350	4,346,521
Matured deposits		32,564,985	80,981
Govt. RMG fund *		1,123,970	1,897,019
Others		47,979,234	51,652,879
		20,530,255,574	**14,728,215,189**
Interest payable to SCB for OBU		319,349	-
		20,530,574,923	**14,728,215,189**

* Subsequently deposited to government exchequer.

15.1 Specific provision for classified loans and advances

Provision held at the beginning of the year		2,354,935,029	2,699,917,003
Less: Fully provided debts written off		(998,762,158)	(1,477,713,927)
Add: Recoveries of amounts previously written off		106,277,295	433,046,280
Add: Specific provision for the year	41	2,131,656,980	699,685,673
		3,594,107,146	**2,354,935,029**

		Note	31 December 2017	31 December 2016

15.1.1 Specific provision required for classified loans and advances

Status of loans and advances	Base for provision	Rate(%)	Required provision	
			31 December 2017	31 December 2016
Sub-standard	1,282,626,452	20.00%	256,525,291	196,324,818
Sub-standard- Short term agri. credit	18,258,280	5.00%	912,914	1,183,353
Doubtful	224,733,940	50.00%	112,366,970	77,597,868
Doubtful- Short term agri. credit	4,529,276	5.00%	226,464	83,914
Bad/loss	3,224,075,507	100.00%	3,224,075,507	2,079,745,076
	4,754,223,455		**3,594,107,146**	**2,354,935,029**
Specific provision maintained (note-15.1)			3,594,107,146	2,354,935,029
Excess/(short)			**-**	**-**

Provision for loans and advances has been kept as per Bangladesh Bank letter reference no: DBI-1/32/2018-1082 dated 22 March 2018.

15.2 General provision for un-classified loans & advances

Provision held at the beginning of the year		1,768,754,055	1,263,200,000
Provision made/(release) during the year	41	(80,431,752)	505,554,055
		1,688,322,303	**1,768,754,055**
Off-shore Banking Unit (OBU)			
Provision held at the beginning of the year		14,387,037	19,100,000
Provision made/(release) during the year	41	13,148,354	(4,712,963)
		27,535,391	**14,387,037**
		1,715,857,694	**1,783,141,092**

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 2017	31 December 2016
Standard				
Small and medium enterprise	23,386,622,101	0.25%	58,466,555	59,690,478
Consumer finance (house building)	24,274,674,360	1.00%	242,746,744	244,039,572
Loans to LP/BHs/MBs/SDs share etc.	426,451,203	2.00%	8,529,024	5,656,726
Consumer finance	4,546,545,842	5.00%	227,327,292	195,626,773
Consumer finance (card)	137,898,297	2.00%	2,757,966	-
Short term agri. and micro-credit	3,718,186,161	1.00%	37,181,862	85,468,352
Staff loan	1,757,091,255	0.00%	-	-
Other unclassified loan	98,895,965,711	1.00%	988,959,657	735,219,992
	157,143,434,930		**1,565,969,100**	**1,325,701,893**
Special Mention Account (SMA)				
Small and medium enterprise	490,543,232	0.25%	1,226,358	807,597
Consumer finance (house building)	755,607,363	1.00%	7,556,074	4,296,940
Loans to LP/BHs/MBs/SDs share etc.	415,432	2.00%	8,309	-
Consumer finance	56,275,912	5.00%	2,813,796	1,765,300
Consumer finance (card)	4,042,622	2.00%	80,852	-
Other unclassified loan *	6,582,468,470	1.00%	100,667,815	132,917,451
	7,889,353,031		**112,353,204**	**139,787,288**

			Note	31 December 2017	31 December 2016
	Off-shore banking unit				
	Un-classified loans	2,753,539,110	1.00%	27,535,391	14,387,037
		2,753,539,110		**27,535,391**	**14,387,037**
				1,705,857,695	**1,479,876,218**
	General provision maintained (note-15.2)			1,715,857,694	1,783,141,092
	Excess/(short)			**10,000,000**	**303,264,874**

* 1% additional provision has been maintained against restructured loan in line with the BRPD Circular No. 04 dated 29 January 2015. Details Restructured Loan are shown in Annexure-I.

15.3 Provision for off-balance sheet

Provision held at the beginning of the year		538,530,890	478,720,000
Provision made/(release) during the year	41	60,176,944	59,810,890
		598,707,834	**538,530,890**

15.3.1 Provision required for off-balance sheet exposure

Status	Base for provision	Rate(%)	Required provision	
			31 December 2017	31 December 2016
Acceptances and endorsements	19,010,992,711	1.00%	190,109,927	155,243,651
Letters of guarantee *	10,475,384,676	1.00%	117,259,878	109,932,413
Irrevocable letters of credit	19,364,242,284	1.00%	193,642,423	175,350,598
Bills for collection	9,769,560,590	1.00%	97,695,606	98,004,228
Required provision	**58,620,180,261**		**598,707,834**	**538,530,890**
Provision maintained (note-15.3)			598,707,834	538,530,890
Excess/(short)			-	-

* Additional provision of BDT 12,506,032 maintained for letter of guarantee as per Bangladesh Bank instruction.

15.4 Provision for diminution in value of investments

Provision held at the beginning of the year		445,923,927	394,000,000
Provision made/(release) during the year	41	(106,366,394)	51,923,927
		339,557,533	**445,923,927**

15.5 Provision for nostro account

Provision held at the beginning of the year		9,881,061	9,862,000
Provision made/(release) during the year	41.1	501,924	19,061
		10,382,985	**9,881,061**

15.6 Provision for other assets

Provision held at the beginning of the year		320,517,670	296,416,223
Provision made/(release) during the year	41.1	19,023,550	24,101,447
		339,541,220	**320,517,670**

15.6.1 Particulars of required provision for other assets

Status	Base for provision	Rate(%)	Required provision	
			31 December 2017	31 December 2016
Other assets for 6-12 months	20,614,865	50%	10,307,433	13,266,802
Other assets for more than 12 months	303,992,895	100%	303,992,895	276,480,940
Protested bills	23,740,892	100%	23,740,892	22,478,394
Required provision			**338,041,220**	**312,226,136**
Provision maintained (note-15.6)			339,541,220	320,517,670
Excess/(Short)			**1,500,000**	**8,291,534**

		Note	31 December 2017	31 December 2016
15.7	**Provision for taxation**			
	Provision held at the beginning of the year		4,398,795,584	3,698,795,584
	Provision made during the year		750,000,000	700,000,000
			5,148,795,584	**4,398,795,584**
	Adjustment made during the year		2,824,138,202	-
			7,972,933,786	**4,398,795,584**

The provision for corporate tax has been made as per Income Tax Ordinance 1984 and the Bank has made current tax provision in the books of accounts of 2017 after considering the prior years' excess tax provisions. Assessments up to year 2012 (other than 2005 and 2010) have been completed by the tax authority and there is no tax liability remained outstanding up to year 2012. Overall tax position/status of the Bank are shown in Annexure - "J".

Year wise break up of Provision for taxation:

Previous years (up to Y2012 except Y2005 and Y2010)	1,597,680,869	1,597,680,869
Year 2005	140,397,922	140,397,922
Year 2010	1,454,854,995	1,454,854,995
Year 2013	1,090,000,000	1,090,000,000
Year 2014	1,290,000,000	1,290,000,000
Year 2015	950,000,000	950,000,000
Year 2016	700,000,000	700,000,000
Year 2017	750,000,000	-
Set of with "advance tax - earlier years *	-	(2,824,138,202)
Total	**7,972,933,786**	**4,398,795,584**

* In earlier years, advance income tax was presented on net-basis which is shown in gross basis in 2017. As such necessary adjustments of Tk. 2,824,138,202 has been made under the head of Provision for tax in the year 2017.

15.8	**Interest suspense account**		
	Balance at the beginning of the year	4,195,820,550	3,217,989,895
	Add: Amount transferred to interest suspense account during the year	2,302,722,641	2,591,920,936
	Less: Amount transferred to interest income account during the year	(1,272,316,865)	(1,264,170,008)
	Less: Amount written-off during the year	(273,221,927)	(349,920,273)
		4,953,004,400	**4,195,820,550**
15.9	**Incentive bonus**		
	Balance at the beginning of the year	201,000,000	130,000,000
	Add: Provision made during the year	250,000,000	200,000,000
	Less: Paid during the year	(176,718,154)	(104,284,362)
	Less: Transfer to income during the year	(23,281,846)	(24,715,638)
		251,000,000	**201,000,000**
15.10	**Rebate to good borrowers**		
	Balance at the beginning of the year	41,870,000	10,000,000
	Add: Provision made during the year	10,000,000	31,870,000
		51,870,000	**41,870,000**

As per BRPD Circular No.-06 dated 19 March 2015, Circular No.-03 dated 16 February 2016 and Letter no.-BRPD(P-1)/661/13/2016-6567 dated 08 October 2017, required provision regarding rebate to good borrower has been maintained.

		Note	31 December 2017	31 December 2016
15.a	**Consolidated other liabilities**			
	IFIC Bank Limited	15	20,530,574,923	14,728,215,189
	IFIC Securities Limited		1,952,790,227	1,799,497,091
	IFIC Money Transfer (UK) Limited		8,657,490	6,596,644
			22,492,022,640	**16,534,308,924**

16 Share Capital

16.1	**Authorized Capital**			
	2,000,000,000 ordinary shares of Taka 10 each		**20,000,000,000**	**20,000,000,000**
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
	4,400,000 ordinary shares of Taka 10 each issued as rights share	16.2.1	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	-
	619,080,535 [Up to year 2016: 551,421,907] ordinary shares of Taka 10 each issued for bonus share		6,190,805,350	5,514,219,070
			11,953,024,420	**5,638,219,070**

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**		
	Balance at the beginning of the year	5,638,219,070	5,034,124,170
	Add: Bonus share issued	676,586,280	604,094,900
	Add: Rights share issued 1R:1	5,638,219,070	-
	Closing at the end of the year	**11,953,024,420**	**5,638,219,070**

16.4 Right share issue

IFIC Bank declared record date on 17 April 2017 and the subscriptions period from 31 May 2017 to 29 June 2017. Accordingly, the Bank has credited the Rights share to the Shareholders' BO Accounts through CDBL and transferred of Tk. 5,638,219,070 to Paid up capital on 19 July 2017, as such, number of Ordinary Shares of the Bank stands at 1,195,302,442 and the paid-up capital stands at Tk. 11,953,024,420.

As per approval of BSEC and implementation schedule contained in the approved Rights Share Offer Document (ROD), the Bank utilized full amount of Rights Share proceeds as per following manner:

Particulars of Capital Utilization	Amount
Term Loan	4,000,000,000
Continuous Loan	1,000,000,000
Demand Loan	638,219,070
Total	**5,638,219,070**

As per condition of the approval letter of BSEC, the Rights Issue Proceeds utilization report has been audited by foreign affiliated auditors i.e. M. J. Abedin & Co., Chartered Accountants (independent member firm of 'Moore Stephens International Limited').

		Note	31 December 2017	31 December 2016
16.5	**Issued, subscribed and fully paid up Capital-Shareholders' Category**			
	803,858,133 [Year 2016: 379,178,365] ordinary shares of Taka 10 each fully paid held by the Sponsors, Directors, Institutions, Foreign investors & General Public.		8,038,581,330	3,791,783,650
	391,444,309 [Year 2016: 184,643,542] ordinary shares of Taka 10 each fully paid held by the Government of the People's Republic of Bangladesh.		3,914,443,090	1,846,435,420
			11,953,024,420	**5,638,219,070**

16.6 Shareholding by category

Category	31 December 2017			31 December 2016		
	No. of Share	%	Taka	No. of Share	%	Taka
Sponsors	46,911,623	3.92	469,116,230	36,559,051	6.48	365,590,510
Directors	23,912,781	2.00	239,127,810	11,279,614	2.00	112,796,140
Government (Director also)	391,444,309	32.75	3,914,443,090	184,643,542	32.75	1,846,435,420
	462,268,713	**38.67**	**4,622,687,130**	**232,482,207**	**41.23**	**2,324,822,070**
Institutions	257,334,656	21.53	2,573,346,560	137,249,426	24.34	1,372,494,260
Foreign investors	23,104,033	1.93	231,040,330	3,969,289	0.70	39,692,890
General investors	452,595,040	37.87	4,525,950,400	190,120,985	33.73	1,901,209,850
Total	**1,195,302,442**	**100.00**	**11,953,024,420**	**563,821,907**	**100.00**	**5,638,219,070**

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

The Government is representing in the Board of the Bank by nominating 03 (three) Directors and as such, Sponsors & Directors are at present holding 38.67% shares of the Bank.

16.7 Distribution of paid up capital

Holding of share	31 December 2017			31 December 2016		
	No. of holder	Total shares	%	No. of holder	Total shares	%
1 to 500 shares	18,009	2,827,397	0.24	19,518	2,318,753	0.41
501 to 5000 shares	17,138	36,030,417	3.01	9,341	15,844,947	2.81
5,001 to 10,000 shares	3,965	30,154,632	2.52	1,225	8,706,672	1.55
10,001 to 20,000 shares	2,515	37,138,693	3.11	668	9,365,861	1.66
20,001 to 30,000 shares	994	25,034,324	2.09	221	5,496,075	0.98
30,001 to 40,000 shares	421	14,855,119	1.24	111	3,899,539	0.69
40,001 to 50,000 shares	317	14,701,011	1.23	73	3,385,001	0.60
50,001 to 100,000 shares	490	35,922,430	3.01	159	12,031,720	2.13
100,001 to 1,000,000 shares	470	127,499,796	10.67	193	56,885,309	10.09
More than 1,000,000 shares	102	871,138,623	72.88	60	445,888,030	79.08
Total	**44,421**	**1,195,302,442**	**100.00**	**31,569**	**563,821,907**	**100.00**

		Note	31 December 2017	31 December 2016

16.8 Shareholding of Directors as at 31 December 2017

Sl.	Name of the Directors	Status	Holding %	Closing Position	Opening Position
1	Mr. Salman F Rahman	Chairman	2.00	23,912,781	11,279,614
2	Mr. Anwaruzzaman Chowdhury	Independent Director	Nil	Nil	Nil
3	Ms. Rabeya Jamali	Independent Director	Nil	Nil	Nil
4	Mr. Jalal Ahmed *	Govt. nominated Director			
5	Mr. A. R. M. Nazmus Sakib *	Govt. nominated Director	32.75	391,444,309	184,643,542
6	Ms. Quamrun Naher Ahmed*	Govt. nominated Director			
7	Mr. M. Shah Alam Sarwar	Managing Director	Nil	Nil	Nil

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

16.9 Solo Capital Adequacy Ratio (BASEL III)

As per section 13(2) of the Banking Companies Act, 1991 as amended 2013, BRPD circular no. 18 dated 21 December 2014, Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) was issued and effective from 1 January 2015. Capital to Risk-weighted Asset Ratio (CRAR) is calculated as follows:

Common Equity Tier 1 (going-concern capital)			
Paid-up capital	16.2	11,953,024,420	5,638,219,070
Statutory reserve	17	5,124,540,729	4,649,226,843
General reserve	18	155,071,397	155,071,397
Retained earnings	21	3,184,939,855	2,269,105,114
		20,417,576,401	**12,711,622,424**
Regulatory Adjustments			
Goodwill and all other Intangible Assets		275,108,319	282,349,995
Deduction from Tier-1 Capital (95% of deferred tax assets)		1,267,934,198	819,822,206
Total Common Equity Tier 1 Capital		**18,874,533,885**	**11,609,450,223**
Tier-2 (Gone-Concern Capital)			
General provision		1,715,857,694	1,783,141,092
Subordinated debt that meet the qualifying criterial for Tier 2		3,500,000,000	3,500,000,000
Revaluation Reserves as on 31 December 2014 (50% of Fixed Assets and 10% of Equity Securities)		58,445,121	58,445,121
Regulatory Adjustments			
Revaluation reserve (60% for 2017 and 40% for 2016 of Tk. 58,445,121)		35,067,073	23,378,049
Total Tier-2 Capital		**5,239,235,743**	**5,318,208,165**
Total Regulatory Capital (A)		**24,113,769,628**	**16,927,658,388**
Total assets including off-balance sheet items		311,869,122,066	249,653,200,599
Total risk-weighted Assets		191,772,831,281	150,522,746,675
Required capital @11.25% [Y2016: 10.625%] (B)		21,574,443,519	15,993,041,834
Total capital surplus C=(A-B)		**2,539,326,108**	**934,616,554**
Capital to Risk-weighted Asset Ratio (CRAR)			
Common Equity Tier 1 to RWA		9.84%	7.71%
Tier - 2 Capital to RWA		2.73%	3.53%
Capital to Risk-weighted Asset Ratio (CRAR)		12.57%	11.25%

Details computation of risk-weighted assets are shown in **"Annexure - E"**

		Note	31 December 2017	31 December 2016
16.9.a	**Consolidated Capital Adequacy Ratio (BASEL III)**			
	As per section 13(2) of the Banking Companies Act, 1991 as amended 2013, BRPD circular no. 18 dated 21 December 2014, Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) was issued and effective from 1 January 2015. The Capital to Risk-weighted Asset Ratio (CRAR) is calculated as follows:			
	Common Equity Tier 1 (going-concern capital)			
	Paid-up capital	16.2	11,953,024,420	5,638,219,070
	Statutory reserve	17	5,124,540,729	4,649,226,843
	General reserve	18	155,071,397	155,071,397
	Retained earnings	22	4,623,795,459	3,379,031,381
			21,856,432,005	**13,821,548,691**
	Regulatory Adjustments			
	Goodwill and all other Intangible Assets		275,108,319	282,349,995
	Deduction from Tier-1 Capital (95% of deferred tax assets)		1,267,934,198	819,822,206
	Total Common Equity Tier 1 Capital		**20,313,389,488**	**12,719,376,490**
	Tier-2 (Gone-Concern Capital)			
	General provision		1,715,857,694	1,783,141,092
	Subordinated debt that meet the qualifying criterial for Tier 2		3,500,000,000	3,500,000,000
	Revaluation Reserves as on 31 December 2014 (50% of Fixed Assets and 10% of Equity Securities)		58,445,121	58,445,121
	Regulatory Adjustments			
	Revaluation reserve (60% for 2017 and 40% for 2016 of Tk. 58,445,121)		35,067,073	23,378,049
	Total Tier-2 Capital		**5,239,235,743**	**5,318,208,165**
	Total Regulatory Capital (A)		**25,552,625,232**	**18,037,584,655**
	Total assets including off-balance sheet items		315,338,646,433	252,853,549,515
	Total risk-weighted Assets		195,585,470,071	153,749,512,093
	Required capital @11.25% [Y2016: 10.625%] (B)		22,003,365,383	16,335,885,660
	Total capital surplus C=(A-B)		**3,549,259,849**	**1,701,698,995**
	Capital to Risk-weighted Asset Ratio (CRAR)			
	Common Equity Tier 1 to RWA		10.39%	8.27%
	Tier – 2 Capital to RWA		2.68%	3.46%
	Capital to Risk-weighted Asset Ratio (CRAR)		13.06%	11.73%

17 Statutory reserve

Opening balance on 1 January	4,649,226,843	4,232,499,880
Transferred from profit during the year	475,313,886	416,726,963
	5,124,540,729	**4,649,226,843**

18 General reserve

155,071,397 **155,071,397**

General reserve also includes surplus provision of Tk. 99,300,000 against the restructured large loan of RR Holdings which was transferred from specific provision in the year 2015 as per BRPD Circular No. 04 dated 29 January 2015 and extra ordinary foreign exchange gain of Tk. 28,559,248 transferred from profit in the year 2010.

		Note	31 December 2017	31 December 2016
19	**Revaluation reserve against securities**			
	HTM securities	19.1	3,857,293	3,500,060
	HFT securities	19.2	2,372,256	9,887,364
			6,229,549	**13,387,424**
19.1	**Revaluation reserve HTM securities**			
	Opening balance on 1 January		3,500,060	2,074,232
	Gain/(loss) from revaluation on investments		357,233	1,425,828
			3,857,293	**3,500,060**
19.2	**Revaluation reserve HFT securities**			
	Opening balance on 1 January		9,887,364	39,317,708
	Gain/(loss) from revaluation on investments		(7,515,108)	(29,430,344)
			2,372,256	**9,887,364**
19.a	**Consolidated revaluation reserve against securities**			
	IFIC Bank Limited	19	6,229,549	13,387,424
	IFIC Securities Limited		-	-
	IFIC Money Transfer (UK) Limited		-	-
			6,229,549	**13,387,424**
20	**Revaluation reserve against fixed assets**		**115,314,704**	**115,314,704**

In terms of Bangladesh Accounting Standard (BAS)-16, "Property, Plant & Equipment" and instruction contained in BRPD Circular No. 10 dated 25 November 2002 issued by Bangladesh Bank, gain on revaluation of Tk. 115,314,704 has been credited to revaluation reserve account.

20.a	**Consolidated foreign currency translation reserve**			
	IFIC Money Transfer (UK) Limited		1,747,560	4,757,721
	Investment in joint venture/associate (NBBL)		123,372,642	(32,787,395)
	Investment in joint venture/associate (OE LLC)		1,079,820	171,112
			126,200,022	**(27,858,562)**
21	**Surplus in profit and loss account**			
	Opening balance on 1 January		2,269,105,114	2,075,811,205
	Net profit after tax for the year		2,067,734,907	1,214,115,772
	Transfer to statutory reserve during the year		(475,313,886)	(416,726,963)
	Issue of bonus shares		(676,586,280)	(604,094,900)
			3,184,939,855	**2,269,105,114**
22	**Consolidated surplus in profit and loss account**			
	IFIC Bank Limited	21	3,184,939,855	2,269,105,114
	IFIC Securities Limited		245,389,187	205,641,568
	IFIC Money Transfer (UK) Limited		(28,333,718)	(22,225,736)
	Share of profit of investment in joint venture/associate (NBBL)		1,230,548,875	885,890,399
	Share of profit of investment in joint venture/associate (OE LLC)		33,221,675	38,157,796
	Exchange (gain)/loss on investment in joint venture/associate (NBBL)		(40,890,596)	2,633,352
	Exchange (gain)/loss on investment in joint venture/associate (OE LLC)		(1,079,820)	(171,112)
			4,623,795,459	**3,379,031,381**

		Note	31 December 2017	31 December 2016
23	**Non-controlling interest (NCI)**			
	IFIC Securities Limited	23.1	6,669	6,561
	IFIC Money Transfer (UK) Limited		-	-
			6,669	**6,561**
23.1	**NCI of IFIC Securities Limited**			
	Opening balance on 1 January		6,561	7,521
	Add: Share of profit during the year		108	8
	Add/(Less): Adjustment due to issuance of share during the year to parent		-	(968)
			6,669	**6,561**
24	**Contingent liabilities**			
	Acceptances and endorsements	24.1	19,010,992,711	15,524,365,117
	Letters of guarantee	24.2	10,475,384,676	9,742,638,146
	Irrevocable Letters of credit	24.3	19,364,242,284	17,535,059,809
	Bills for collection	24.4	9,769,560,590	9,800,422,769
			58,620,180,261	**52,602,485,841**
24.1	**Acceptances and endorsements**			
	Back to back bills (local currency)		256,932,769	223,028,630
	Back to back bills (foreign currency)		18,754,059,942	15,301,336,487
			19,010,992,711	**15,524,365,117**
24.2	**Letters of guarantee**			
	Letters of guarantee (local currency)		10,395,552,720	9,525,648,442
	Letters of guarantee (foreign currency)		79,831,956	216,989,704
			10,475,384,676	**9,742,638,146**
	Money for which the bank is contingently liable in respect of guarantee issued favoring:			
	Directors		-	-
	Government		3,630,418,938	3,982,736,975
	Banks and other financial institutions		2,064,335,316	2,221,858,468
	Others		4,780,630,422	3,538,042,703
			10,475,384,676	**9,742,638,146**
24.3	**Irrevocable letters of credit**			
	Letter of credit (LC) - cash sight		11,515,215,323	9,692,176,389
	Letter of credit (LC) - back to back		7,432,527,629	7,275,304,861
	Letter of credit (LC) - cash usance		416,499,332	567,578,559
			19,364,242,284	**17,535,059,809**
24.4	**Bills for collection**			
	Inland bills collection		40,587,299	96,849,084
	Foreign bills collection		-	2,396,826
	Inland documentary bills for collection		3,848,706,621	4,195,862,382
	Foreign documentary bills for collection		5,880,266,670	5,505,314,477
			9,769,560,590	**9,800,422,769**

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	Note	2017	2016
25 Income statement			
Income			
Interest, discount and similar income	26, 28	16,933,246,438	14,545,525,089
Dividend income	28	57,296,849	67,961,786
Fees, commission and brokerage	29.1	810,348,620	745,264,554
Gains less losses arising from dealing in securities	28	2,733,354	6,085,768
Gains less losses arising from investment securities	28.1	2,161,138	14,731,276
Gain less losses arising from dealing in foreign currencies	29.2	856,845,543	732,718,437
Income from non-banking assets		-	-
Other operating income	30	534,056,027	555,824,934
		19,196,687,969	**16,668,111,844**
Expenses			
Interest, fee and commission	27	9,434,132,813	8,182,432,849
Losses on loan and advances		244,828,037	281,172,341
Administrative expenses	31-34, 36-38	3,801,221,252	3,586,520,756
Other operating expenses	39, 40	1,014,148,208	843,709,120
Depreciation on banking assets		288,078,623	354,259,874
		14,782,408,934	**13,248,094,940**
		4,414,279,035	**3,420,016,904**
26 Interest income			
Term loan-industrial		1,398,355,771	1,287,132,422
Term loan-consumer finance		3,827,663	6,883,959
Term loan-others		3,230,479,387	2,378,163,278
House building loan		2,216,642,276	1,047,956,899
Staff house building loan		71,972,406	79,738,990
Staff loan against PF		6,414	824,136
Transport loan		49,504,459	98,362,288
Agricultural Loan		190,201,410	151,602,933
Loan general		116,452,632	144,188,233
Secured overdraft		3,020,209,028	2,509,724,089
Over draft-staff salary		9,726,475	9,525,646
Over draft-garments		85,438,133	84,651,311
Cash credit		2,531,324,634	2,999,461,832
Lease finance		68,409,627	78,014,065
Inland documentary bill purchased (IDBP)		142,221,082	162,570,946
Foreign documentary bill purchased (FDBP)		19,036,847	7,439,247
Payment against document (cash)		26,494,941	37,876,462
Payment against document (forced)		71,753,043	51,039,407
Payment against document (EDF)		222,973,868	158,850,726
Payment against document (inland)		63,940,423	30,176,728
Payment against document (others)		65,189,430	70,254,879
Loan against imported merchandise		7,858,294	9,608,460
Loan against trust receipt (LTR)		628,350,250	659,066,537

		Note	2017	2016
	Export cash credit		8,496,146	9,535,916
	Credit card		30,057,319	35,186,492
	Money at call on short notice		19,832,917	18,441,111
	Balance held outside Bangladesh		100,013,974	80,517,912
	Balance held inside Bangladesh		9,036,718	4,809,893
	Demand loan		420,882,182	305,043,924
	Overdue interest		40,773,065	27,520,887
			14,869,460,814	**12,544,169,608**
	Off-shore banking unit		54,898,337	12,950,341
			14,924,359,151	**12,557,119,949**
26.a	**Consolidated interest income**			
	IFIC Bank Limited	26	14,924,359,151	12,557,119,949
	IFIC Securities Limited		120,346,836	184,936,377
	IFIC Money Transfer (UK) Limited		-	-
			15,044,705,987	**12,742,056,326**
	Less: Inter -company interest income		(5,432,077)	(115,822,317)
			15,039,273,910	**12,626,234,009**
27	**Interest paid on deposits, borrowings etc.**			
	Interest paid on deposits			
	Current deposit		321,776,647	14,735,365
	Saving bank deposit		955,873,590	961,011,355
	Special notice deposit		764,924,134	638,028,039
	Fixed deposit		4,672,235,335	4,120,199,597
	Non resident FC deposit		221,260	212,898
	Resident FC deposit		40,776	41,862
	Pension savings scheme		605,604,171	513,629,504
	Monthly income scheme		1,587,658,558	1,605,794,183
	Foreign currency deposit		305,349	301,095
			8,908,639,820	**7,853,953,898**
	Interest paid on borrowings			
	Call deposit		60,650,439	13,127,194
	Local banks accounts		420,556	22,263,889
	Foreign banks accounts		18,436,308	11,164,038
	Repurchase agreement (repo)		1,216,599	2,507,516
	Bangladesh Bank- SME refinance		36,277,676	28,621,261
	Payment against lease obligation		3,620,804	5,394,235
	Interest on subordinated bond		295,989,726	167,940,068
	Discount paid		1,833,440	2,947,988
	Bangladesh bank- EDF		105,890,052	74,512,762
	Bangladesh Bank- LTFF Refinance		1,157,394	-
			525,492,994	**328,478,951**
			9,434,132,813	**8,182,432,849**

		Note	2017	2016
27.a	**Consolidated interest paid on deposits, borrowings etc.**			
	IFIC Bank Limited	27	9,434,132,813	8,182,432,849
	IFIC Securities Limited		10,377,324	154,729,027
	IFIC Money Transfer (UK) Limited		-	-
			9,444,510,137	**8,337,161,876**
	Less: Inter -company interest paid		(5,487,080)	(115,822,317)
			9,439,023,057	**8,221,339,559**
28	**Investment income**			
	Interest income			
	Treasury bills and bonds		1,503,843,819	1,584,345,558
	Term placement		505,043,467	403,857,644
	Reverse repo		2,733,354	6,085,768
	Debentures		-	201,938
			2,011,620,640	**1,994,490,908**
	Non interest income			
	Gain from sale of shares of listed companies	28.1	2,161,138	14,731,276
	Dividend income - local		41,735,208	62,871,141
	Dividend income - Foreign		15,561,641	5,090,645
	Prize bond		18,200	12,000
			59,476,187	**82,705,062**
			2,071,096,827	**2,077,195,970**
28.1	**Gain from sale of shares of listed companies**			
	Gain on share sale		372,957,331	147,097,277
	Less: Loss on sale of share		(370,796,193)	(132,366,001)
			2,161,138	**14,731,276**
28.a	**Consolidated investment income**			
	IFIC Bank Limited	28	2,071,096,827	2,077,195,970
	IFIC Securities Limited		49,874,873	9,132,386
	IFIC Money Transfer (UK) Limited		-	-
	Less: Adjustments for investment in joint venture/associate (NBBL)		(15,561,641)	-
	Less: Adjustments for investment in joint venture/associate (OE LLC)		-	(5,090,645)
			2,105,410,059	**2,081,237,711**
29	**Commission, exchange and brokerage**			
	Commission	29.1	810,348,620	745,264,554
	Exchange gain/(loss)	29.2	856,845,543	732,718,437
			1,667,194,163	**1,477,982,991**
29.1	**Commission**			
	Bills purchased (Inland)		625,450	630,740
	Bills purchased (Foreign)		3,948,515	3,784,139
	Remittances (inland)		15,983,835	17,733,334
	Remittances (foreign)		5,241,713	6,473,191
	Letter of guarantee (LG)-local		86,085,991	109,119,227

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		Note	2017	2016
	Letter of guarantee (LG)-foreign		973,322	767,932
	Letter of credit (back to back)		103,257,506	115,693,127
	Letter of credit (cash)		152,677,334	148,810,388
	Letter of credit (others)		8,095,098	7,196,725
	Wage earners development bond		-	1,636,250
	Local documentary bills collection (LDBC)		13,385,435	14,162,968
	Inward foreign documentary bills collection (IFDBC)		192,834,093	187,718,499
	Foreign documentary bills collection (FDBC)		7,536,363	7,097,869
	Foreign bills collection (FBC)		502,500	127,300
	Online charge		28,375,728	30,516,986
	Add confirmation		12,855,332	13,193,748
	Sanchaypatra		12,017,577	3,066,126
	Foreign correspondent charges		146,426,967	52,989,857
	Commission others		19,525,861	24,546,148
			810,348,620	**745,264,554**
29.2	**Exchange gain/(loss)**			
	Rebate from foreign correspondent		65,162,291	70,816,158
	Exchange gain from revaluation of FC		791,683,252	661,902,279
			856,845,543	**732,718,437**
29.a	**Consolidated commission, exchange and brokerage**			
	IFIC Bank Limited	29	1,667,194,163	1,477,982,991
	IFIC Securities Limited		72,335,013	52,220,552
	IFIC Money Transfer (UK) Limited		22,338,849	27,186,690
	Exchange (gain)/loss for investment in joint venture/associate (NBBL)		(43,523,948)	(4,952,455)
	Exchange (gain)/loss for investment in joint venture/associate (OE LLC)		(908,708)	(45,892)
			1,717,435,369	**1,552,391,886**
30	**Other operating income**			
	Locker rent		11,501,952	10,887,897
	Godown rent		2,228,720	1,849,050
	Other rents		7,287,330	8,383,920
	Cheque issuance fee		19,311,525	20,831,418
	SWIFT charges recovery		32,697,244	54,376,909
	Godown insurance recovery		620,450	564,000
	Miscellaneous earning		100,144,497	165,976,383
	Loan processing fees		170,340,106	143,545,451
	Visa card fees and commission		37,362,147	31,921,125
	Service charge on accounts		100,082,731	84,772,419
	Other fees, commission & charges		29,963,248	31,815,687
	Gain on sale of fixed assets	40.5	481,972	-
	Management fee - Foreign*		21,682,211	506,576
			533,704,133	**555,430,835**
	Off-shore banking unit		333,694	382,099
			534,037,827	**555,812,934**

* The Bank has received Management fee from NBBL under Management service/Technical Know-how fee agreement which has credited Bank's Nostro Account in 2017.

		Note	2017	2016
30.a	**Consolidated other operating income**			
	IFIC Bank Limited	30	534,037,827	555,812,934
	IFIC Securities Limited		1,754,994	1,611,849
	IFIC Money Transfer (UK) Limited		-	-
			535,792,821	**557,424,783**
	Less: Inter -company interest paid		55,003	-
			535,737,818	**557,424,783**
31	**Salary and allowances**			
	Basic salary		1,035,935,571	1,035,434,344
	House rent allowance		459,259,990	441,731,552
	Conveyance allowance		43,488,563	32,105,831
	Medical allowances		100,870,394	88,622,770
	Entertainment allowance		63,328,289	66,677,941
	Other allowances		90,944,067	75,386,101
	Incentive bonus		250,000,000	200,000,000
	Leave encashment		6,783,040	5,928,995
	Festival bonus		190,502,501	180,746,207
	Leave fare assistant		109,890,981	112,583,654
	Provident fund- Bank's contribution		98,943,780	101,369,722
	Contribution to gratuity fund		127,500,000	172,500,000
			2,577,447,176	**2,513,087,117**

Number of employees for the year 2017 who were paid remuneration less than Tk. 36,000 was nil (year 2016: nil). Total number of employees employed in the Bank at the end of the year 2017 were 2,512 (year 2016: 2,536).

31.a	**Consolidated salary and allowances**			
	IFIC Bank Limited	31	2,577,447,176	2,513,087,117
	IFIC Securities Limited		14,695,803	14,966,552
	IFIC Money Transfer (UK) Limited		8,265,148	8,136,241
			2,600,408,127	**2,536,189,910**
32	**Rent, taxes, insurance, electricity etc.**			
	Rent paid		436,434,866	471,962,811
	Rates & taxes		10,919,799	11,848,785
	Insurance premium		153,300,228	128,739,380
	Electricity & water		86,995,799	78,069,527
			687,650,692	**690,620,503**
32.a	**Consolidated rent, taxes, insurance, electricity etc.**			
	IFIC Bank Limited	32	687,650,692	690,620,503
	IFIC Securities Limited		6,764,372	8,941,515
	IFIC Money Transfer (UK) Limited		8,557,468	6,659,504
			702,972,532	**706,221,522**

		Note	2017	2016
33	**Legal expenses**			
	Legal expenses		2,348,698	3,001,491
	Professional fees		6,772,465	4,329,390
			9,121,163	**7,330,881**
33.a	**Consolidated legal expenses**			
	IFIC Bank Limited	33	9,121,163	7,330,881
	IFIC Securities Limited		615,004	465,393
	IFIC Money Transfer (UK) Limited		1,889,207	3,404,375
			11,625,374	**11,200,649**
34	**Postage, stamp, telecommunication etc.**			
	Postage expenses		4,947,593	1,002,550
	Telephone		21,770,071	35,149,945
	Communication facilities		49,527,258	55,678,504
			76,244,922	**91,830,999**
34.a	**Consolidated postage, stamp, telecommunication etc.**			
	IFIC Bank Limited	34	76,244,922	91,830,999
	IFIC Securities Limited		59,080	2,566
	IFIC Money Transfer (UK) Limited		173,656	171,817
			76,477,658	**92,005,382**
35	**Stationery, printing, advertisement etc.**			
	Printing stationery		14,195,425	12,120,476
	Security stationery		16,258,486	12,879,654
	Petty stationery		19,346,545	19,149,525
	Computer stationery		11,892,668	11,587,234
	Advertisement and publicity		371,194,397	209,845,145
			432,887,521	**265,582,034**
35.a	**Consolidated stationery, printing, advertisement etc.**			
	IFIC Bank Limited	35	432,887,521	265,582,034
	IFIC Securities Limited		223,037	177,338
	IFIC Money Transfer (UK) Limited		85,312	186,372
			433,195,870	**265,945,744**
36	**Managing Director's salary**			
	Basic salary		11,700,000	11,700,000
	House rent allowance		300,000	300,000
	Provident fund- Bank's contribution		1,170,000	1,170,000
	Festival bonus		1,950,000	1,950,000
			15,120,000	**15,120,000**

In addition to the above Managing Director was paid incentive bonus of Tk. 1 million in both years.

		Note	2017	2016
37	**Directors' fees**			
	Meeting attendance fees		1,472,000	1,352,000
			1,472,000	**1,352,000**
	Each Director is paid Tk. 8,000 for attending each meeting as per latest BRPD letter no. 11 dated 4 October 2015.			
37.a	**Consolidated Directors' fees**			
	IFIC Bank Limited	37	1,472,000	1,352,000
	IFIC Securities Limited		149,500	143,750
	IFIC Money Transfer (UK) Limited		-	-
			1,621,500	**1,495,750**
38	**Auditors' fees**			
	Statutory annual audit fees *		1,277,778	1,022,222
	Interim audit fees		-	575,000
			1,277,778	**1,597,222**
	* Audit fee is inclusive of tax and VAT.			
38.a	**Consolidated Auditors' fees**			
	IFIC Bank Limited	38	1,277,778	1,597,222
	IFIC Securities Limited		338,000	275,000
	IFIC Money Transfer (UK) Limited		250,918	379,705
			1,866,696	**2,251,927**
39	**Depreciation and repair of bank's assets**			
	Depreciation			
	Buildings and premises		46,780,427	41,135,455
	Wooden furniture		19,976,448	21,798,384
	Steel furniture		3,097,343	4,497,813
	Computer equipment		55,337,904	109,151,004
	Office equipment		18,761,600	34,182,638
	Electrical & gas equipment		70,799,705	62,213,139
	Leasehold improvement		17,832,559	28,375,229
	Vehicles		11,620,201	18,757,045
	Leased vehicles		6,164,080	5,035,562
	Soft furnishing		643,907	1,111,382
	Software		37,064,448	28,002,223
			288,078,623	**354,259,874**
	Repairs and maintenance			
	Property maintenance and repairs		133,381,449	130,305,584
	Vehicles maintenance and repairs		70,974,903	69,549,048
			204,356,352	**199,854,632**
			492,434,975	**554,114,506**

		Note	2017	2016
39.a	**Consolidated depreciation and repair of bank's assets**			
	IFIC Bank Limited	39	492,434,975	554,114,506
	IFIC Securities Limited		1,306,624	1,229,647
	IFIC Money Transfer (UK) Limited		2,100,814	2,055,682
			495,842,413	**557,399,835**
40	**Other expenses**			
	Entertainment		34,028,212	30,250,108
	Petrol, oil and lubricants	40.1	79,253,042	99,610,607
	Training and internship	40.2	25,194,463	25,796,531
	Traveling expenses	40.3	58,882,991	50,481,092
	Casual and contractual service	40.4	168,502,857	141,411,373
	Loss on sales of fixed assets	40.5	-	3,936,407
	Subscription and donation		124,372,975	10,725,086
	Corporate Social Responsibility (CSR)		80,838,564	62,432,520
	Books, newspapers and magazines, etc.		1,309,401	1,568,167
	NID verification charge		1,847,000	161,550
	Reward and recognition		3,482,625	1,051,554
	Uniforms and liveries		2,932,943	1,822,500
	Annual General Meeting		9,713,453	9,694,905
	Business development		16,234,107	22,916,496
	Crockeries		1,255,313	1,096,395
	Brokerage		2,591,116	107,950
	Security services		81,822,408	73,562,098
	Bank charges and commission		11,588,344	10,942,219
	Recovery and sales agent		5,105,152	8,540,450
	Rebate to good borrowers		10,000,000	31,870,000
	Visa card expense		7,361,235	6,182,180
	Risk charges		16,168,368	13,434,469
	Bond & Rights Share issue		42,795,579	22,068,322
	Miscellaneous		24,511,709	14,191,509
			809,791,856	**643,854,488**

**** Expenses incurred by the Bank shown in these Financial Statements are inclusive of VAT where applicable as per VAT Act 1991.**

40.1	**Petrol, oil and lubricants**		
	Petrol, oil and lubricants - pool car	19,961,157	35,894,926
	Petrol, oil and lubricants - car purchase scheme	59,291,885	63,715,681
		79,253,042	**99,610,607**

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.

		Note	2017	2016
40.4	**Casual and contractual service**			
	Driver salary - car purchase scheme		38,977,785	38,868,873
	DSA salary and incentive		67,082,361	53,753,496
	Casual and contractual - staff		62,442,711	48,789,004
			168,502,857	**141,411,373**
40.5	**Gain/ (loss) on sales of fixed assets**			
	Cost of fixed assets sold			
	Wooden furniture		4,391,089	10,580,223
	Steel furniture		452,828	787,091
	Computer equipment		4,444,915	6,218,073
	Office equipment		2,775,800	3,392,927
	Electrical & gas equipment		15,176,782	20,748,275
	Leasehold improvement		6,966,467	10,325,715
	Vehicles		5,936,750	3,823,750
	Soft furnishing		277,649	1,831,975
			40,422,279	**57,708,028**
	Less : Accumulated depreciation			
	Wooden furniture		3,199,040	8,270,911
	Steel furniture		272,724	610,600
	Computer equipment		4,439,150	5,707,239
	Office equipment		2,775,780	3,218,065
	Electrical & gas equipment		13,205,372	16,745,814
	Leasehold improvement		5,496,589	7,512,249
	Vehicles		5,936,743	3,757,443
	Soft furnishing		277,513	1,661,908
			35,602,911	**47,484,230**
	Written down value		**4,819,368**	**10,223,798**
	Sale proceeds of above fixed assets		5,301,340	6,287,392
	Gain / (loss) on sales of fixed assets		**481,972**	**(3,936,407)**
40.a	**Consolidated other expenses**			
	IFIC Bank Limited	40	809,791,856	643,854,488
	IFIC Securities Limited		12,907,076	10,695,212
	IFIC Money Transfer (UK) Limited		7,124,306	13,379,972
			829,823,238	**667,929,672**
40.b	**Details of investment in joint ventures/associates - under equity method**			
i)	**Nepal Bangladesh Bank Limited**			
	Opening balance		2,147,122,580	1,744,628,768
	Add/ (less): New investment made during the year		1,048,347,452	-
	Add/ (less): Share of post acquisition profit during the year		360,220,116	407,953,718
	Add/ (less): Cash dividend received		(15,561,641)	-
	Add/ (less): Effect of changes in foreign currency exchange rate		156,160,037	(5,459,906)
	Closing balance		**3,696,288,544**	**2,147,122,580**

		Note	2017	2016
ii)	**Oman Exchange LLC**			
	Opening balance		56,046,963	86,223,917
	Add/ (less): Share of post acquisition profit/(loss) during the year		(4,936,121)	(25,132,202)
	Add/ (less): Effect of changes in foreign currency exchange rate		908,708	45,892
	Add/ (less): Cash dividend received		-	(5,090,645)
	Closing balance		**52,019,550**	**56,046,963**
iii)	**Share of post acquisition profit during the year**			
	Nepal Bangladesh Bank Limited		360,220,116	407,953,718
	Oman Exchange LLC		(4,936,121)	(25,132,202)
			355,283,995	**382,821,516**
iv)	**Investment in joint ventures/associates-under equity method**			
	A. Book value of investment			
	Nepal Bangladesh Bank Limited		2,383,257,623	1,291,386,223
	Oman Exchange LLC		18,797,875	17,889,167
			2,402,055,498	**1,309,275,390**
	B. Cumulative share of post acquisition profit			
	Nepal Bangladesh Bank Limited		1,313,030,921	855,736,357
	Oman Exchange LLC		33,221,675	38,157,796
			1,346,252,596	**893,894,152**
	Total (A+B)		**3,748,308,094**	**2,203,169,542**
41	**Provision for loans, investments and other assets**			
	Specific provision	15.1	2,131,656,980	699,685,673
	General provision	15.2	(80,431,752)	505,554,055
	Provision for off-shore banking unit	15.2	13,148,354	(4,712,963)
	Provision for off-balance sheet exposure	15.3	60,176,944	59,810,890
	Provision for diminution in value of investments	15.4	(106,366,394)	51,923,927
	Other provisions	41.1	19,525,474	24,120,508
			2,037,709,606	**1,336,382,090**
41.1	**Other provisions**			
	Provision for other assets	15.5	19,023,550	24,101,447
	Provision for nostro account	15.6	501,924	19,061
			19,525,474	**24,120,508**
41.a	**Consolidated provision for loans, investments and other assets**			
	IFIC Bank Limited	41	2,037,709,606	1,336,382,090
	IFIC Securities Limited		100,000,000	35,550,219
	IFIC Money Transfer (UK) Limited		-	-
			2,137,709,606	**1,371,932,309**
42	**Provision for taxation**			
	Current tax		750,000,000	700,000,000
	Deferred tax expense/(income)	42.1	(441,165,478)	169,519,042
			308,834,522	**869,519,042**

		Note	2017	2016
42.1	**Deferred tax expense/(income)**			
	Deferred tax on provision for loans and advances (DF & BL)	10.5	(471,696,833)	178,993,685
	Deferred tax on fixed assets	10.5	30,531,355	(9,474,643)
			(441,165,478)	**169,519,042**
42.a	**Consolidated provision for current tax**			
	IFIC Bank Limited	42	750,000,000	700,000,000
	IFIC Securities Limited		57,210,974	17,569,284
	IFIC Money Transfer (UK) Limited		-	-
			807,210,974	**717,569,284**
42.b	**Consolidated deferred tax**			
	IFIC Bank Limited	42.1	(441,165,478)	169,519,042
	IFIC Securities Limited		(82,805)	286,657
	IFIC Money Transfer (UK) Limited		-	-
			(441,248,283)	**169,805,699**
43	**Receipts from other operating activities**			
	Rent received		21,018,002	21,120,867
	Other receipts		513,038,025	534,704,067
	Capital gain	28.1	2,161,138	14,731,276
			536,217,165	**570,556,210**
43.a	**Consolidated cash received from other operating activities**			
	IFIC Bank Limited	43	536,217,165	570,556,210
	IFIC Securities Limited		43,898,581	3,294,439
	IFIC Money Transfer (UK) Limited		-	-
			580,115,746	**573,850,649**
44	**Cash paid for other operating activities**			
	Postage, stamp, telecommunication etc.		76,244,922	91,830,999
	Rent paid		436,434,866	471,962,811
	Rates, taxes & utilities		10,919,799	11,848,785
	Insurance premium		153,300,228	128,739,380
	Electricity & water		86,995,799	78,069,527
	Traveling expenses		58,882,991	50,481,092
	Auditors' fees		1,277,778	1,597,222
	Directors' fees		1,472,000	1,352,000
	Legal expenses		9,121,163	7,330,881
	Repairs and maintenance		204,356,352	199,854,632
	Other expenses		685,435,436	526,024,825
			1,724,441,334	**1,569,092,154**
44.a	**Consolidated cash paid for other operating activities**			
	IFIC Bank Limited	44	1,724,441,334	1,569,092,154
	IFIC Securities Limited		21,056,069	20,700,774
	IFIC Money Transfer (UK) Limited		18,080,867	24,181,745
			1,763,578,270	**1,613,974,673**

		Note	2017	2016
45	**Cash and cash equivalents**			
	Cash in hand		2,242,987,643	2,006,140,356
	Balance with Bangladesh Bank and its agent Bank (s)		13,235,784,939	12,061,014,307
	Balance with other banks and financial Institutions		10,623,519,845	9,008,977,771
	Money at call and on short notice		3,830,000,000	-
	Prize Bonds		3,972,900	3,517,100
			29,936,265,327	**23,079,649,534**
45.a	**Consolidated cash and cash equivalents**			
	IFIC Bank Limited	45	29,936,265,327	23,079,649,534
	IFIC Securities Limited		7,106	238,310
	IFIC Money Transfer (UK) Limited		8,773,824	12,026,893
			29,945,046,257	**23,091,914,737**
46	**(Increase)/decrease of other assets**			
	Stationery and stamps		35,525,576	23,519,852
	Suspense account		1,002,872,721	676,537,516
	Advance, deposit and prepayments		578,961,188	604,304,847
	Investment in subsidiaries		2,233,231,960	2,228,860,390
	Revaluation account FDBP		1,791,292	1,791,292
	Receivable others		38,742,987	38,000,578
	Off-shore banking unit		161,070,610	91,542,983
	Closing other assets		**4,052,196,334**	**3,664,557,458**
	Opening other assets		**3,664,557,458**	**2,122,874,625**
			(387,638,876)	**(1,541,682,833)**
46.a	**(Increase)/decrease of consolidated other assets**			
	IFIC Bank Limited	46	(387,638,876)	(1,541,682,833)
	IFIC Securities Limited		16,549,838	17,259,167
	IFIC Money Transfer (UK) Limited		(83,789)	6,134,905
			(371,172,827)	**(1,518,288,761)**
47	**Increase/(decrease) of other liabilities**			
	Withholding Tax payable to government		244,417,451	104,629,547
	Withholding VAT payable to government		56,486,370	34,127,139
	Excise duty payable to government		164,385,378	121,419,858
	Dividend payable		2,814,447	2,814,447
	Revaluation of investment abroad		30,946,297	30,946,297
	Oman Exchange LLC		1,656,242	676,659
	Sale proceeds of PSP & TC		1,527,464	515,971
	Buying house commission		20,535,151	14,047,766
	Recovery on court cases		7,170,350	4,346,521
	Matured deposits		32,564,985	80,981
	Govt. RMG fund		1,123,970	1,897,019
	Others		47,979,234	51,652,879
	Closing other liabilities		**611,607,339**	**367,155,084**
	Opening other liabilities		**367,155,084**	**402,743,513**
			244,452,255	**(35,588,429)**

DMARSTOCK

		Note	2017	2016
47.a	**Consolidated increase/(decrease) of other liabilities**			
	IFIC Bank Limited	47	244,452,255	(35,588,429)
	IFIC Securities Limited		(3,835,035)	396,517,754
	IFIC Money Transfer (UK) Limited		2,060,846	(9,874,162)
			242,678,067	**351,055,163**

48 Earnings Per Share (EPS)*

Net profit after tax	2,067,734,907	1,214,115,772
Weighted average number of ordinary shares outstanding	1,024,525,336	882,068,050
Earning Per Share (EPS)	**2.02**	**1.38**

48.a	**Consolidated Earnings Per Share (EPS)***		
	Net profit after tax attributable to equity holders of the Bank	2,396,664,244	1,582,530,314
	Weighted average number of ordinary shares outstanding	1,024,525,336	882,068,050
	Consolidated Earning Per Share (EPS)	**2.34**	**1.79**

* Previous year's figure has been restated.

Earnings Per Share (EPS) as shown in the face of the Profit and Loss Account is calculated in accordance with Bangladesh Accounting Standards (BAS) 33: *Earnings Per Share*.

As the Bank issued Rights Share in July 2017, to calculate EPS, necessary adjustments have been made to the weighted average number of shares to reflect Theoretical Ex Rights Share Price (TERP) for both years 2017 and 2016.

49 Net Operating Cash Flow per Share

Net cash flows from operating activities	1,326,848,448	757,575,787
Number of ordinary shares outstanding in respective years	1,195,302,442	563,821,907
Net Operating Cash Flow per Share	**1.11**	**1.34**

49.a	**Consolidated Net Operating Cash Flow per Share**		
	Consolidated net cash flows from operating activities	1,561,723,249	694,685,971
	Number of ordinary shares outstanding in respective years	1,195,302,442	563,821,907
	Consolidated Net Operating Cash Flow per Share	**1.31**	**1.23**

50 Net Asset Value (NAV) per Share

Net assets value at the end of the year	20,539,120,655	12,840,324,552
Number of ordinary shares outstanding in respective years	1,195,302,442	563,821,907
Net Asset Value (NAV) per Share	**17.18**	**22.77**

50.a	**Consolidated Net Asset Value (NAV) per Share**		
	Net assets value at the end of the year attributable to equity holders of the Bank	22,104,176,280	13,922,392,257
	Number of ordinary shares outstanding in respective years	1,195,302,442	563,821,907
	Consolidated Net Asset Value (NAV) per Share	**18.49**	**24.69**

51 Events after the reporting period

Subsequent to the balance sheet date, the Board of Directors in its 724th Meeting held on 10 April 2018 recommended 12% stock dividend for the year ended 31 December 2017 which will be placed for approval of the shareholders in the forthcoming 41st Annual General Meeting of the Bank.

Annexure-A

BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS-OUTSIDE BANGLADESH

as at 31 December 2017

Name of the Bank and Financial Institutions	Account type	Currency type	31 December 2017			31 December 2016		
			FC amount	Conversion rate	Equivalent BDT	FC amount	Conversion rate	Equivalent BDT
AB Bank Ltd., Mumbai	CD	USD	877,860	82.7000	72,598,995	615,509	78.7022	48,441,886
AB Bank Ltd., Mumbai	CD	EUR	-	-	-	10,111	81.9408	828,479
Bank of Bhutan, Phuentosoling	CD	USD	28,513	82.700 0	2,357,996	4,076	78.7022	320,763
Bank of Tokyo- Mitsubishi,Tokyo	CD	JPY	202,582	0.7296	147,804	2,752,032	0.6712	1,847,164
Citi Bank N.A. New York	CD	USD	3,591,194	82.7000	296,991,757	1,197,839	78.7022	94,272,584
Commerz Bank AG, Frankfurt	CD	USD	3,327,810	82.7000	275,209,900	2,142,902	78.7022	168,651,125
Commerz Bank AG, Frankfurt	CD	EUR	267,388	98.3138	26,287,960	983,403	81.9408	80,580,806
Habib Bank, New York	CD	USD	1,378,878	82.7000	114,033,197	871,311	78.7022	68,574,097
Habib Bank AG, Zurich	CD	CHF	773	83.8487	64,807	3,677	76.5288	281,393
Habib Bank UK, London	CD	GBP	-	-	-	21,621	96.2213	2,080,354
ICIC Bank Ltd., India	CD	USD	1,144,233	82.7000	94,628,081	456,227	78.7022	35,906,064
J.P. Morgan Chase Bank AG, Frankfurt	CD	EUR	78,118	98.3138	7,680,045	26,622	81.9408	2,181,444
J.P. Morgan Chase Bank, New York	CD	USD	8,969,473	82.7000	741,775,380	3,224,083	78.7022	253,742,400
J.P. Morgan Chase Bank, Sydney	CD	AUD	56,485	64.2414	3,628,695	64,610	56.4846	3,649,464
Mashreq Bank, PSC, India	CD	USD	319,387	82.7000	26,413,332	361,565	78.7022	28,456,000
Masreq Bank PSC, New York	CD	USD	1,733,307	82.7000	143,344,466	1,558,175	78.7022	122,631,818
MCB Bank Ltd, Pakistan	CD	USD	(7,890)	82.7000	(652,534)	280,523	78.7022	22,077,783
Nations Trust Bank Ltd., Colombo	CD	USD	23,285	82.7000	1,925,674	24,780	78.7022	1,950,261
Nepal Bangladesh Bank Ltd., Nepal	CD	USD	370,135	82.7000	30,610,125	163,004	78.7022	12,828,810
Sonali Bank Limited, Kolkata	CD	USD	199,118	82.7000	16,467,052	170,545	78.7022	13,422,260
Sonali Bank (UK) Limited London	CD	GBP	18,618	110.7932	2,062,736	1,792	96.2213	172,461
Sonali Bank (UK)Limited London	CD	EUR	-	-	-	119	81.9408	9,765
Sonali Bank, (UK) Limited London	CD	USD	-	-	-	1,646	78.7022	129,527
Standard Chartered Bank, New York	CD	USD	5,789,702	82.7000	478,808,327	3,236,552	78.7022	254,723,738
Standard Chartered Bank, Kolkata	CD	USD	285,189	82.7000	23,585,130	435,559	78.7022	34,279,470
Standard Chartered Bank, London	CD	GBP	350,213	110.7932	38,801,251	645,532	96.2213	62,113,969
Standard Chartered Bank, London	CD	USD	19,152	82.7000	1,583,859	211,872	78.7022	16,674,782
Wells Fargo Bank, New York	CD	USD	1,893,965	82.7000	156,630,890	1,089,551	78.7022	85,750,083
Total			**21,242,488**		**2,554,984,924**	**20,555,239**		**1,416,578,750**

Annexure-B

DETAILS OF INVESTMENT IN SHARES

as at 31 December 2017

Amount in BDT

Name of the Company	Face value	No. of share	Cost/share	Cost price	NAV or Mkt price/share	Total value	Gain/(loss)
Unquoted shares							
Karma Sangsthan Bank	100	200,000	100.00	20,000,000	114.25	22,849,468	2,849,468
Central Depository Bangladesh Ltd.	10	2,284,722	10.00	22,847,220	33.01	75,422,456	52,575,236
Energypack Power Co. Ltd.	10	619,500	41.90	25,960,000	24.16	14,965,381	(10,994,619)
		3,104,222		**68,807,220**		**113,237,305**	**44,430,085**
Quoted shares							
National Housing Finance & Investment Ltd.	10	4,808,100	8.11	39,010,000	47.20	226,942,320	187,932,320
Power Grid Company Ltd.	10	3,123,057	69.13	215,882,261	52.20	163,023,575	(52,858,686)
Summit Alliance Port Ltd.	10	57,044	99.79	5,692,616	34.30	1,956,609	(3,736,007)
Eastland Insurance Company Ltd.	10	182,734	43.55	7,958,672	23.80	4,349,069	(3,609,603)
TITAS Gas Transmission and Distribution Ltd.	10	5,383,325	76.60	412,348,120	44.20	237,942,965	(174,405,155)
Unique Hotel and Resorts Ltd.	10	200,000	105.15	21,029,385	56.80	11,360,000	(9,669,385)
Fareast Life Insurance Ltd.	10	979,224	125.11	122,511,641	71.50	70,014,516	(52,497,125)
		14,733,484		**824,432,695**		**715,589,055**	**(108,843,640)**
Mutual funds							
IFIC Bank 1st Mutual Fund	10	36,347,613	6.88	250,000,000	10.22	371,363,562	121,363,562
ICB Employee 1st Mutual Fund	10	1,339,500	13.43	17,986,473	7.51	10,053,617	(7,932,856)
		37,687,113		**267,986,473**		**381,417,179**	**113,430,706**
Foreign Investment							
Investment in associate/joint venture							
Nepal Bangladesh Bank Ltd.		29,543,243	80.67	2,383,257,623	215.54	6,367,744,688	3,984,487,065
Oman Exchange LLC		2,948	6,376.48	18,797,875	20,226.29	59,627,096	40,829,221
		29,546,191		**2,402,055,498**		**6,427,371,784**	**4,025,316,286**
Other foreign investment							
MCB Bank Ltd, Pakistan		175,508	2,001.49	351,277,414	159.00	27,906,523	(323,370,891)
		29,721,699		**2,753,332,912**		**6,455,278,306**	**3,701,945,394**
Total				**3,914,559,300**		**7,665,521,845**	**3,750,962,545**

Required provision for investment in shares **Amount in BDT**

Particulars	Cost price	Total value	Req. Provision
Unquoted shares[1]	68,807,220	113,237,305	(10,994,619)
Quoted	824,432,695	715,589,055	(108,843,640)
Mutual funds[2]	267,986,473	381,417,179	(7,932,856)
Sub-total	**1,161,226,388**	**1,210,243,539**	**(127,771,115)**
Investment in associate/joint venture[3]	2,402,055,498	6,427,371,784	-
Other foreign investment-MCB Bank Ltd. [4]	351,277,414	27,906,523	(211,786,418)
Grand Total	**3,914,559,300**	**7,665,521,845**	**(339,557,533)**

[1] Provision is kept against any unrealized loss for investment in unquoted shares and no unrealized gain is used to net off against the such unrealized loss.

[2] Provision calculation for Investment in Mutual Funds

Name of the Company	No. of share	Cost/Share	NAV/share	NAV x 85%	MV/share	Higher of C & D	(NAVx85%) - CP	Required Provision
	A	B		C	D	E	F=(E-B)	G=(A x F)
IFIC Bank 1st MF	36,347,613	6.88	12.02	10.22	6.10	10.22	-	-
ICB EP 1st MF	1,339,500	13.43	8.83	7.51	7.10	7.51	(5.92)	(7,932,856)
Total provision required								**(7,932,856)**

Note: Provision is required if cost price is higher than 85% of NAV or MV.

BB Circular Reference: DOS Circular-3 Dated: 12 Mar 2015 and Circular-10 Dated: 28 June 2015.

[3] Provision calculation for investment in associate/joint venture

Name of the Company	No. of share	Cost/Share	NAV/share	Market Value (MV)/ share	Lower of NAV & MV	Required Provision
Nepal Bangladesh Bank Ltd. (Quoted)	29,543,243	80.67	104.61	215.54	104.61	-
Oman Exchange LLC (Unquoted)	2,948	6,376.48	20,226.29	N/A	20,226.29	-
Total provision required						**-**

Provision against investment in associate/joint venture have been calculated as per instructions of Bangladesh Bank vide letter no DOS(SR)/1153/161/11/2017-1348 dated 23 March 2017. As per Bangladesh Bank instruction provision is to be maintained if cost is higher than lower of NAV and market value (if applicable).

[4]As per Bangladesh Bank letter no-DOS(ASR)1153/161/11/2016-4995 dated 13 November 2016 two thirds provision has been maintained upto year 2017 and remaining provision will be maintained in the year 2018.

FIRST STOCK

Annexure-C

LOANS AND ADVANCES ALLOWED TO EACH CUSTOMER EXCEEDING 10% OF BANK'S TOTAL CAPITAL

as at 31 December 2017

BDT in million

Sl.	Name of the group	Name of clients	Outstanding as on 31 December 2017			Amount classified
			Funded	Non-funded	Total	
1	Banglalion	Banglalion Communication Ltd.	2,416	-	2,416	-
		Sub Total:	**2,416**	**-**	**2,416**	**-**
2	Bengal	Bengal Communications Ltd.	2,749	-	2,749	-
		Sub Total:	**2,749**	**-**	**2,749**	**-**
3		Bangladesh Rural Advance Committee	2,554	1,055	3,608	-
		Sub Total:	**2,554**	**1,055**	**3,608**	**-**
4	Cassiopea	Cassiopea Apparels Ltd.	980	1,372	2,351	-
		Cassiopea Fashion Ltd.	17	30	47	-
		Cassiopea Sweater Ltd.	-	116	116	-
		Elegant Accessories Ltd.	39	35	73	-
		Elegant Washing Plant Ltd.	-	131	131	-
		Sub Total:	**1,035**	**1,684**	**2,719**	**-**
5	Doha-Global	Dohatec Newmedia	1,374	9	1,383	-
		Global Voice Telecom Limited	1,122	2,344	3,467	-
		Sub Total:	**2,496**	**2,353**	**4,849**	**-**
6	ENA	Ena Building Products Ltd.	210	-	210	-
		Ena Ddj Construction Firm Ltd.	-	545	545	-
		Ena Properties Ltd.	1,409	70	1,479	-
		Northern Power Solutions Limited	1,543	418	1,961	-
		Sub Total:	**3,163**	**1,032**	**4,195**	**-**
7		Global LPG Ltd.	3,429	511	3,940	-
		Sub Total:	**3,429**	**511**	**3,940**	**-**
8		Habib Hotel International Ltd.	2,299	333	2,632	-
		Sub Total:	**2,299**	**333**	**2,632**	**-**
9	Islam	Armor Bangladesh Ltd	32	-	32	-
		Islam Garments Ltd.	1,057	2,260	3,317	-
		Islam Knit Designs Ltd.	151	788	939	-
		Sub Total:	**1,240**	**3,048**	**4,288**	**-**
10	Knit Concern	Jmj Mollah Cold Storage Ltd	104	-	104	-
		Kc Apparels Ltd	145	497	642	-
		Kc Lingerie Ltd	15	84	99	-
		Knit Concern Ltd.	468	1,300	1,767	-
		Pack Concern Ltd.	38	24	62	-
		Zas Concern Ltd	7	3	10	-
		Sub Total:	**776**	**1,907**	**2,684**	**-**

Sl.	Name of the group	Name of clients	Outstanding as on 31 December 2017			Amount classified
			Funded	Non-funded	Total	
11	Phonix	Appollo Ispat Complex Limited	1,809	1,114	2,923	29
		Sub Total:	**1,809**	**1,114**	**2,923**	**29**
12		Quick Real Estate Ltd.	3,405	-	3,405	-
		Sub Total:	**3,405**	**-**	**3,405**	**-**
13	Sikder	Powerpac Mutiara Keraniganj (Pvt) Ltd.	1,886	-	1,886	-
		R & R Holdings	1,697	-	1,697	-
		Sub Total:	**3,582**	**-**	**3,582**	**-**
14	Silver Line	Silver Composite Textile Mills Ltd.	1,798	43	1,842	-
		Silver Line Compusit Textile Mill Ltd.	491	952	1,443	-
		Sub Total:	**2,289**	**996**	**3,285**	**-**
15		SQ Celsius Ltd.	1,819	870	2,689	-
		Sub Total:	**1,819**	**870**	**2,689**	**-**
16		Uttara Traders (Pvt.) Ltd.	1,795	1,461	3,257	-
		Sub Total:	**1,795**	**1,461**	**3,257**	**-**
17		Wisdom Attires Ltd.	2,449	343	2,792	-
		Sub Total:	**2,449**	**343**	**2,792**	**-**
18		Raj Housing Ltd	3,526	-	3,526	-
		Sub Total:	**3,526**	**-**	**3,526**	-
		Grand Total:	**42,832**	**16,706**	**59,537**	**29**

Annexure - D

SCHEDULE OF FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURE

as at 31 December 2017

Particulars	Cost						Depreciation/Amortization					Written down value as at 31 December 2017
	Balance as at 1 January 2017	Addition during the year	Transfer from CWIP	Adjustment during the year	Disposal during the year	Balance as at 31 December 2017	Balance as at 1 January 2017	Charged during the year	Adjustment during the year	Disposal during the year	Balance as at 31 December 2017	
Land	475,118,759	-	-	-	-	475,118,759	-	-	-	-	-	475,118,759
Buildings and premises	1,891,680,528	187,369	10,749,307	-	-	1,902,617,204	233,962,477	46,780,427	-	-	280,742,904	1,621,874,300
Wooden furniture	248,371,766	5,328,489	4,853,556	4,216,908	4,391,089	249,945,814	86,660,635	19,976,448	247,232	3,199,040	103,190,810	146,755,004
Steel furniture	62,300,831	3,357,632	-	-	452,828	65,205,635	37,607,891	3,097,343	-	272,724	40,432,510	24,773,124
Computer equipment	715,903,279	26,350,285	-		4,444,915	737,808,649	562,370,246	55,337,904	-	4,439,150	613,268,999	124,539,650
Office equipment	204,176,631	18,196,355	-	-	2,775,800	219,597,186	167,878,867	18,761,600	-	2,775,780	183,864,687	35,732,499
Electrical & gas equipment	703,698,482	60,106,401	47,718,485	-	15,176,782	796,346,586	293,728,761	70,799,705	-	13,205,372	351,323,094	445,023,492
Leasehold improvement	254,466,084	14,021,059	-	-	6,966,467	261,520,676	156,372,806	17,832,559	-	5,496,589	168,708,776	92,811,900
Vehicles	111,849,395	13,856,115	-	-	5,936,750	119,768,760	87,471,247	11,620,201	-	5,936,743	93,154,705	26,614,055
Leased vehicles	47,600,000	-	-	-	-	47,600,000	14,662,323	6,164,080	-	-	20,826,403	26,773,597
Soft furnishing	11,369,205	376,635	-	-	277,649	11,468,191	10,499,503	643,907	-	277,513	10,865,897	602,295
Software	513,048,657	4,023,954	25,798,819	-	-	542,871,430	230,698,662	37,064,448	-	-	267,763,110	275,108,319
	5,239,583,617	**145,804,293**	**89,120,167**	**4,216,908**	**40,422,279**	**5,429,868,890**	**1,881,913,418**	**288,078,623**	**247,232**	**35,602,911**	**2,134,141,897**	**3,295,726,994**
Capital work in progress *	130,257,471	191,519,741	(89,120,167)	-	-	232,657,045	-	-		-	-	232,657,045
Total	**5,369,841,088**	**337,324,034**	**-**	**4,216,908**	**40,422,279**	**5,662,525,935**	**1,881,913,418**	**288,078,623**	**247,232**	**35,602,911**	**2,134,141,897**	**3,528,384,037**

* Capital work in progress represents the amount paid for fire protection system, Data centre, Data Management System and Fusion Banking Essence.

Particulars	Cost						Depreciation/Amortization					Written down value as at 31 December 2016
	Balance as at 1 January 2016	Addition during the year	Transfer from CWIP	Adjustment during the year	Disposal during the year	Balance as at 31 December 2016	Balance as at 1 January 2016	Charged during the year	Adjustment during the year	Disposal during the year	Balance as at 31 December 2016	
Land	475,118,759	-	-	-	-	475,118,759	-	-	-	-	-	475,118,759
Buildings and premises	1,337,951,477	-	553,729,051	-	-	1,891,680,528	192,827,022	41,135,455	-	-	233,962,477	1,657,718,051
Wooden furniture	118,694,149	5,096,569	135,161,271	-	10,580,223	248,371,766	73,133,162	21,798,384	-	8,270,911	86,660,635	161,711,131
Steel furniture	59,242,462	3,785,765	59,695	-	787,091	62,300,831	33,720,678	4,497,813	-	610,600	37,607,891	24,692,940
Computer equipment	668,481,187	53,640,165	-	-	6,218,073	715,903,279	458,926,481	109,151,004	-	5,707,239	562,370,246	153,533,033
Office equipment	196,964,697	10,604,860	-	-	3,392,926	204,176,631	136,914,295	34,182,638	-	3,218,066	167,878,867	36,297,764
Electrical & gas equipment	394,944,685	36,138,704	293,363,368	-	20,748,275	703,698,482	248,261,436	62,213,139	-	16,745,814	293,728,761	409,969,721
Leasehold improvement	237,653,740	27,138,059	-	-	10,325,715	254,466,084	135,509,829	28,375,229	-	7,512,252	156,372,806	98,093,278
Vehicles	115,673,145	-	-	-	3,823,750	111,849,395	72,471,645	18,757,045	-	3,757,443	87,471,247	24,378,148
Leased vehicles	47,600,000	-	-	-	-	47,600,000	9,626,761	5,035,562	-	-	14,662,323	32,937,677
Soft furnishing	12,653,637	547,543	-	-	1,831,975	11,369,205	11,050,029	1,111,382	-	1,661,908	10,499,503	869,702
Software	293,931,990	35,451,020	183,665,647	-	-	513,048,657	202,696,439	28,002,223	-		230,698,662	282,349,995
	3,958,909,928	**172,402,685**	**1,165,979,032**	**-**	**57,708,028**	**5,239,583,617**	**1,575,137,777**	**354,259,874**	**-**	**47,484,233**	**1,881,913,418**	**3,357,670,199**
Capital work in progress *	846,594,774	449,641,729	(1,165,979,032)	-		130,257,471	-	-	-	-	-	130,257,471
Total	**4,805,504,702**	**622,044,414**	**-**	**-**	**57,708,028**	**5,369,841,088**	**1,575,137,777**	**354,259,874**	**-**	**47,484,233**	**1,881,913,418**	**3,487,927,670**

* Capital work in progress represents the amount paid for data warehouse.

Annexure -E

COMPUTATION OF RISK WEIGHTED ASSETS

Solo Basis

as at 31 December 2017

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

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
1	2	3	4	5	6 = (4x5)
a.	Cash		0	2,242.99	-
b.	Claims on Bangladesh Government (other than PSEs) and Bangladesh Bank		0	26,108.70	-
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	303.91	60.78
		2,3	0.50	119.07	59.54
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	1.00	77.69	77.69
	ii) Maturity less than 3 months		0.20	15,783.06	3,156.61
h.	Claims on Corporate (excluding equity exposure)	1	0.20	3,475.14	695.03
		2	0.50	15,818.00	7,909.00
		3,4	1.00	23,454.64	23,454.64
		5,6	1.50	-	-
		Unrated	1.25	23,022.76	28,778.44
h(1)	Claims on SME	SME 1	0.20	-	-
		SME 2	0.40	95.87	38.35
		SME 3	0.60	644.24	386.54
		SME 4	0.80	76.31	61.05
		SME 5	1.20	-	-
		SME 6	1.50	-	-
		Unrated (small enterprise & <BDT 3m)	0.75	2,694.01	2,020.51
		Unrated (small enterprise having ≥ BDT 3m & Medium enterprise)	1.00	15,421.12	15,421.12

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
1	2	3	4	5	6 = (4x5)
i.	Claims under Credit Risk Mitigation	PSE		-	-
		Banks & NBFIs		-	-
		Corporate		4,414.72	2,916.46
		Retail		414.10	4.94
		SME		587.16	157.94
		Consumer finance		2,497.94	59.62
		Residential property		-	-
		Commercial real estate		-	-
j.	Claims categorized as retail portfolio (excluding SME, Consumer Finance and Staff loan) upto 1 crore		0.75	419.98	314.98
k.	Consumer finance		1.00	1,781.62	1,781.62
l.	Claims fully secured by residential property		0.50	40,144.41	20,072.20
m.	Claims fully secured by Commercial real estate		1.00	21,390.39	21,390.39
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	3,860.50	5,790.75
	ii) Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim		1.00	4,304.90	4,304.90
	iii) Where specific provisions are more than 50 percent of the outstanding amount of the past due claim		0.50	920.40	460.20
	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	1,073.90	1,073.90
	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	94.30	70.73
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	67.61	84.51
q.	Investments in venture capital		1.50	-	-
r.	Investments in premises, plant and equipment and all other fixed assets		1.00	3,253.28	3,253.28
s.	Claims on all fixed assets under operating lease		1.00	538.84	538.84
t.	All other assets			-	-
	i) Claims on GoB & BB		0.00	7,328.60	-
	ii) Staff loan/Investment		0.20	1,757.09	351.42
	iii) Cash items in Process of Collection		0.20	-	-
	iv) Claims on Off-shore Banking Units (OBU)		1.00	2,914.61	2,914.61
	v) Other assets (net off specific provision, if any)		1.00	6,303.30	6,303.30
Sub-Total				**233,425.16**	**153,973.89**

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	3,269.78	653.96
		2	0.50	6,137.74	3,068.87
		3,4	1.00	1,742.08	1,742.08
		5,6	1.50	-	-
		Unrated	1.25	10,405.87	13,007.34
h)	Claims under retail exposure		0.75	10.31	7.73
h(1)	Claims under SME Credit Rating-wise exposure	1	0.20	-	-
		2	0.40	5.80	2.32
		3	0.60	56.25	33.75
		4	0.80	9.01	7.21
		5	1.20	-	-
		6	1.50	-	-
		Unrated (small enterprise & <BDT 3.00m)	0.75	61.68	46.26
		Unrated (small enterprise having ≥ BDT 3.00m & Medium enterprise)	1.00	2,373.03	2,373.03

Sl. No.	Exposure Type	BB's Rating Grade*	Risk Weight	Exposure	RWA
1	2	3	4	5	6 = (4x5)
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				**24,071.56**	**20,942.55**

3.0 Capital Charge for Market Risk (Balance Sheet Exposures)

Sl. No.	Market Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Interest Rate Related Instruments	18.61	10.00	186.06
b	Equities	189.36	10.00	1,893.64
c	Foreign Exchange Position	160.56	10.00	1,605.60
d	Commodities	-	-	-
Sub-Total		**368.53**		**3,685.30**

4.0 Capital Charge for Operational Risk (Basic Indicator Approach)

Sl. No.	Operational Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Gross Income	1,317.11	10.00	13,171.07
Sub-Total		**1,317.11**	**10.00**	**13,171.07**
Grand Total Risk Weighted Assets				**191,772.82**

Annexure -F

RELATED PARTY DISCLOSURES

Name of Directors and their interest in different entities

as at 31 December 2017

Sl 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	GMG Airlines Limited
			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 Engineering Ltd.
			Vice Chairman	Beximco Pharma Center for Bio & Industrial Research Ltd.
			Vice Chairman	Beximco Fashions Ltd.
			Vice Chairman	Beximco Property Development and Management Ltd.
			Vice Chairman	RR Washing Ltd.
			Vice Chairman	International Knitwear and Apparels Ltd.
			Vice Chairman	Sonali Ansh Limited
			Vice Chairman	Esses Exporters Ltd.
			Shareholder	Beximco Power Company Ltd.
			Shareholder	Beximco Petroleum Ltd.
			Shareholder	I & I Services Ltd.
2	Mr. Monirul Islam	Independent Director (Up to 20/12/2017)	Chairman (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Chairman	Monir Associates Ltd.
			Managing Director	Cosmo Sizing & Weaving Mills Ltd.
			Proprietor	Pano Sourcing
3	Ms. Rabeya Jamali	Independent Director (Since 21/12/2017)	Director (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Alternate Director (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Partner	Jamali & Morshed

Sl No.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
4	Mr. Anwaruzzaman Chowdhury	Independent Director	Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.
			Alternate Director (Nominated by IFIC Bank Ltd.)	Oman Exchange LLC
			Chairman	Kipling
5	Mr. Jalal Ahmed	Govt. nominated Director	Chairman (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Chairman (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.
			Alternate Director (Nominated by IFIC Bank Ltd.)	Oman Exchange LLC
			Additional Secretary (UN)	Economic Relations Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
			Director	Bangladesh Submarine Cable Co. Ltd.
			Director	British American Tobacco Bangladesh Co. Ltd.
			Director	Bangladesh Services Ltd.
6	Mr. A. R. M. Nazmus Sakib	Govt. nominated Director	Director (Nominated by IFIC Bank Ltd.)	Oman Exchange LLC
			Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Additional Secretary	Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
7	Ms. Quamrun Naher Ahmed	Govt. nominated Director	Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Additional Secretary	Financial Institutions Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
8	Mr. M Shah Alam Sarwar	Managing Director	Director (Nominated by Govt. of Bangladesh)	Grameen Bank
			Director (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Director (Nominated by IFIC Bank Ltd.)	Oman Exchange LLC
			Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.

Related party transactions

i) Significant contracts with the Bank wherein Directors have interest during the year is nil.

ii) Share issued to Directors and Executive without consideration or exercisable at a discount is nil.

iii) The details of the related party transactions are as follows:

Amount in BDT

Nature of Transaction	As at and for the year ended	
	31 December 2017	31 December 2016
1) Name of the Party : IFIC Securities Ltd.		
Relationship with the company : Subsidiary		
A. Capital investment	2,199,994,000	2,199,994,000
B. Current & SND Account	95,498,391	87,029,931
C. BO account balance	659	6,269,312
2) Name of the Party : IFIC Money Transfer (UK) Limited		
Relationship with the company : Subsidiary		
A. Capital investment	33,237,960	28,866,390
3) Name of the Party : Oman Exchange LLC		
Relationship with the company : Associate		
A. Capital investment	18,797,875.00	17,889,167.00
B. Cash Dividend received	-	5,090,645
4) Name of the Party : Nepal Bangladesh Bank Ltd.		
Relationship with the company : Associate		
A. Capital investment	2,383,257,623	1,291,386,223
B. Borrowing	1,984,800,000	550,915,400
C. Cash Dividend received	15,561,641	-
D. Management fee received	21,682,211	-

iv) Lending policies in respect of related party:

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

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

Bank has executed maintenance agreement with Beximco Computers Limited for maintenance of Nostro Reconciliation Software with a fees of BDT 50,000 per year. 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 3,707,888 and BDT 1,701,780 to Independent Television Ltd. and Independent Publications Ltd. respectively in the year 2017.

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

Investee Entity	Related Director	Relation with the Bank	Relation with Investee Entity	Investment at Cost
NIL				

Annexure -G

DISCLOSURE ON AUDIT COMMITTEE OF THE BANK

a) Particulars of members of the Audit Committee

Sl.	Name	Status with the Bank	Status	Educational Qualification
1	**Mr. Monirul Islam** (Up to 20 December 2017)	Independent Director	Chairman	B. A. (Hons), M. A.
2	**Ms. Rabeya Jamali** (Since 21 December 2017)	Independent Director		LL.B. (Hons), LL.M. in Banking and Financial Law
3	**Mr. Anwaruzzaman Chowdhury**	Independent Director	Member	MBA
4	**Mr. Jalal Ahmed**	Director	Member	B.S.S. (Hons), M. S. S. in Public Administration

* The Audit Committee of the Board has been reconstituted by the Board of Directors of the Bank in its 720th Meeting held on 28 January 2018. Mr. Monirul Islam was the Chairman upto 20 December 2017. Ms. Rabeya Jamali has been selected as Chairman on 28 January 2018.

b) Particulars of meetings held by the Audit Committee during the period from 01 January to 31 December 2017

Sl.	Meeting No	Meeting held on
1	107th Audit Committee Meeting	16 January 2017
2	108th Audit Committee Meeting	27 February 2017
3	108th (Adjourned) Audit Committee Meeting	20 March 2017
4	109th Audit Committee Meeting	05 April 2017
5	110th Audit Committee Meeting	09 May 2017
6	111th Audit Committee Meeting	04 June 2017
7	112th Audit Committee Meeting	19 June 2017
8	113th Audit Committee Meeting	26 July 2017
9	114th Audit Committee Meeting	27 September 2017
10	115th Audit Committee Meeting	30 October 2017
11	116th Audit Committee Meeting	13 November 2017
12	117th Audit Committee Meeting	17 December 2017

Evaluation of the Audit Committee regarding strengthening of Internal Control System

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

As per guideline of Bangladesh Bank, the Audit committee, in the meetings held during 2017, with 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, have reviewed and evaluated.

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

All Audited/Un-audited yearly/quarterly Financial Statements submitted during 2017 have been explained and endorsed to the Audit Committee whether the statements reflect the complete and concrete information and whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank.

The Committee has submitted compliance report to the Board on quarterly basis during 2017 regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.

Annexure -H

FINANCIAL HIGHLIGHTS OF THE BANK

as at and for the year ended 31 December 2017

Sl.	Particulars	Currency/ percentage	31 December 2017	31 December 2016
1	Paid up capital	BDT	11,953,024,420	5,638,219,070
2	Total capital	BDT	24,113,769,628	16,927,658,388
3	Capital surplus	BDT	2,539,326,108	934,616,554
4	Total assets	BDT	253,248,941,805	197,050,714,758
5	Total deposits	BDT	200,205,665,479	160,155,006,094
6	Total loan & advances	BDT	179,264,206,747	137,118,111,549
7	Total contingent liabilities & commitments	BDT	58,620,180,261	52,602,485,841
8	Credit deposit ratio	%	85.04	81.64
9	Percentage of classified loan against total loans & advances	%	6.40	5.29
10	Profit after tax & provision	BDT	2,067,734,907	1,214,115,772
11	Amount of classified loans	BDT	11,477,879,667	7,250,942,884
12	Provision kept against classified loans	BDT	3,594,107,146	2,354,935,029
13	Provision surplus/deficit	BDT	11,500,000	311,556,408
14	Cost of fund	%	4.22	4.21
15	Interest earning assets	BDT	216,239,475,667	166,860,268,961
16	Non-interest earning assets	BDT	37,009,466,138	30,190,445,797
17	Return on Investment (ROI)	%	7.81	6.73
18	Return on Assets (ROA)	%	0.92	0.65
19	Income from investment	BDT	2,071,096,827	2,077,195,970
20	Earnings per share	BDT	2.02	1.38
21	Net income per share	BDT	2.02	1.38
22	Net Asset Value (NAV)	BDT	20,539,120,655	12,840,324,552
23	Net Asset Value (NAV) per share	BDT	17.18	22.77
24	Net Operating Cash Flow Per Share (NOCFPS)	BDT	1.11	1.34
25	Price earning ratio	Times	8.92	15.18

Annexure - I

DISCLOSURE OF RESTRUCTURED LOAN

as at and for the year ended 31 December 2017

BDT in million

Sl. No.	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 2017		Present status	Outstanding as at 31 December 2016
				Required	Realized		At the time of taking NOC from BB	New/fresh disbursement amount after NOC	Outstanding as at 31 December 2017	Required	Maintained		
1	Power Pac - Mutiara KPP Plant Ltd.	TL (O)	07.12.2015	16.90	16.90	07.03.2017	1,546.10	Nil	1,787.51	35.75	35.75	SMA(RST)	1,905.62
2	M/s R&R Holdings	TL (O)-1	07.12.2015	8.20	8.20	07.03.2017	746.00	Nil	913.13	18.26	18.26	SMA(RST)	925.73
3	M/s R&R Holdings	TL (O)-2	07.12.2015	7.70	7.70	07.03.2017	702.00	Nil	783.67	15.67	15.67	SMA(RST)	867.06
Total				**32.80**	**32.80**		**2,994.10**		**3,484.31**	**69.69**	**69.69**		**3,698.41**

Annexure- J

STATEMENT OF TAX POSITION

As at 31 December 2017

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 Y2012 (except Y2005 & Y2010)		1,597,680,869	-	1,597,680,869	-	Assessments up to Y2012 (except Y2005 & Y2010) have been completed by the Tax Authority and there is no tax liability remained outstanding against related years
2005	2006-2007	140,397,922	-	140,397,922	-	Honorable High Court Division of Supreme Court Assessment was completed with loss, however, advance tax paid for 2005 amounting to Tk. 90.27 mln was adjusted in subsequent years.
2010	2011-2012	1,454,854,995	1,508,170,344	(53,315,349)	1,385,538,554	Honorable High Court Division of Supreme Court
2013	2014-2015	1,090,000,000	1,122,148,439	(32,148,439)	1,119,224,008	Bank received the order from Taxes Appellate Tribunal which are under review of the Management for next course of action.
2014	2015-2016	1,290,000,000	1,339,332,883	(49,332,883)	1,215,276,325	Bank received the order from Taxes Appellate Tribunal which are under review of the Management for next course of action.
2015	2016-2017	950,000,000	1,029,797,191	(79,797,191)	951,376,970	The Commissioner of Taxes (Appeals)
2016	2017-2018	700,000,000	-	-	912,690,222	Assessment yet to be completed by the Tax authority
2017	2018-2019	750,000,000	-	-	641,215,256	Not yet due

Annexure-K

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Off-shore Banking Unit

Balance Sheet

as at 31 December 2017

Particulars	Note	31 December 2017		31 December 2016	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash		-	-	-	-
Cash in hand (including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currency)		-	-	-	-
Balance with other banks and financial institutions		-	-	-	-
In Bangladesh		-	-	-	-
Outside Bangladesh		-	-	-	-
Money at call and on short notice		-	-	-	-
Investments		-	-	-	-
Government securities		-	-	-	-
Other investments		-	-	-	-
Loans and advances	**3**	**33,295,515**	**2,753,539,110**	**18,280,349**	**1,438,703,682**
Loans, cash credits, overdrafts etc.	3.1	6,762,333	559,244,903	11,448,845	901,049,291
Bills purchased and discounted	3.2	26,533,182	2,194,294,207	6,831,504	537,654,391
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	**4**	**1,947,650**	**161,070,610**	**1,163,157**	**91,542,983**
Non banking assets		-	-	-	-
Total assets		**35,243,165**	**2,914,609,720**	**19,443,506**	**1,530,246,665**
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from other banks, financial Institutions and agents	**5**	**34,028,915**	**2,814,191,232**	**18,984,396**	**1,494,113,753**
Deposit and other accounts		-	-	-	-
Current deposits and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed Deposits		-	-	-	-
Other liabilities	**6**	**558,920**	**46,222,673**	**301,525**	**23,730,656**
Total liabilities		**34,587,834**	**2,860,413,905**	**19,285,921**	**1,517,844,409**

Particulars	Note	31 December 2017		31 December 2016	
		USD	Taka	USD	Taka
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	655,330	54,195,815	157,585	12,402,256
Total shareholders' equity		**655,330**	**54,195,815**	**157,585**	**12,402,256**
Total liabilities and shareholders' equity		**35,243,165**	**2,914,609,720**	**19,443,506**	**1,530,246,665**
OFF BALANCE SHEET ITEMS					
Contingent liabilities		-	-	-	-
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit					
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
Other Commitments					
Documents credit and short term trade -related transactions		-	-	-	-
Forward assets purchased and forward deposit placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
Total off-Balance Sheet exposures including contingent liabilities		**-**	**-**	**-**	**-**

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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Off-shore Banking Unit

Profit and Loss Account

for the year ended 31 December 2017

Particulars	Note	31 December 2017		31 December 2016	
		USD	Taka	USD	Taka
Interest income	8	1,801,879	149,015,399	1,169,367	92,031,779
Interest paid on deposits, borrowings etc.	9	1,138,054	94,117,062	1,004,819	79,081,438
Net interest income		**663,825**	**54,898,337**	**164,549**	**12,950,341**
Investment Income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		4,035	333,694	4,855	382,099
Total operating income		**667,860**	**55,232,031**	**169,404**	**13,332,440**
Salaries and allowances		12,530	1,036,216	11,819	930,184
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		**12,530**	**1,036,216**	**11,819**	**930,184**
Profit/(Loss) before provision		**655,330**	**54,195,815**	**157,585**	**12,402,256**
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		**655,330**	**54,195,815**	**157,585**	**12,402,256**

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 2017

1 Status of the unit

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

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

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

2.2 Foreign currencies transaction and translation to presentation currency

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

Particulars	Note	31 December 2017		31 December 2016	
		USD	Taka	USD	Taka
3 Loans and advances					
3.1 Loans, cash credits, overdrafts etc.					
Term loan		6,762,333	559,244,903	11,448,845	901,049,291
		6,762,333	**559,244,903**	**11,448,845**	**901,049,291**
3.2 Bills purchased and discounted					
Inside Bangladesh		26,533,182	2,194,294,207	6,831,504	537,654,391
		26,533,182	**2,194,294,207**	**6,831,504**	**537,654,391**
		33,295,515	**2,753,539,110**	**18,280,349**	**1,438,703,682**
4 Other assets					
Interest receivable on term loan		1,533,898	126,853,397	1,100,563	86,616,736
Interest receivable on bills discount		413,752	34,217,213	62,594	4,926,247
		1,947,650	**161,070,610**	**1,163,157**	**91,542,983**
5 Borrowing from other banks, financial Institutions and its agents					
In Bangladesh:					
IFIC Bank Limited		33,004,812	2,729,497,927	18,984,396	1,494,113,753
		33,004,812	**2,729,497,927**	**18,984,396**	**1,494,113,753**
Outside Bangladesh		1,024,103	84,693,305	-	-
		34,028,915	**2,814,191,232**	**18,984,396**	**1,494,113,753**

Particulars		Note	31 December 2017		31 December 2016	
			USD	Taka	USD	Taka
6	**Other liabilities**					
	Interest on borrowing from abroad		3,862	319,349	-	-
	Due to Head Office		555,058	45,903,324	301,525	23,730,656
			558,920	**46,222,673**	**301,525**	**23,730,656**
7	**Surplus in profit and loss account**					
	Opening balance		157,585	12,402,256	106,687	8,374,971
	Less: Adjustment/ payment for the year		(157,585)	(12,402,256)	(106,687)	(8,374,971)
	Add: Addition during the year		655,330	54,195,815	157,585	12,402,256
			655,330	**54,195,815**	**157,585**	**12,402,256**

Particulars		Note	2017		2016	
			USD	Taka	USD	Taka
8	**Interest income**					
	Term Loan		1,011,120	83,619,631	516,884	40,679,911
	Bills discount		790,759	65,395,768	652,483	51,351,868
	Interest on loans and advances		**1,801,879**	**149,015,399**	**1,169,367**	**92,031,779**
9	**Interest paid on deposits, borrowings etc.**					
	Interest paid on IFIC Bank Limited		1,138,054	94,117,062	1,004,819	79,081,438
			1,138,054	**94,117,062**	**1,004,819**	**79,081,438**



FINANCIAL STATEMENTS OF THE SUBSIDIARIES

IFIC SECURITIES LIMITED

Directors' Report

Respected Shareholders,

The Board of Directors is pleased to present the 7th Annual Report of IFIC Securities Ltd. (IFICSL) for the year ended on 31 December 2017. In the report, IFICSL's operational performance of the year 2017 as compared to 2016 has been evaluated and analyzed within prevailing business environment. The information and analysis may be read in conjunction with the audited financial statements presented herewith.

Bangladesh Capital Market in 2017

The Capital Market of the country passed a challenging year in 2017. The market has recovered substantially compared to 2016. The average daily trade volume of Dhaka Stock Exchange Limited has increased by 87.50% compared to 2016. The market participation by the stakeholders has also increased significantly. In 2017, the trade volume of IFICSL has increased by 44.72% compared to 2016.

Our business

IFICSL has been established with the objectives of rendering efficient and innovative brokerage services to the prospective investors of the country, as well as to ensure adequate return on equity to the shareholders.

IFIC Securities Limited is a fully owned subsidiary of International Finance Investment and Commerce Bank Limited (IFIC Bank Ltd) and was incorporated with the Registrar of Joint Stock Companies and Firms, Bangladesh as a public limited company on 02 November 2010 under Companies Act, 1994. IFICSL bought the brokerage license from IFIC Bank in 2010 and is authorized to undertake the following activities:

- Opening of Beneficiary owners (BO) account;
- Buy and Sell of Securities in Dhaka Stock Exchange Ltd;
- Margin Loan facilities to its clients;
- Settlement of buying and selling of Securities in Dhaka Stock Exchange through CDBL;
- Process IPO applications on behalf of clients;

IFICSL started its operation on 10 March 2011 by taking over all the Asset & Liabilities of the Capital Market Division of its parent company IFIC Bank Ltd except the Own Investment Portfolio of IFIC Bank Ltd to comply with the instructions of Bangladesh Bank.

Capital

The authorized capital of IFICSL is BDT 3,000 million of which BDT 2,200 million has been paid up. Total shareholders' equity at the end of December 2017 stood at BDT 2,445.39 million including retained earnings of BDT 245.39 million. The Paid-up capital represents the face value of 220,000,000 shares of BDT 10 each fully subscribed by the shareholders.

Profit & Operating Results

Total operating income of IFICSL for the year 2017 was BDT 244.31 million against a total expenses of BDT 47.44 million. Total profit before provision stood at BDT 196.87 million during 2017. For the year 2017, the net profit was BDT 39.75 million, after keeping BDT 100.00 million and BDT 57.21 million as provision for margin loan to clients and income tax respectively.

Loans & Advances

Total margin loan facilities provided to the investors by IFICSL was BDT 4,031.90 million as on 31 December 2017. At the end of 2016 the borrowing of IFICSL was BDT 334.57 million of which BDT 147.69 million was borrowed from Dhaka Bank Ltd, Foreign Exchange Branch, and BDT 186.88 million was borrowed from Prime Bank Ltd, SBC Tower Branch. During 2017 the management of IFICSL has settled all loans outstanding with Prime Bank Ltd and Dhaka Bank Ltd.

Own Portfolio

Managing own investment portfolio is a regulatory requirement and also a core business objective of IFICSL to ensure higher return on equity. IFICSL has established an investment process and has been maintaining its own portfolio following this process in compliance with the Investment Policy of IFICS. During 2017 IFIC Securities Ltd has participated in a number of IPO and bidding under book building method. The active

participation of IFICSL in the capital market has enabled the management to earn a capital gain of BDT 42.14 million during 2017. During 2016 IFICSL earned BDT 1.68 million as capital gain from investment in own portfolio.

Support Services from IFIC Bank Ltd
IFIC Bank Ltd is providing professional support services to the IFICSL in the field of HRM, Support Services and IT. As such entire functions of these fields are being managed from the respective IFIC Bank Limited divisions minimizing overall cost of operations.

Rotation/Re-election of Directors
According to clause 52 of the Articles of Association of the Company, the Directors shall retire by rotation at the 6th Annual General Meeting. However, as per clause 53 they are eligible for re-election.

Appointment of Auditors and fix-up their remuneration
In the 6th Annual General Meeting of the company MJ ABEDIN & Co. Chartered Accountants were reappointed as the statutory auditors of the company up to the conclusion of the 7th Annual General Meeting.

Dividend
In order to strengthen the capital base of the Company and also to ensure sufficient liquidity for smooth operations, the Board of Directors of the company did not recommend any dividend for the year 2017.

Acknowledgement
The Board of Directors would like to express its gratitude and thanks to our valued shareholders, customers, bankers, regulators, DSE, CDBL, BSEC and other stakeholders for their continuous support and assistance. The Board has special thanks for the management and employees for their commitments and hard work about the company.

For and on behalf of the Board of Directors.



Chairman

AMAR STOCK

এম, জে, আবেদীন এন্ড কোং
চার্টার্ড একাউন্টেন্টস্
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109, Bir Uttam C.R. Datta Road,
Dhaka-1205, Bangladesh

INDEPENDENT AUDITORS' REPORT

To the Shareholders of IFIC Securities Limited

We have audited the accompanying financial statements of **IFIC Securities Limited** which comprises the statement of financial position as at 31 December 2017 and statement of Profit or Loss and Other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of these financial statements that are free from material misstatements, whether due to fraud and error.

Auditors' responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion the financial statements present fairly, in all material respects, the financial position of IFIC Bank Securities Limited as at 31 December 2017, and its profit or loss and other comprehensive income and its cash flows for the period in accordance with Bangladesh Financial Reporting Standards (BFRSs)

We also report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose our audit and made due verification thereof;

(b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;

(c) The company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account;

(d) The expenditure was incurred for the purpose of the company's business.

Dated: 10 April 2018
Place, Dhaka

M J Abedin & Co.
Chartered Accountants

Annexure-L

IFIC SECURITIES LIMITED

Statement of Financial Position

as at 31 December 2017

Amount in BDT

Particulars	Note	31 December 2017	31 December 2016
ASSETS			
Non-current assets			
Property, plant and equipments	4	4,856,741	5,153,949
Intangible assets	5	198,907	284,155
Investments membership value	6	74,989,000	74,989,000
		80,044,648	**80,427,104**
Current assets			
Margin loan to clients	7	4,031,904,359	4,140,646,772
Accounts receivable (DSE)		9,627,607	24,566,193
Dividend receivable		371,412	187,500
Advance, deposits and prepayments	8	207,745,781	165,200,697
Investment	9	11,493,525	106,053,559
Cash & cash equivalents	10	95,249,600	86,726,681
		4,356,392,284	**4,523,381,402**
Total assets		**4,436,436,932**	**4,603,808,506**
EQUITY AND LIABILITIES:			
Shareholder's equity			
Share capital	11.1	2,200,000,000	2,200,000,000
Retained earnings	12	245,389,855	205,642,127
		2,445,389,855	**2,405,642,127**
Non-current liabilities			
Deferred tax liabilities	13	120,768	203,573
		120,768	**203,573**
Current liabilities			
Provision for income tax	14	209,963,516	152,752,542
Clients payable	15	38,256,850	64,103,713
DSE payable		21,669	1,160,244
General provision	16	231,181,189	131,181,189
Bank loan	17	-	334,565,573
Other liabilities	18	1,511,503,085	1,514,199,544
		1,990,926,309	**2,197,962,806**
Total liabilities and shareholders' equity		**4,436,436,932**	**4,603,808,506**

The annexed notes from an integral part of these financial statements.

Chief Executive Officer (Current Charge)

Director

Director

Signed as per our annexed report of same date

M. J. Abedin & Co.
Chartered Accountants

Dated: Dhaka
10 April 2018

IFIC SECURITIES LIMITED

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2017

Amount in BDT

Particulars	Note	2017	2016
Income:			
Operating income	**19**	192,681,849	237,156,929
Non-operating income	**20**	51,629,867	10,744,235
		244,311,716	**247,901,164**
Expenses:			
Operating expenses	**21**	8,978,514	6,503,575
Office & administrative expenses	**22**	25,385,311	27,700,911
Financial expenses	**23**	13,071,995	157,421,514
		47,435,820	**191,626,000**
Profit/(loss) before provisions and tax		**196,875,896**	**56,275,164**
Less: Provision	**24**	100,000,000	35,550,220
Profit after provision		**96,875,896**	**20,724,944**
Less: Tax			
Deferred tax	**13**	(82,805)	286,657
Current tax	**14**	57,210,974	17,569,284
		57,128,169	**17,855,941**
Net profit after tax		**39,747,728**	**2,869,003**

The annexed notes from an integral part of these financial statements.

Chief Executive Officer (Current Charge) | **Director** | **Director**

Signed as per our annexed report of same date

Dated: Dhaka
10 April 2018

M. J. Abedin & Co.
Chartered Accountants

IFIC SECURITIES LIMITED

Statement of Cash Flows

for the year ended 31 December 2017

Amount in BDT

	Particulars	2017	2016
A)	**Cash flows from operating activities**		
	Brokerage commission receipts	72,335,013	52,220,552
	Interest on margin loan receipts	120,346,836	184,936,377
	Interest payments	(13,071,995)	(157,421,514)
	Dividend receipts	7,539,359	7,426,020
	Payments to employees	(14,598,942)	(14,922,613)
	Payments to suppliers	(9,033,077)	(13,694,846)
	Income taxes paid	(44,340,201)	(28,514,758)
	Receipts from other operating activities	43,906,595	3,294,439
	Payments for other operating activities	(8,978,514)	(6,727,071)
	Cash generated from operating activities before changes in operating assets and liabilities	**154,105,074**	**26,596,586**
	Increase / (decrease) in operating assets and liabilities		
	Margin loan to clients	108,742,371	(445,892,333)
	Other assets	16,733,750	17,282,942
	Other liabilities	(30,295,125)	428,069,680
		95,180,996	**(539,711)**
	Net cash flows/ (used in) from operating activities	**249,286,070**	**26,056,875**
B)	**Cash flows from investing activities**		
	Investment in shares	94,560,034	(91,720,809)
	Purchase of fixed assets	(757,612)	(615,636)
	Purchase of Intangible assets	-	-
	Net cash flows/ (used in) from investing activities	**93,802,422**	**(92,336,445)**
C)	**Cash flows from financing activities**		
	Net draw down/(payment) of short term loan	(334,565,573)	(1,253,458,562)
	Issue of Share	-	1,400,000,000
	Net Cash flows/ (used in) from financing activities	**(334,565,573)**	**146,541,438**
D)	Net increase in cash and cash equivalents (A+B+C)	8,522,919	80,261,868
E)	Effects of exchange rate changes on cash and cash equivalents	-	-
F)	Cash and cash equivalents at beginning of the year	86,726,681	6,464,813
G)	**Cash and cash equivalents at end of the year (D+E+F)**	**95,249,600**	**86,726,681**
	Cash and cash equivalents		
	Cash in hand	7,105	238,310
	Cash at bank	95,242,495	86,488,371
		95,249,600	**86,726,681**
	Net operating cash flow per share	**1.13**	**0.12**

The annexed notes from an integral part of these financial statements.

Chief Executive Officer (Current Charge) | **Director** | **Director**

Signed as per our annexed report of same date

M. J. Abedin & Co.
Chartered Accountants

Dated: Dhaka
10 April 2018

IFIC SECURITIES LIMITED

Statement of Change in Equity

for the year ended 31 December 2017

Amount in BDT

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as on 01.01.2017	2,200,000,000	205,642,127	2,405,642,127
Profit/(Loss) during the year	-	39,747,728	39,747,728
Balance as on December 31, 2017	**2,200,000,000**	**245,389,855**	**2,445,389,855**

Statement of Change in Equity

for the year ended 31 December 2016

Amount in BDT

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as on 01.01.2016	800,000,000	202,773,124	1,002,773,124
Issued 140,000,000 shares of Tk. 10 each	1,400,000,000	-	1,400,000,000
Profit/(Loss) during the year	-	2,869,003	2,869,003
Balance as on December 31, 2016	**2,200,000,000**	**205,642,127**	**2,405,642,127**

The annexed notes from an integral part of these financial statements.

Chief Executive Officer
(Current Charge)

Director

Director

Signed as per our annexed report of same date

Dated: Dhaka
10 April 2018

M. J. Abedin & Co.
Chartered Accountants

Significant Accounting Policies and other Material Information

1. Status of the reporting entity

1.1 Corporate history

IFIC Securities Limited was incorporated in Bangladesh and registered with Joint Stock Companies and Firms vide its registration number C-87904/10 on November 02, 2010 as a public limited company with an Authorized Capital of Tk. 3,000,000,000 divided into 300,000,000 ordinary shares of Tk.10 each. The registered office of the company is located at IFIC Tower, 61 Purana Paltan C/A, Dhaka.

1.2 Nature of business

The principal objectives of the company for which it was established are to carry on the business of stock brokers, dealers in relation to shares and securities dealing and other services as mentioned in the Memorandum and Articles of Association of the Company.

2 Basis of preparation

2.1 Statement of compliance

The financial statements of IFIC Securities Limited have been prepared in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994 and other applicable laws in Bangladesh.

2.2 Measurement bases used in preparing the financial statements

The elements of financial statements have been mostly measured on "Historical Cost" basis except the followings:

(i) Margin Loan to Client	Amortized Cost
(ii) Investment in Secondary Market	Lower of cost and fair value

2.3 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

2.4 Accounting convention and basis

These Financial Statements have been prepared under the Historical Cost Convention and Going Concern basis in accordance with applicable International Accounting Standards in Bangladesh which does not vary from the requirements of the Companies Act 1994, and other laws and rules applicable in Bangladesh.

2.5 Functional and presentational currency and level of precision

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.6 Reporting period

The financial period of the company covers from 1 January 2017 to 31 December 2017.

2.7 Components of the financial statements

According to the International Accounting Standard (IAS) 1 as adopted by ICAB as BAS 1: Presentation of Financial Statements, the complete set of financial statements includes the following components:

i) Statement of Financial Position
ii) Statement of Profit or Loss and Other Comprehensive Income
iii) Statement of Changes in Equity
iv) Statement of Cash Flows
v) Notes to the Financial Statements

3 Principal accounting policies

The accounting policies set out below have been applied in preparations of these financial statements

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Items of Property, Plant and Equipment (PPE) are initially measured at cost. After initial recognition, an item of PPE is carried at cost less accumulated depreciation and impairment losses in compliance with the requirements of BAS-16: Property, Plant and Equipment.

3.1.2 Disposal of fixed assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Statement of Comprehensive Income, which is determined with reference to the net book value of the assets and net sales proceeds.

3.1.3 Depreciation on fixed assets

Depreciation is recognized in the Comprehensive Income on a written down value basis over the estimated useful life of each property, plant and equipment in accordance with the provisions of BAS 16: Property, Plant and Equipment.

Rate of depreciation on Property, Plant and Equipment considering the useful life of assets are as follows:

Sl no	Particulars of assets	Rate
1	Furniture & Fixture	10.00%
2	Electric Goods	20.00%
3	Computer & Equipments	30.00%
4	Office Renovation	20.00%
5	Other Assets	40.00%

3.2 Accounts receivables

Accounts Receivables are consider good and realizable. No provision or allowance to be made during the year.

3.3 Advance, deposits and prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

3.4 Cash and cash equivalents

Cash and Cash equivalents include cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.5 Other current assets

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet.

3.6 Other corporate debt, accounts payable, trade and other liabilities

Liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier.

3.7 Income tax

The company has to pay income tax on its total turnover as tax deducted at source and provision has been made accordingly as per Income Tax Ordinance 1984 under section 53BBB.

3.8 Provisions

Provision is recognized on the balance sheet date if, as a result of past events, the company has a presents legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.9 Revenue recognition

Commission, interest, dividend etc. have been recognised as per BAS 18: *Revenue.*

3.10 Cash flow statement

Cash Flow Statement is prepared in accordance with BAS 7: *Statement of Cash Flows*.

3.11 Risk and uncertainties for the use of estimates in preparing financial statements

Preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

3.12 Comparative amounts

Certain comparative amounts have been re-classified & rearranged to confirm with the current year's presentation.

Amount in BDT

		Note	31 December 2017	31 December 2016
4	**Property, plant & equipment**			
	Furniture and fixture		2,071,005	2,260,606
	Electric goods		965,975	886,956
	Computer and equipments		682,459	793,468
	Office renovation		1,121,938	1,187,308
	Other assets		15,365	25,611
			4,856,741	**5,153,949**
	For details of fixed assets are shown in "**Annexure-A-1**".			
5	**Intangible asset**		**198,907**	**284,155**
	For details of fixed assets are shown in "**Annexure-A-2**".			
6	**Investments membership value**			
	Membership with DSE *		74,989,000	74,989,000
			74,989,000	**74,989,000**

* This represents our original Investment cost for DSE membership in exchange of which shares at a face value of Tk. 10 each have been allotted in favour of the Company in October 2013 for DSE. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares at face value of Tk. 10 each against the membership of DSE. Out of the above DSE transferred 2,886,042 shares directly to the credit of the Beneficiary Owner's account of the Company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act. 2013. As there is no active market for shares DSE, we have shown the value at original cost of our Investment.

7	**Margin loan to clients**			
	Opening Balance		4,140,646,772	3,694,754,939
	Add: Interest charge during the year		120,346,835	579,461,053
	Add: Margin loan provided during the year		364,075,172	408,496,272
	Less: Margin loan adjusted during the year		(593,164,420)	(542,065,492)
			4,031,904,359	**4,140,646,772**
8	**Advance deposit and prepayments**			
	Advance income tax		206,833,962	162,493,714
	Advance for nikunjo		850,000	850,000
	Advance bank guarantee commission		58,369	1,856,983
	Advance for land phone		3,450	-
			207,745,781	**165,200,697**

		Note	31 December 2017	31 December 2016
9	**Investment**			
	Nahee Aluminum Composite Panel Ltd.		57,060	-
	Bashundhara Paper Mills Ltd.		691,680	-
	Bangladesh Export Import Co. Ltd.		10,744,785	92,628,949
	Titas Gas Transmission & Dist. Co. Ltd		-	7,410,660
	Northern General Insurance Company Ltd.		-	3,706,950
	Eastland Insurance Co. Ltd.		-	2,307,000
			11,493,525	**106,053,559**
	Details of investment in shares are shown in "Annexure-B-1".			
10	**Cash and cash equivalents**			
	Cash in hand		**7,105**	**238,310**
	Cash at bank			
	IFIC Bank Limited Motijheel Br. A/C-365185-001		92,784,545	69,117,860
	IFIC Bank Limited Motijheel Br. A/C-354511-001		2,351,914	13,996,478
	IFIC Bank Limited Motijheel Br. SND		106,035	3,374,032
	Dhaka Bank Limited Foreign Ex. Br. A/C-2031.10.11050		1	1
			95,242,495	**86,488,371**
			95,249,600	**86,726,681**
11	**Share capital**			
	Authorized capital			
	30,00,00,000 ordinary shares of Tk 10 each		**3,000,000,000**	**3,000,000,000**
11.1	**Issued, subscribed & paid-up capital**			
	220,000,000 ordinary share of Tk 10 each		**2,200,000,000**	**2,200,000,000**

11.2 Shareholding position

Shareholder	No. of shares		Face value	Amount in BDT	
	Y 2017	Y 2016		Y 2017	Y 2016
IFIC Bank Limited	219,999,400	219,999,400	10	2,199,994,000	2,199,994,000
Mr. M Shah Alam Sarwar	100	100	10	1,000	1,000
Mr. S. M. Abdul Hamid	-	100	10	-	1,000
Mr. Md. Nurul Hasnat	100	-	10	1,000	-
Mr. M. M. Haikal Hashmi	100	100	10	1,000	1,000
Mr. Shah Md. Moinuddin	100	100	10	1,000	1,000
Mr. Fariduddin Al Mahmud	-	100	10	-	1,000
Mr. Syed Mansur Mustafa	100	-	10	1,000	-
Mr. Ashim Chowdhury	100	100	10	1,000	1,000
	220,000,000	**220,000,000**		**2,200,000,000**	**2,200,000,000**

12	**Retained earnings**		
	Opening balance	205,642,127	202,773,124
	Add: Profit during the year	39,747,728	2,869,003
		245,389,855	**205,642,127**

		Note	31 December 2017	31 December 2016
13	**Deferred tax**			
	Deferred tax on tangible assets			
	Tax written down value		4,710,602	4,856,467
	Accounting written down value		5,055,652	5,438,104
	Temporary difference on written down value		**345,050**	**581,637**
	Closing deferred tax (assets)/liabilities		120,768	203,573
	Opening deferred tax (assets)/liabilities		203,573	(83,084)
	Deferred tax (income)/expenses		**(82,805)**	**286,657**
14	**Provision for income tax**			
	Opening balance		152,752,542	135,183,258
	Add: Provision for the year		57,210,974	17,569,284
			209,963,516	**152,752,542**
15	**Clients payable**			
	IFIC Bank Limited		660	6,269,312
	Others client		38,256,190	57,834,401
			38,256,850	**64,103,713**
16	**General provision**			
	Investment		6,884,350	6,884,350
	Margin	16.1	224,296,839	124,296,839
			231,181,189	**131,181,189**
16.1	**Margin loan**			
	Opening balance		124,296,839	88,746,619
	Add: Provision made during the year		100,000,000	35,550,220
			224,296,839	**124,296,839**
17	**Bank loan**			
	Dhaka Bank Limited, foreign ex. branch		-	147,688,406
	Prime Bank Limited, SBC tower branch		-	186,877,167
			-	**334,565,573**
18	**Other liabilities**			
	Sundry payable	18.1	106,182	179,604
	Liabilities for expenses	18.2	1,883,689	1,270,461
	Unrealized interest income	18.3	1,509,512,218	1,509,512,218
	IPO application		-	815,000
	Client dividend		996	2,422,261
			1,511,503,085	**1,514,199,544**
18.1	**Sundry payable**			
	VAT payables		58,672	87,773
	Tax payable		47,510	91,831
			106,182	**179,604**

		Note	31 December 2017	31 December 2016
18.2	**Liabilities for expenses**			
	Mobile/ telephone allowance		2,874	2,875
	Electricity		44,318	95,850
	CDBL		303,957	268,074
	Audit & professional fees		225,000	215,000
	Printing & stationery		19,500	19,500
	Insurance		8,846	8,846
	Incentive bonus		1,279,194	660,316
			1,883,689	**1,270,461**
18.3	**Unrealized interest income**			
	Opening balance		1,509,512,218	1,114,987,042
	Add: During the year		-	394,525,176
			1,509,512,218	**1,509,512,218**

Amount in BDT

		Note	2017	2016
19	**Operating income**			
	Brokerage commission		72,335,013	52,220,552
	Interest on margin loan		120,346,836	184,936,377
			192,681,849	**237,156,929**
20	**Non-operating income:**			
	Documentation charge		9,000	-
	Account opening fee		34,000	32,500
	Miscellaneous	19.01	1,646,661	1,536,449
	IPO income		10,330	14,530
	Interest on bank deposit		55,003	28,370
	Dividend income		7,731,286	7,449,796
	Capital gain (realized)		42,143,587	1,682,590
			51,629,867	**10,744,235**
21	**Operating expenses**			
	Laga		5,028,514	3,453,575
	CDBL		3,950,000	3,050,000
			8,978,514	**6,503,575**
22	**Office & administrative expenses**			
	Salary and allowances	22.1	14,598,941	14,922,613
	Director's remuneration		149,500	143,750
	Entertainment		403,299	293,908
	Conveyance		96,862	43,939
	Printing stationery		223,037	177,338
	DSE subscription		39,505	41,177
	Office rent		5,590,920	8,156,030
	Electricity		648,552	198,440
	Regulatory		177,228	553,229
	Repair and maintenance		251,807	102,771
	Audit fee		338,000	275,000
	Legal and professional fee		615,004	465,393

		Note	2017	2016
	IPO bidding		13,000	-
	WASA		52,000	33,000
	Newspaper		10,672	12,890
	Cleaner's bill		47,825	26,800
	Water		-	44,395
	Software maintenance		225,525	219,450
	Connectivity		444,820	509,650
	Depreciation		1,054,817	1,126,876
	Amortization		85,247	121,781
	Telephone bill		51,195	-
	Cookeries		11,710	3,360
	Security guard		202,860	202,860
	Gas & fuel		3,600	2,000
	Water bill		28,080	-
	Postage & courier		7,885	2,566
	Beautification exp.		-	13,500
	Washing expenses		13,420	8,195
			25,385,311	**27,700,911**
22.1	**Salary and allowances**			
	Salary & benefit		10,280,476	11,542,044
	Car maintenance		250,008	294,452
	Fuel allowance		279,834	421,040
	Utility		121,500	294,000
	Office attendant allowance		7,008	9,670
	Car insurance		16,402	16,389
	Bonus		1,204,940	1,172,018
	Leave fare assistance		789,929	886,800
	Incentive bonus		1,279,194	-
	Other salary benefit		168,000	
	Casual worker wages		110,850	109,800
	Telephone and mobile bill		90,800	176,400
			14,598,941	**14,922,613**
23	**Financial expenses**			
	Bank charges		196,057	104,087
	Bank guarantee charge		2,498,614	2,588,400
	Interest on bank loan		10,377,324	154,729,027
			13,071,995	**157,421,514**
24	**Provisions**			
	Provision for investment		-	-
	Provision for margin loan to clients		100,000,000	35,550,220
			100,000,000	**35,550,220**
25	**Contingent liabilities**			
	Bank guarantee for DSE member margin		100,000,000	100,000,000
			100,000,000	**100,000,000**

Annexure-A -1

IFIC SECURITIES LIMITED

Schedule of Fixed Assets

as at 31 December 2017

Amount in BDT

Particulars	Cost			Rates	Depreciation			Written Down Value
	Opening balance	Addition during the year	Closing Balances		Opening Balance	Charged during the year	Closing Balance	
Furniture and fixture	4,245,462	40,511	4,285,973	10%	1,984,856	230,112	2,214,968	2,071,005
Electric equipment	3,142,031	320,513	3,462,544	20%	2,255,075	241,494	2,496,569	965,975
Computer and equipments	4,202,386	181,474	4,383,860	30%	3,408,919	292,482	3,701,401	682,459
Office renovation	2,608,695	215,114	2,823,809	20%	1,421,387	280,484	1,701,871	1,121,938
Other assets	336,183	-	336,183	40%	310,572	10,246	320,818	15,365
Total	**14,534,757**	**757,612**	**15,292,369**		**9,380,809**	**1,054,819**	**10,435,628**	**4,856,741**

Annexure-A -2

Schedule of Intangible Assets

Amount in BDT

Particulars	Cost			Rates	Amortization			Written Down Value
	Opening balance	Addition during the year	Closing Balances		Opening Balance	Charged during the year	Closing Balance	
Windows license	108,090	-	108,090	30%	80,969	8,136	89,105	18,985
Sign up DSE	87,000	-	87,000	30%	71,721	4,584	76,305	10,695
Software development	698,600	-	698,600	30%	464,748	70,156	534,904	163,696
Escan entry virus	45,000	-	45,000	30%	37,097	2,373	39,470	5,531
Total	**938,690**	**-**	**938,690**		**654,535**	**85,249**	**739,783**	**198,907**

Annexure: B-1

IFIC SECURITIES LIMITED

Statement of Investment in Shares

as at 31 December 2017

Amount in BDT

SL. No.	Name of the company	Opening Balance			Bonus	Buy during the year			Sale during the year			Closing Balance			Market units cost on 28.12.2017	Market value	Provision
		No. of shares	Unit cost	Total cost		No. of shares	Unit cost	Total cost	No. of shares	Unit cost	Total cost	No. of shares	Unit cost	Total cost			
1	Titas Gas Transmission & Dist. Co. Ltd	93,750	79.05	7,410,660	-	-	-	-	93,750	79.05	7,410,660	-	-	-	-	-	-
2	Northern General Insurance Co. Ltd.	91,069	40.70	3,706,950	9,106	-	-	-	100,175	37.00	3,706,950	-	-	-	-	-	-
3	Bangladesh Export Import Co. Ltd.	4,310,338	21.49	92,628,949	25,000	-	-	-	3,810,338	21.49	81,884,163	525,000	20.47	10,744,785	27.00	14,175,000	3,430,215
4	Eastland Insurance Co. Ltd.	51,909	44.44	2,307,000	2,595				54,504	42.33	2,307,000	-	-	-	-	-	-
5	Pacific Denims Ltd.	-	-	-	-	10,243	10.00	102,430	10,243	10.00	102,430	-	-	-		-	-
6	Shepherd Industries Ltd.	-	-	-		14,136	10.00	141,360	14,136	10.00	141,360	-	-	-		-	-
7	The ACME Laboratories Ltd.	-	-	-		5,000	114.00	570,000	5,000	114.00	570,000	-		-		-	-
8	Nahee Aluminum Composite Panel Ltd.	-	-	-	1,141	11,412	10.00	114,120	5,706	10.00	57,060	6,847	8.33	57,060	73.40	502,570	445,510
9	Bashundhara Paper Mills Ltd.	-	-	-	-	8,646	80.00	691,680	-		-	8,646	80.00	691,680	80.00	691,680	-
10	BBS Cables Limited	-	-	-	692	18,470	10.00	184,700	19,162	9.64	184,700	-	-	-	-	-	-
	Total	**4,547,066**		**106,053,559**	**38,534**	**67,907**		**1,804,290**	**4,113,014**		**96,364,323**	**540,493**		**11,493,525**		**15,369,250**	**3,875,725**

Annexure: C-1

IFIC SECURITIES LIMITED

Required provision for Margin Loan to Client

as at and for the year ended 31 December 2017

Amount in BDT

Asset Value	Margin Loan	Negative Equity	Suspense amount	Base for provision	Required provision	Opening Balance	Provision Made
1,414,704,692	3,172,130,557	1,757,425,865	1,509,512,218	247,913,648	123,616,809	124,296,839	100,000,000

ALMASTOCK

Annexure: D-1

IFIC SECURITIES LIMITED

Statement on Related Party Disclosure

as at 31 December 2017

Amount in BDT

Particulars	31 December 2017	31 December 2016
A. Loan from IFIC Bank		
Opening balance	**-**	**1,295,383,172**
Debit:		
Loan repayment	-	1,401,641,898
Credit:		
New loan during the year	-	69,500,000
Interest charge during the year	-	36,758,665
Other charges & duties	-	60
Closing balance	**-**	**-**
B. Capital investment from IFIC Bank		
Opening balance	**2,199,994,000**	**799,994,000**
Credit:		
New share issue made during the year	-	1,400,000,000
Closing balance	**2,199,994,000**	**2,199,994,000**
C. Current & SND Account		
Opening balance	**86,488,370**	**6,434,716**
Debit:		
Deposit made during the year	3,964,464,542	3,266,366,212
Interest received	55,003	28,370
Credit:		
Deposit withdrawn during the period	3,954,911,733	3,186,202,162
Charges & duty deducted	853,688	138,766
Closing balance	**95,242,494**	**86,488,370**
D. BO Account Balance of IFIC Bank		
Opening balance	**6,269,312**	**1,438,193**
Debit:		
Paid to IFIC Bank	1,653,403,000	467,600,000
Credit:		
Share sale proceed	1,647,134,348	472,431,119
Closing balance	**660**	**6,269,312**

AMAR STOCK

IFIC MONEY TRANSFER (UK) LIMITED

Report of the Directors

for the Year Ended 31 December 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of money service business including international money transfers.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Jalal Ahmed
Mohammad Shah Alam Sarwar
Anwaruzzaman Chowdhury
Monirul Islam
AKM Nazmus Sakib
Ms Quamrun Naher Ahmed

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Ahmed & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



Jalal Ahmed - Chairman
10 May 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

IFIC Money Transfer (UK) Limited

Opinion

We have audited the financial statements of IFIC MONEY TRANSFER (UK) LIMITED (the 'company') for the year ended 31 December 2017 on pages five to nine. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities , in the circumstances set out in note nine to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

IFIC Money Transfer (UK) Limited

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.



Tofail Ahmed (Senior Statutory Auditor)
for and on behalf of Ahmed & Co
Ferrari House (2nd Floor)
102 College Road
Harrow
Middlesex
HA1 1ES

10 May 2018

Annexure-M

IFIC MONEY TRANSFER (UK) LIMITED

Income Statement

for the year ended 31 December 2017

Particulars	Note	31 December 2017		31 December 2016	
		GBP	BDT	GBP	BDT
Turnover		**213,668**	**22,338,849**	**257,758**	**27,186,690**
Administrative expenses		272,090	28,446,830	325,898	34,373,668
Operating Loss and Loss Before Taxation	**4**	**(58,422)**	**(6,107,982)**	**(68,140)**	**(7,186,978)**
Tax on (loss)/profit		-	-	-	-
Loss for the financial year		**(58,422)**	**(6,107,982)**	**(68,140)**	**(7,186,978)**

IFIC MONEY TRANSFER (UK) LIMITED

Balance Sheet

31 December 2017

Particulars	Note	31 December 2017		31 December 2016	
		GBP	BDT	GBP	BDT
Fixed Assets					
Intangible assets	**5**	13,500	1,495,708	-	-
Tangible assets	**6**	39,738	4,402,700	56,275	5,414,854
		53,238	**5,898,408**	**56,275**	**5,414,854**
Current Assets					
Debtors	**7**	5,750	637,061	5,750	553,272
Cash in hand		79,191	8,773,824	124,992	12,026,893
		84,941	**9,410,885**	**130,742**	**12,580,165**
Creditors					
Amounts falling due within one year	**8**	78,141	8,657,491	68,557	6,596,644
Net Current Assets		**6,800**	**753,394**	**62,185**	**5,983,522**
Total Assets Less Current Liabilities		**60,038**	**6,651,802**	**118,460**	**11,398,375**
Capital And Reserves					
Called up share capital		300,000	33,237,960	300,000	28,866,390
Translation reserve			1,747,560		4,757,721
Retained earnings		(239,962)	(28,333,718)	(181,540)	(22,225,736)
Shareholders' Funds		**60,038**	**6,651,802**	**118,460**	**11,398,375**

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 10 May 2018 and were signed on its behalf by:

Jalal Ahmed
Chairman

IFIC MONEY TRANSFER (UK) LIMITED

Notes to the Financial Statements

for the Year Ended 31 December 2017

1 Statutory Information

FIC MONEY TRANSFER (UK) LIMITED is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2 Accounting Policies

Basis of preparing the financial statements
These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.
Computer software is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	-	10% on cost
Plant and machinery	-	15% on cost
Computer equipment	-	33% on cost

3 Employees And Directors

The average monthly number of employees during the year was 4 (2016 - 6).

4 Operating Loss

The operating loss is stated after charging:

Particulars	2017		2016	
	GBP	BDT	GBP	BDT
Depreciation - owned assets	16,537	1,728,932	17,040	1,797,272
Computer software amortisation	1,500	156,824	-	-

5 Intangible Fixed Assets

Particulars	Computer software	
	GBP	BDT
Cost		
At 1 January 2017	-	-
Additions	15,000	1,661,898
At 31 December 2017	**15,000**	**1,661,898**
Depreciation		
At 1 January 2017	-	-
Charge for year	1,500	166,190
At 31 December 2017	**1,500**	**166,190**
Net Book Value		
At 31 December 2017	**13,500**	**1,495,708**

6 Tangible Fixed Assets

	Short leasehold		Plant and machinery		Computer equipment		Total	
	GBP	BDT	GBP	BDT	GBP	BDT	GBP	BDT
Cost								
At 1 January 2017	75,006	7,217,175	60,228	5,795,216	4,051	389,792	139,285	13,402,184
Additions	-		-		-		-	-
At 31 December 2017	**75,006**	**7,217,175**	**60,228**	**5,795,216**	**4,051**	**389,792**	**139,285**	**13,402,184**
Depreciation								
At 1 January 2017	36,250	3,488,022	42,709	4,109,516	4,051	389,792	83,010	7,987,330
Charge for year	7,501	831,060	9,036	1,001,127	-	-	16,537	1,832,187
At 31 December 2017	**43,751**	**4,319,082**	**51,745**	**5,110,643**	**4,051**	**389,792**	**99,547**	**9,819,517**
Net Book Value								
At 31 December 2017	**31,255**	**2,898,093**	**8,483**	**684,574**	**-**	**-**	**39,738**	**3,582,667**
At 31 December 2016	**38,756**	**3,729,153**	**17,519**	**1,685,701**	**-**	**-**	**56,275**	**5,414,854**

Particulars	2017		2016	
	GBP	BDT	GBP	BDT

7 Debtors: Amounts Falling Due Within One Year

Other debtors	5,750	637,061	5,750	553,272

8 Creditors: Amounts Falling Due Within One Year

Trade creditors	66,286	7,344,038	61,335	5,901,733
Taxation and social security	3,785	419,352	1,822	175,315
Other creditors	8,070	894,101	5,400	519,595
	78,141	**8,657,491**	**68,557**	**6,596,644**

9 APB Ethical Standard - Provisions Available for Small Entities

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

10 Ultimate Controlling Party

The company is fully owned and controlled by IFIC Bank Limited, a company incorporated in Bangladesh.

IFIC MONEY TRANSFER (UK) LIMITED

Profit and Loss Account

for the Year Ended 31 December 2017

Particulars	2017		2016	
	GBP	BDT	GBP	BDT
Commission receivable	**213,668**	**22,338,849**	**257,758**	**27,186,690**
Establishment costs				
Rent	58,675	6,134,433	42,000	4,429,895
Rates and water	19,979	2,088,791	18,805	1,983,433
Insurance	1,440	150,551	771	81,320
Light and heat	1,757	183,693	1,563	164,855
	81,851	**8,557,468**	**63,139**	**6,659,504**
	131,817	**13,781,381**	**194,619**	**20,527,186**
Administrative expenses				
Wages	79,055	8,265,148	77,140	8,136,241
Social security	6,331	661,902	3,639	383,819
Telephone	1,661	173,656	1,629	171,817
Printing, postage & stationery	817	85,417	1,767	186,372
Motor and travelling	1,853	193,730	826	87,121
Subscription	35	3,659	-	-
IT costs	4,805	502,360	8,994	948,630
Repairs and renewals	2,057	215,058	2,450	258,411
Cleaning	816	85,312	517	54,530
Sundry expenses	1,831	191,430	1,369	144,393
Legal fees	4,250	444,335	190	20,040
Compliance costs	9,020	943,035	18,487	1,949,892
Other professional fees	-	-	8,800	928,169
Auditors' remuneration	2,400	250,918	3,600	379,705
Auditors' remuneration for non audit work	4,800	501,837	4,800	506,274
	119,731	**12,517,797**	**134,208**	**14,155,414**
	12,086	**1,263,583**	**60,411**	**6,371,772**
Selling and marketing costs				
Advertising	110	11,500	9,734	1,026,681
Promotions and exhibitions	510	53,320	2,611	275,392
	620	**64,821**	**12,345**	**1,302,073**
	11,466	**1,198,763**	**48,066**	**5,069,699**
Finance costs				
Bank charges	50,575	5,287,583	96,655	10,194,560
Credit card	1,276	133,405	2,511	264,844
	51,851	**5,420,988**	**99,166**	**10,459,405**
	(40,385)	**(4,222,225)**	**(51,100)**	**(5,389,706)**
Depreciation				
Computer software	1,500	156,824	-	-
Short leasehold	7,501	784,225	7,500	791,053
Plant and machinery	9,036	944,708	8,998	949,052
Computer equipment	-	-	542	57,167
	18,037	**1,885,756**	**17,040**	**1,797,272**
Net (Loss)/Profit	**(58,422)**	**(6,107,982)**	**(68,140)**	**(7,186,978)**

This page does not form part of the statutory financial statements



IMPORTANT EVENTS



IFIC Bank celebrated its 41st anniversary on 08 October 2017.



IFIC Bank organized an Art Festival for the Children of its employees.







IFIC Bank organized a condolence meeting for the sad demise of Mr. A.K.M. Mozharul Haque, former Company Secretary of the bank.

IFIC Bank organized the branch managers' conference titled "Leaders Meeting 2017" at IFIC Tower on 01 August 2017.





IFIC Bank organized a programme at IFIC Tower to celebrate the International Women's Day.

IFIC Bank organized the Hemanta Sandhya for its officials at IFIC Tower.







IFIC Bank organized a Pitha Utsab for its corporate clients and well-wishers at Gulshan Branch premises. Among others, Late Mayor of Dhaka North City Corporation Mr. Annisul Haque attended the programme.



IFIC Bank organized a programme for welcoming the parents of newly-born children.



IFIC Bank relocated its Malibagh Branch at 1, Malibagh Chowdhury Para, D.I.T. Road, Ward No. 23, Dhaka on 05 November 2017.

IFIC Bank relocated its Basundhara Branch at House- 160, Road - 08, Block - F, Bashundhara Residential Area, Dhaka on 10 December 2017.



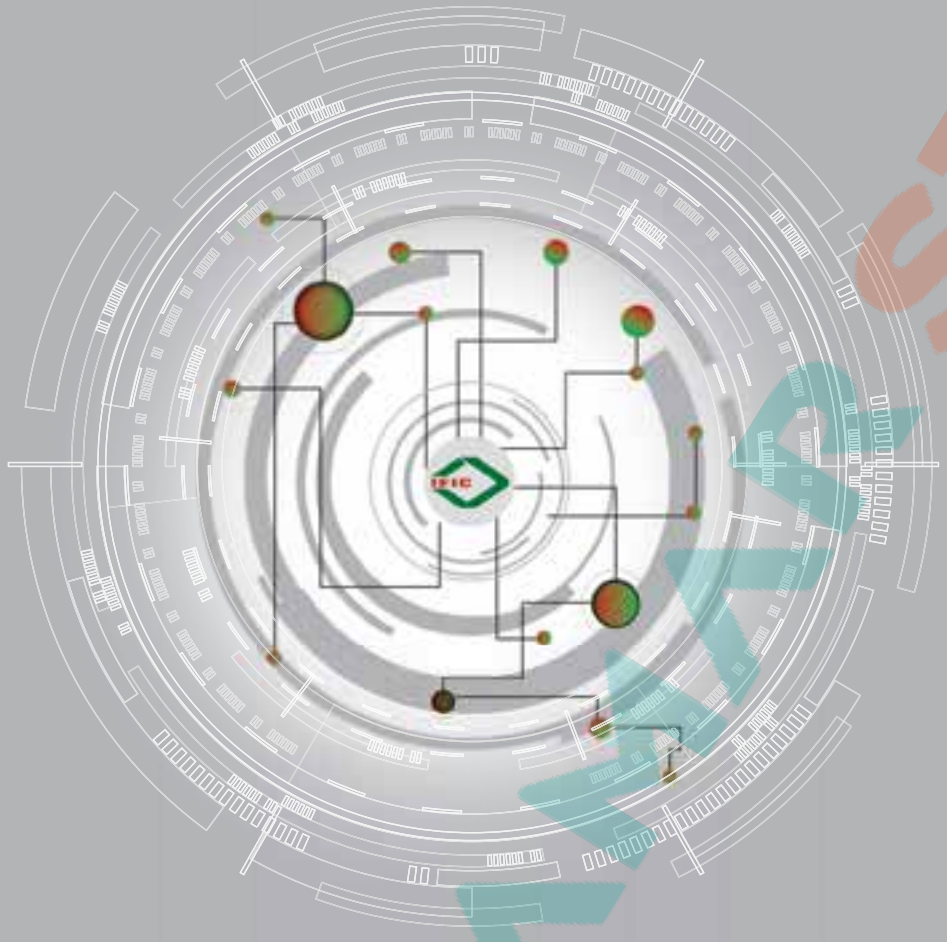


IFIC Bank relocated its Gulshan-Tejgaon Link Road Branch at "Impetus Center", Plot No. 242/B Gulshan Tejgaon Link Road Tejgaon, Dhaka on 14 December 2017.





IFIC Bank Limited rewarded the children of its officials for their outstanding achievements in S.S.C. or 'O' Level and H.S.C. or 'A' Level examinations. Managing Director & CEO of IFIC Bank Mr. Shah Alam Sarwar handed over cash rewards and certificates to them.



BRANCH NETWORK

Branch Network of IFIC Bank Limited

Sl. No.	Name of Branch	Address	Telephone Number
		DHAKA DIVISION	
1	**Principal Branch**	IFIC TOWER, Level-2 61, Purana Paltan, Dhaka	Tel: 9557037 Mobile: 01787668283, 01678010050
2	**Federation Branch**	FBCCI Building 60, Motijheel C/A. Dhaka-1000	Tel: 9561141-3, 9552176, 9586485, 9552175, 9586484 Mobile: 01713080218, 01678010051 Fax: 880-2-9567488
3	**Moulvibazar Branch**	6/1, Mokim Katra Road, Lalbagh, Dhaka	Tel: 7316891, 7316097,7316421 Fax: 7315934 Mobile: 01713038736, 01678010052
4	**Dhanmondi Branch**	Royal Plaza (Ground & 1st floor), House # 8A, Road # 4, Mirpur Road, Dhanmondi, Dhaka-1205	Tel: 8628381, 8628379, 9660320, 9660336 Mobile: 01713229815, 01678010053 Fax: 880-2-9615861
5	**Shantinagar Branch**	24 Shantinagar Chamelibag, Dhaka	Tel: 8317839, 8318728, 9356094 Mobile: 01713-229827, 01678010054 Fax: 9353759
6	**Gulshan Branch**	Holding No.109, Gulshan Avenue, Ward No.19 P.S.-Gulshan Dhaka-1212	Tel: 8814912, 9884045, 8828187, 9896056 Mobile: 01713-041420, 01678010056 Fax: 880-2-8826682
7	**Islampur Branch**	Paradise Complex, 104 Islampur Road, Dhaka	Tel: 57391607, 57391369 Fax: 57391240 Mobile: 01713-229829, 01678010057
8	**Bangshal Branch**	29/1, Nazira Bazar Lane North South Road, Dhaka	Tel: 9563679, 9566407, 7118521 Mobile: 01713229830, 01678010058 Fax: 9580438
9	**Elephant Road Branch**	73/1, Elephant Road (1st & 2nd Floor), Dhaka	PABX: 9676151-2, 9672119 Mobile: 01711-431981, 01678010059 Fax: 8613361
10	**Naya Paltan Branch**	Orchard Faruque Tower 72, Naya Paltan (2nd Floor), Dhaka	Tel: 58312762, 58313716, 9348603 9334684, 9334669 Mobile: 01713229831, 01678010060 Fax: 8317263
11	**Kawran Bazar Branch**	3, Kawran Bazar Petro Centre Building, Dhaka	Tel: 8189991, 8189992, 8189745 Mobile: 01713229832, 01678010061 Fax: 8189990
12	**Malibagh Branch**	1, Malibagh Chowdhurypara, DIT Road, Dhaka-1219	Tel: 9343796, 9356431 Mobile: 01713011054, 01678010062 Fax: 9362737
13	**Uttara Branch**	ABC Heritage (1st floor) 02 & 04, Jasimuddin Avenue Sector – 03, Urrata, Dhaka-1230	Tel: 58957883, 58956266 Mobile: 01755620824, 01678010063 Fax: 8950224
14	**Lalmatia Branch**	House # 405E, Road No.16(New), 27(Old), Dhanmondi R/A, Dhaka.	Tel: 9103830, 9128746, Mobile: 01720034790, 01678010064 Fax: 8150801
15	**Pallabi Branch**	Kashem Chamber (1st & 2nd floor), Plot # 11 Main Road # 3, Section # 7 Pallabi, Mirpur, Dhaka	Tel: 9016441, 8061258 Mobile: 01713035111, 01678010065 Fax: 9001276
16	**North Brook Hall Rd. Branch**	58-60, North Brook Hall Road, Sutrapur, (1st floor) Dhaka-1100	Tel: 958113, 9580749 Mobile: 01713011719, 01678010067 Fax: 9580748
17	**Nawabpur Road Branch**	Barek Plaza 63, Nawabpur Road P.S. Sutrapur, Dhaka	Tel: 9561036, 9561094 Mobile: 01713064289, 01713229826, 01678010068 Fax: 7125268

Sl. No.	Name of Branch	Address	Telephone Number
18	**Narayanganj Branch**	66/1, Bangabandhu Road, Narayanganj	Tel: 7645000-3, 7633206 Mobile: 0173229808, 01678010071 Fax: 7633485
19	**Netaiganj Branch**	28, R.K. Das Road Netaigonj, Narayanganj	Tel: 7632464, 7632943 Fax: 7632943 Mob: 01713229834, 01678010072
20	**Konabari Branch**	Konabari Plaza Konabari Neelnagar Gazipur Sadar, Gazipur	Tel: 9297133 Mobile: 01711-436078, 01678010074 Fax: 9298727
21	**Muktarpur Branch**	Muktarpur P. O. Panchasar Dist. Munsiganj	Tel: 7611390 Fax: 0691-62390 Mobile: 01713229835, 01678010075
22	**Narsingdi Branch**	Nayan Tara Plaza (1st floor) 137/1, C & B Road, Narsingdi. Sadar, Narsingdi	Tel: 9462617, 9462761 Mobile: 01713229836, 01678010076 Fax: 9462985
23	**Ghorasal Branch**	Ghorasal Bazar, P.O. Ghorasal, P.S. + Upazila. Palash Dist. Narsingdi	Tel : 9466301, 9466330® Mobile: 01713229837, 01678010078 Fax: 9466301
24	**Madhabdi Branch**	Mitali Building (1st Floor) 35, Madhabdi Bazar, Dist. Narsingdi	Tel : 029446498, Mob: 01711436624, 01678010079 Fax: 029446498
25	**Bajitpur Branch**	215, Bajitpur Bazar P.O. Bajitpur Dist. Kishoreganj	Tel : 09423-64014 Mobile: 01713229839, 01678010080 Fax: 09423-64329
26	**Faridpur Branch**	Oriental Property (1st Floor) 118, Thana Road, Faridpur	Tel : (0631) 62101, 64051 Fax: 063164051 Mobile: 01711434947, 01678010082
27	**Takerhat Branch**	Sufi Janab Ali Road (Lasker Market) P.O. Khalia, P.S. Rajoir, Dist. Madaripur	Tel: 06623-56248 Mobile: 01713-010614, 01678010083 Fax:
28	**Ashulia Branch**	"Rifat Square Plaza" Jamgora, Ashulia, Dhaka	Tel: 7788411 Mobile: 01713423767, 01678010069 Fax: 7788412
29	**Rupganj Branch**	"Manik Villa" Tarabo Bazar, Rupganj, Narayanganj	Mobile: 01714166955, 01678010073
30	**Banani Branch**	"Glowing Stone" House No. 54, Road No. 11 Block-C, Banani, Dhaka	Tel: 9821757, 8836486, 8836091 Mobile: 01730019781, 01678010070, Fax: 9821756
31	**Keranigonj Branch**	"Bikrampur Plaza" (1st floor), Shahid Delwar Hossain Road, East Aganagar, Keranigonj, Dhaka	Tel: 7762738, 7762737 Mobile: 01730019788, 01678018354 Fax: 7762736
32	**Shariatpur Branch**	469, Tulasar Sadar Road, Shariatpur Sadar, Shariatpur	Tel: 0601-61496 Mobile: 01730332032, 01678018357 Fax: 0601-61497
33	**Mohakhali Branch**	"Siddique Tower" Holding No.49, A.K. Khandaker Sarak, Ward No.20, P.S.-Gulshan, Dhaka	Tel: 9899503, 9899507, Mobile: 01730332033, 01678018356 Fax: 9899503
34	**Dania Branch**	"Al-Madina Shopping Complex" (1st floor), Gobindapur Bazar, Dania, Jatrabari, Dhaka	Tel: 7546218, 7546268 Mobile: 01730332034, 01678018352 Fax: 7546218
35	**Chandra SME/Krishi Branch**	"Subarna Ibrahim General Hospital" (Ground floor), Nayarhat Chandra Sarak, Village – Bhataria (Chandra) P.S. Kaliakoir, P.O. – Boroipara, Ward No.8, Union Parisad – Atabahar, Dist. – Gazipur	Tel: 06822-52058, 06822-52059 Mobile: 01755620822. Fax: 06822-52058

Sl. No.	Name of Branch	Address	Telephone Number
36	**Tongi SME/Krishi Branch**	29, Tongi Bazar Road, Tongi Gazipur	Tel: 9816354 Mobile: 01730332035
37	**Tanbazar Branch**	"Amin Market" (1st floor) 7, S.M. Maleh Road, Narayangonj	Tel: 7630891, 7630892 Fax: 7630892 Mob: 01730003591, 01678018360
38	**Stock Exchange Branch**	16, Motijheel C/A, Dhaka.	Tel: 9515791-3 Fax: 9515794 Mobile: 01787668294, 01678018361
39	**Savar Bazar Branch**	Savar Bazar, Savar, Dhaka	Tel: 7744809 Fax: 7744808 Mobile: 01730003599, 01678018363
40	**Panchaboti Branch**	"Gafur Super Complex" Panchaboti, Hariharpara, Enayetnagar, Fatullah, Narayangonj.	Tel: 7670032, 7670033 Fax: 7670032 Mobile: 01730330896, 01678018362
41	**Progoti Sarani Branch**	2nd Level of AJ Height's Building, Cha-72/1/D, Progoti Sarani, Uttar Badda, Dhaka-1212.	Tel: 8835408, 8822742 Fax: 8822743 Mobile: 01755629823, 01678018364
42	**Nawabgonj SME/Krishi Branch**	Nawabgonj Adhunik Banijjik Biponi (1st floor) Union Parisad – Kolakopa, P.S./Upa-zilla – Nawabgonj, Dist.- Dhaka	Tel: 7765230 Fax: 7765229 Mobile: 01730338570
43	**Dholaikhal Branch**	Al-Noor Steel Market, 25, Goalghat Lane, Dholaikhal New Road, Dhaka	Tel: 9556004, 9515043 Mob: 01730318278
44	**Board Bazar Branch**	(1st floor), Kalmeshwar, Ward No.35. Upazilla – Gazipur Sadar, P.S. Gazipur Sadar, Dist. – Gazipur.	Tel: 9293274, Fax: 9293276, Mob: 01730709793,
45	**Tangail Branch**	"Laso Plaza" (1st floor) Khalpar Road, Tangail, P.S.- Tangail Sadar, Pouroshova – Tangail, Municipal Holding No.59, Ward No.13, Dist. – Tangail	Tel: 0921-51435 Fax: 0921-51434 Mob: 01730709792
46	**Dhamrai SME/Krishi Branch**	"Haji Monir Plaza" (1st floor) Dhamrai Bazar, Dhamrai, P.S. & Pouroshova – Dhamrai, Ward No. 3, Holding No.24, Dist. – Dhaka	Tel: 7730935, 7730936 Fax: 7730935 Mob: 01730709797, 01678018369
47	**Mirpur Branch**	"Azaz Tower" Holding No.145, Begum Rokeya Sarani, Ward No.14, P.S. – Mirpur, Dist. – Dhaka	Tel: 8031790 Mob: 01713109105 01678018355
48	**Bashundhara Branch**	Plot No.160, Block-F, Road No.8, Bashundhara R/A, Bhatara, Dhaka	Tel: 8417767 Fax : 8417766 Mob: 01755543548, 01678010046
49	**Mohammadpur Branch**	"Ring Tower" (1st floor) (Flat Type B-1 North side & A-1 South side), Mohammadpur Housing Estate, Block-F, Plot No.16/B, Probal Housing, Ward No.43, Ring Road, Dhaka-1207	TeL: 9104472, 9104473 Fax: 9104473 Mob: 01755543540
50	**Gulshan-Tejgaon Link Road Branch**	"Impetus Center" 242/B, Gulshan-Tejgaon Link Road, Tejgaon, Dhaka.	Tel: 9853290, 9853291, 9854464 Fax: 9854465 Mob: 01755620821
51	**Manikgonj Branch**	"Rudronil Plaza", 134, Shahid Rafique Sarak, Manikgonj.	Tel: 7720042 Fax: 7720032 Mob: 01755620828
52	**Gabtoli Bagbari Branch**	259, Bagbari, Mirpur (Gabtoli), P.O. Mirpur, Ward No.9, P.S. – Darus Salam, Dhaka	TeL: 902736 Fax: 902737 Mob: 01755620829, 01730305993

Sl. No.	Name of Branch	Address	Telephone Number
53	**Konapara Branch**	"F.R. Tower", (1st floor) Konapara, Matuail, Demra, Dhaka, Union Parishad – Matuail, Ward No.6, P.S. – Demra, Dist. – Dhaka	Tel: 7550481, 7549737 Mob: 01755658701
54	**Meghola Bazar Branch**	"Afsar Plaza" Meghola Bazar, Union – Narisa, P.S.- Dohar, Dhaka.	Mob: 01766667604
55	**Garibe Newaz Avenue Branch**	Plot No.10, Garibe Newaz Avenue, Sector No.11, Uttara, Dhaka.	8991306, Mobile. 01766667609
56	**Aganagar Branch**	"Babul Tower", Aganagar, South Keraniganj, Dhaka.	Tel: 7761580 Mobile. 01787668285, 01787668291
57	**Hasnabad Branch**	Hasnabad Bazar, Raipura, Narsingdi.	Tel: 9444026, 9444041 Mobile: 01787668281
58	**Shibu Market Branch**	'Hazi Nurun Nesa Plaza' Shibu Market, at Katherpul Chowrasta, Vill – Kutubail, P.O. – Fatulla, P.S. – Fatulla, Dist. – Narayanganj	Tel: 7647624, 7647625 Mobile: 01770792013
59	**Gazipur Chowrasta Branch**	"Bagdad Tanzia Tower" Holding No.01/1, Block-B, Ward No.16, Outpara, Gazipur Chowrasta, Gazipur Sadar, Gazipur	Tel: 9261833, 9261832 Mob: 01770792014
60	**Mawna Branch**	"Kitab Ali Plaza", Mawna Chowrasta, 4 No. Telihati Union Parishad, Village – Mulaid, P.O. – Tengra, Upazila – Sreepur, Dist. – Gazipur	Tel: 06825-51237, 06825-51238 Mobile: 01770792015
61	**Bandar Branch**	"Haji Motaleb Plaza" Holding No. 3, S.S. Shah Road, Ward No. 22, P.S. – Bandar, Dist. – Narayanganj	Mobile: 01770792017
62	**Isapura Bazar Branch**	Village – Yousufganj, 1 No. Rupganj Union, P.O. : Pashi Bazar P.S. : Rupganj, Dist : Narayanganj.	Mobile: 01709646951
63	**Darus Salam Road Branch**	17, Darus Salam Road, Ward No.12 Mirpur-1, Dhaka-1216	Mobile: 01770792019
64	**Karatia Branch**	586, Karatia Bazar, 4 No. Karatia Union, Ward No.1, P.O. : Karatia, P.S & Upazila: Tangail Sadar, Dist : Tangail	Mobile: 01709646952
65	**Panchdona Branch**	Panchdona Branch (Rural) "Mozammel Haque Super Market"(1st floor), Panchdona Bazar, Union – Meherpara Union Parishad, Ward No.9, Mouza – Burairhat, P.S. – Narsingdi Sadar, Dist. – Narsingdi	Mobile: 01709646953
66	**Arshinagar Branch**	Arshinagar Branch (Rural) (1st floor) Arshinagar, Village – Modher Char, Union – Shakta Union Parishad, P.O. – Shamla, P.S. – Keraniganj, Dist. – Dhaka	Mob: 01979022033, 01708466483
67	**Bhuigar Branch**	Bhuigar Branch (Rural) "Maa Fatema Tower" (1st floor) Village: Bhuigar, Union: Kutubpur, P.O.- Bhuigar Bazar, P.S. – Fatullah, Dist. – Narayanganj	Mob: 01708466484
68	**Cherag Ali Branch**	Cherag Ali Branch (Urban) "Boksh Tower", 1st & 2nd floor, 16, Cherag Ali, Nishat Nagar, Tongi, Gazipur	Mob: 01755590590

Sl. No.	Name of Branch	Address	Telephone Number
69	**Local Office**	Islam Chamber 125/A, Motijheel C/A, Dhaka-1000	Mob: 01708123362, 01714102345 Tel: 9565215-8
70	**Bhawal Mirzapur Branch**	Bhawal Mirzapur Branch "Mannan Plaza", 1st floor, Bhawal Mirzapur, Union : Mirzapur, P.O. : Mirzapur Bazar, Upazila : Gazipur Sadar, District : Gazipur	Mob: 01917454913
71	**Kapasia Branch**	Kapasia Branch "Sarkar Plaza", (1st floor), Union : Kapasia, P.O. : Kapasia, Upazila & P.S. : Kapasia District : Gazipur.	Mob: 01913458233
72	**Shafipur Branch**	"Jahanara Aziz Tower", Vill : Shafipur, 4 No. Mouchak Union, P.O. Shafipur, Thana-Kaliakoir, Dist- Gazipur	Mob: 01730710383
		MYMENSINGH DIVISION	
73	**Mymensingh Branch**	52, Choto Bazar (1st Floor), Mymensingh.	Tel : (091) 66883, (091) 66873, Fax: 09166883 Mobile No.01713019545, 01678010081
74	**Seed Store Bazar Branch**	'Mahesa Plaza' Seed Store Bazar, P.O: Habirbari, P.S: Bhaluka, Dist : Mymensing	Mobile: 01787668287
75	**Sherpur Branch**	"Ameen Plaza" at Holding # 18, Kharampur Road, Sherpur District Town.	Mobile: 01770792016
76	**Jamalpur Branch**	"Nahar Gold Plaza" Holding No.1024, Medical Road, Ward No. 5, Pourashava & P.S.- Jamalpur Dist.- Jamalpur	Mobile: 01770792018
		CHITTAGONG DIVISION	
77	**Agrabad Branch**	30, Agrabad C/A Chittagong	Tel : 031-710531, 712347, 712348, 717937 Mob: 01713229814, 01678010085 Fax : 880-31-710078
78	**Khatunganj Branch**	249/250, Khatunganj Road Chittagong.	Tel : 031-612904, 619809, 613056,632288 Mob: 01713229841, 01678010086 Fax : 880-31-610290
79	**Laldighi Branch**	"Jamal Complex" (1st floor) 8, Laldighirpar, (East) Ward No.32 Andorkilla ward, Chittagong City Corporation, P.S. Kotwali, Chittagong	Tel : 031-620931, 638307, 636498, Mob: 01713229842, 01678010087 Fax : 880-31-610078
80	**Noju Miah Hat Branch**	"Sheikh Market", ground floor, 5/1, Burischar, Nur Ali Bari, Hathazari, Chittagong.	Tel : 031- 670908 Mob: 01713101231, 01678010089 Fax: 031-2570611
81	**Hathazari Branch**	"Siddique Market" (1st floor) Bus stand, Hathazari, Chittagong.	Tel : 031-2601430 Mobile: 01713229843, 01678010090 Fax: 031-2601193
82	**Chawk Bazar Branch**	Shahzada Market 68, College road Chawk Bazar, Chittagong	Tel : 031-621160, 616539 Mobile: 01713229844, 01678010091 Fax: 031-611177
83	**Shah Amanat Market Branch**	624/A, Shah Amanat Municipal Super Market (Ground Floor), Jubilee Road, Reazuddin Bazar, Chittagong	Tel : 031-614244, 619516 Fax: 031-614244 Mobile # 01713229845, 01678010092
84	**Sheikh Mujib Road Branch**	Azmal Arcade (1st floor) 1806, Sk. Mujib Road Pathantuli, Chittagong.	Tel : (031) 713981, 721972, 2510455 Mobile: 01714031228, 01678010093 Fax: 031-713981

Sl. No.	Name of Branch	Address	Telephone Number
85	**Cox's Bazar Branch**	158, Main Road (1st Floor) Ali Arcade, Cox's Bazar.	Tel : 0341-64573, 63856 Mobile: 01713229846, 01678010095 Fax: 0341-64573
86	**Brahmanbaria Branch**	Ground floor, 4. Court Road P.O. Box No. 09, Brahmanbaria	Tel : (0851) 58655, 59738 Mobile: 01711439720, 01678010096 Fax: 0851-58552
87	**Comilla Branch**	190/193 Rajgonj, Crossing. Chatipatty, Comilla	Tel : (081) 68662, 77044 Mobile: 01713229812, 01678010097 Fax: 081-71402
88	**Companiganj Branch**	"Brothers Plaza" 15, West Nabipur P.O. Companiganj, P.S. Muradnagar Dist. Comilla.	Tel: 0802-659123 Mobile # 01714080176, 01678010098 Fax: 080-2659037
89	**Feni Branch**	99, Islampur Road (1st Floor) Feni	Tel : (0331) 73179, 61764 Mobile: 01713229847, 01678010201 Fax: 0331-73150
90	**Choumuhani Branch**	667/785, South Bazar, Choumuhani, Begumgonj, Noakhali	Tel : (0321) 52778, 52779 Mobile: 01713107230, 01678010205 Fax: 0321-52778
91	**Fatikchari Branch**	"T. K. Market" Bibirhat, Dhurung, Fatikchari, Chittagong.	Tel: 03022-56202 Mobile No. 01713423765, 01678010094 Fax: 03022-56203
92	**CDA Avenue Branch**	1005/2/1872, CDA Avenue East Nasirabad, Panchlaish, Chittagong	Tel: 031-2555919, 2555920 FAX: 031-2555918 Mob: 01730329087, 01678018365
93	**Madam Bibir Hat Branch**	Madam Bibir Hat, Bhatiary, Sitakundu, Chittagong	Tel: 031-2780919, 2780920 FAX: 031-2780921 Mob: 01730317373, 01678018366
94	**Aulankar More Branch**	(1st floor) Aulankar More, Chittagong P.S. Pahartoli, Chittagong City Corporation, Ward No.10, Chittagong.	Tel: 031-2773116, ,2773115, Fax: 031-2773117 Mob: 01730709795 01755520715
95	**Ashugonj Branch**	(1st floor), "Sheria Sayed Tower", Vill – Ashugonj Bazar, Union – Ashugonj Sadar Union, Ward No. 1, Upazilla – Ashugonj, P.O. Ashugonj P.S. Ashugonj, Dist.B.Baria	Tel: 08528-74621 Fax: 08528-74623 Mob: 01730709794, 01755520716
96	**Chandina Branch**	"Aziz Plaza" (1st floor), Chandina Bazar, Village - Nabiabad, Ward No. 5, Pouroshava – Chandina P.O. – Chandina, P.S.- Chandina Dist. – Comilla,	TeL: 08022-56440, Fax: 08022-56441 Mob: 01755543504
97	**Rangamati Branch**	(1st & 2nd floor) 22/2, Bazar Fund Road, Kathaltoli, Rangamati.	Tel: 0351-63597 Mob: 01755630823 Fax: 0351-63598
98	**Gouripur Bazar Branch**	(1st & 2nd floor) "Suruzzaman Tower" Gouripur Bazar, Comilla.	Mob: 01755658705
99	**Miah Bazar Branch**	"Wahab Market", 1st floor, Vill – Jogomohonpur, Union – Ujirpur, P.O.- Miah Bazar, P.S.- Chowddagram, Comilla.	Mob: 01766667605, 01766667596
100	**Bandartila Branch**	"Noor Shopping Complex" Holding No.564/802, M.A. Aziz Road, South Halishahar, Ward No.39, P.S. CEPZ, Dist. – Chittagong.	Tel: 031-800024, 800025, 800026. Mobile:01787668286
101	**Chandraganj Branch**	Noor Shopping Complex, Chandraganj, Laxmipur Sadar, Laxmipur.	Mobile: 01787668288

Sl. No.	Name of Branch	Address	Telephone Number
102	**Anwara Branch**	Anwara Branch (Rural) "Amin Complex" (1st floor) Village – Chatari Choumuhani Bazar, Union – 8 No. Chatari Union Parishad, P.O. – Bairag, P.S. – Anwara, Dist. – Chittagong.	Mob: 01708466482, 01966670024
103	**Panchlaish Branch**	Panchlaish Branch "Hill Crest" 1st Floor, 24/35, Katalgonj, Hathazari Road, Panchlaish, Chittagong.	Mob: 01819391581
		RAJSHAHI DIVISION	
104	**Rajshahi Branch**	3, Shaheb Bazar, Ghoramara, Rajshahi.	Tel : (0721) 774586, 774856, 774396, Mob: 01711405660, 01678010206, 01714029471 Fax: 0721-774566
105	**Naogaon Branch**	263, Main Road Thakur Mansion (1st floor) Naogaon.	Tel : (0741) 62769, Mobile: 01713229848, 01678010208 Fax: 074162867
106	**Pabna Branch**	Chamber Building Benai Patty, (Sona Patty), Pabna.	Tel : (0731) 63436, 66053 Mobile: 01713200818, 01678010219 Fax: 0731-64122
107	**Bogra Branch**	56/64, Madhu Metro Tower, Satmatha, Kazi Nazrul Islam Sarak, Bogra.	Tel : (051) 66080, 65324 Mobile No.01713229850, 01678010213 Fax: 051-66080
108	**Chapai Nawabganj Branch**	21, Daudpur Madrasha Road(1st Floor), Puratan Bazar, Chapainawabganj	Tel : (0781) 52081 Mobile: 01713202488, 01678010214 Fax: 0781-52081
109	**Baneshwar Branch**	Baneshwar Islamia High School Market, Baneshwar P.S. Puthia, Dist. Rajshahi.	Mobile: 0171-3201692, 01678010215,
110	**Belkuchi Branch**	"Bhuiyan Plaza" (1st floor) P.O. Shernagar P.S. Belkuch, Sirajgonj	Tel: 07522-56446, FAX: 07522-56437 Mob: 01730019787, 01678018359
111	**Kashinathpur SME/ Krishi Branch**	(1st floor), Village - Haridebpur, Union – Jeetshakini, Ward No. 5, Upazilla – Bera, P.O. Kashinathpur, P.S.- Bera, Dist. – Pabna,	Tel: 07332-54411, 54422 Mob: 01730705100. 01755520719
112	**Joypurhat Branch**	(1st floor) Joypurhat Sadar Road, Joypurhat, P.S.- Joypurhat, Pouroshova – Joypurhat, Municipal Holding No.138/0, 138/1 & 138/2, Ward No.08, Dist. – Joypurhat,	Tel: 0571-51163, 51164 Fax No. 0571-51165 Mob: 01730709796, 01755520714
113	**Taherpur Branch**	"Mridha Plaza" (1st floor) Main Road, Ward No.3, Taherpur, Rajshahi.	Tel: 07236-53331 Mob: 01766667607
		RANGPUR DIVISION	
114	**Rangpur Branch**	Sarker Super Market (1st Floor) 41/42, Dewan Bari Road Betpatty, Rangpur	Tel : (0521) 63453, 62607 Mobile: 01713229811, 01678010211 Fax: 0521-62607
115	**Dinajpur Branch**	534/506, Maldahpatty, Dinajpur.	Tel : (0531) 65680, 63414 Fax: 0531-51632 Mobile # 01713229849, 01678010212
116	**Shetabgonj SME/Krishi Branch**	(1st floor), School Road, Murshidhat, Shetabgonj, P.S. – Bochagonj, Pouroshova – Shetabgonj, Ward No.3, Holding No.521, Dist. Dinajpur	Tel: 05325-73202 Fax: 05325-73203 Mob: 01730729872

Sl. No.	Name of Branch	Address	Telephone Number
117	**Birol Bazar Branch**	(1st floor), Birol Bazar, Dinajpur, Upazilla – Birol, Union Parishad – Birol, P.O. – Birol, P.S. – Birol, Ward No.7, Dinajpur	Tel: 05324-56212 Fax: 05324-56213 Mob: 01755658703
		KHULNA DIVISION	
118	**Khulna Branch**	Fatema Building 81, Lower Jessore Road Khulna	Tel : (041) 720396-7, 812199, 732600, 732601, Fax: 720399 Mobile: 0171-3229851, 01678010216
119	**Boro Bazar Branch**	1, Sir Iqbal Road Kalibari, Khulna.	Tel: (041) 812099, 812100 Mobile: 01713229852 01678010217 Fax: 041-812099
120	**Jessore Branch**	59, N.S.C. Road (Garikhana Road), Jessore	Tel : (0421) 68762, 68764, 68765 Fax: 0421-68763 Mobile: 01713403300, 01678010218
121	**Benapole Branch**	Bandar Complex, Benapole, Jessore	Tel : (04228) 75001-2 Mobile: 0171-3229810, 01678010219 Fax: 04228-75002
122	**Satkhira Branch**	Mojahar Ali Complex, Shaheed Kazal Sarani, Kaligonj Sarak, Palashpole, Satkhira.	Tel : (0471) 62602, 65429 Mobile: 01713400254, 01678010220 Fax: 0471-63319
123	**Noapara Branch**	Dhaka – Khulna Highway, 97 Noapara Bazar, Jessore.	Tel : (04222) 71397 Mobile: 0171-3400537, 01678010221
124	**Kushita Branch**	2, Siraj-Ud-Dowla Road Abdul Hamid Market N.S. Road, Kushtia.	Tel : (071) 62550, 61895, Fax: 071-61895, Mob: 01713400380, 01678010223
125	**Kaligonj SME/Krishi Branch**	Holding No.49-01, "Shahjahan Plaza" Madhugonj Bazar Road, Kaligonj, Zhenaidah.	Tel: 04523-56697 Fax: 04523-56698 Mob: 01730318277
126	**Poradah Branch**	"Khan Super Market" (1st floor), Vill – Katadah, Union – Poradah, Ward No.4, Upazilla – Mirpur, P.O. Poradah, P.S. – Mirpur, Dist. Kushtia,	Mob: 01730709791, 01755520712
127	**Bagerhat Branch**	Sadonar More, 56, Kazi Nazrul Islam Road, Bagerhat.	Tel: 0468-64539, 64538 Mob: 01755642273
128	**Sonadanga Branch**	"Kohinoor Tower", A-12, KDA Mazid Sarani, Sonadanga, Khulna.	Tel: 041-731327,723181 Mobile: 01787668289
		BARISAL DIVISION	
129	**Barisal Branch**	95, Sadar Road Barisal	Tel : (0431) 64013, 64305 Fax: 0431-64305 Mob: 01713400251, 01678010224
130	**Bhola Branch**	(1st floor) "M.R.Plaza", Holding No.0386-02, 0400-08, Sadar Road, Bhola, P.S.- Bhola Sadar, Pouroshova – Bhola, Ward No.6, Dist. – Bhola,	Tel: 0491-61399 Mob: 01755543505
131	**Jhalakathi Branch**	Jhalakathi Branch (Urban) "Sayed Tower" (1st floor Holding No. 57, Doctor Pattri Road, Ward No.4, Jhalakathi Pourashava, P.S.- Jhalakathi Sadar Dist.- Jhalakathi.	Mob: 01920145665
		SYLHET DIVISION	
132	**Sylhet Branch**	963, Laldighirpar, Sylhet.	Tel : (0821) 715489, 715490 Fax : 880-821-722022 Mobile # 01711-438372, 01678010225
133	**Beani Bazar Branch**	Zaman Square (1st & 2nd Floor), Main Road, Beani Bazar, Sylhet	Tel: 08223-56179 Mob: 01711922493, 01678010226

Sl. No.	Name of Branch	Address	Telephone Number
134	**Ambarkhana Branch**	Point View Shopping Center (1st floor), Holding No.0841-00, Sunamgonj Road, Amberkhana, Sylhet.	Tel : (0821) 714357, Fax: 0821-721729 Mob: 01713301067, 01678010227
135	**Subid Bazar Branch**	Hannan Shopping Centre (1st Floor), Subid Bazar, Sylhet.	Tel : (0821) 712898, 712832 Mobile: 01713229838, 01678010228 Fax: 0821-712898
136	**Upashahar Branch**	Nosir Mansion (1st floor) Mendibagh C/A Bishwa Road, Dist. Sylhet.	Tel: (0821) 727224 Mobile: 0171-3300202, 01678010229 Fax: 0821-727109
137	**Moulvi Bazar (Dist.) Branch**	69/1, Central Road, Paschim Bazar, P.O. & Dist. Moulvi Bazar	Tel : (0861) 52392, Fax: 0861-52363 Mobile # 01711435687, 01678010230
138	**Sreemongal Branch**	Holding No.0177, "Arif Plaza" Moulvi Bazar Road, Sreemongal, Moulvi Bazar.	Tel : (08626) 71924 Mobile: 01711401728, Fax: 08626-71924
139	**Goala Bazar Branch**	"Haji Nasibullah Market" Goalabazar, Osmaninagar Dist. – Sylhet	Tel : 08242-56404. Mobile No. 01713257277, 01678010233 Fax: 08242-56044
140	**Habiganj Branch**	"Sankar City", Holding No.3430, R.K. Mission Road, Habiganj Sadar, Habiganj	Tel- 0831-54052, 0831-54053, Mobile: 01787668280,
141	**Madhabpur Branch**	Madhabpur Branch "City Center" 1st Floor, Holding No.113, Madhabpur Bazar, Madhabpur, Habiganj	Mob: 01708454997

Collection Booth

Sl. No.	Name of Booth	Address
1	Medical College for Women & Hospiral.	Plot No.4, Road No.8-9, Sector-1, Uttara, Dhaka.
2	Lalmatia Mohila College.	118/2, Block-B, Ward # 32, Lalmatia, Dhaka

Division & City wise Branch List

Division	2017	City	2017
Dhaka	72	Dhaka	29
Chittagong	27	Chittagong	10
Khulna	11	Khulna	03
Rajshahi	10	Rajshahi	01
Barisal	03	Barisal	01
Sylhet	10	Sylhet	04
Rangpur	04	Rangpur	01
Mymensing	04	Mymensing	01
Total	**141**	**Total**	**50**

Urban & Rural List

URBAN	RURAL	TOTAL
99	**42**	**141**

Branch and Booth of IFIC Money Transfer (UK) Limited, UK

HEAD Office : 18 Brick Lane, London E1 6RF, UK
Phone: 00447951786188, 0042070609142
Fax: 00442072479670, Email: monwar@ificuk.com

Sl. No.	Name of Branch & Booth	Address	Telephone Number
1	**IFIC Money Transfer (UK) Limited**	18 Brick Lane, London E1 6RF, UK	Phone: 00447951786188 (Cell), 00442070609142 (Land Line) Fax: 00442072479670 Email: monwar@ificuk.com
2	IFIC Money Transfer (UK) Limited Turnpike Lane Booth	97 Turnpike Lane, London N8 ODY, UK	Phone : 00442083411644

Branch Network of Oman Exchange LLC, Oman

HEAD Office : Post Box No. 994 Hay Al Mina
Postal Code No.114, Muscat (opposite to Muscat Pharmacy) Sultanate of Oman
Phone: (968) 24832197, 24830893, Fax: (968) 24835036, 24835141, E-mail: custsupport@oiexc.com

Sl. No.	Name of Branch	Address	Telephone Number
1	**Hamriya Main Branch**	Post Box No.994, Hay Al Mina Postal Code No.114 Ruwi Souk Street Hamriya, (beside Muscat Pharmacy) Muscat, Sultanate of Oman	Phone: (968) 24833591 Fax: (968) 24833593
2	**Salalah Branch**	Post Box No.2039, Postal Code No. 211 Al Nadha Street Salalah, Sultanate of Oman	Phone: (968) 23290282 Fax: (968) 23293185
3	**Sur Branch**	Post Box No.276, Postal Code No.411 Sur Souk, Sur Sultanate of Oman	Phone: (968) 25541467 Fax: (968) 25544035
4	**Sohar Branch**	Post Box No.862, Postal Code No.311 Sohar Hospital Road Sohar, Sultanate of Oman	Phone # (968) 26846339 Fax # (968) 26841519
5	**Nizwa Branch**	Post Box No.718, Postal Code No. 611 Nizwa Souk, Nizwa Sultanate of Oman	Phone # (968) 25413084 Fax # (968) 25411741
6	**Suwaiq Branch**	Post Box No.497, Postal Code No.315 Suwaiq Roundabout, Next to Bank Muscat Muscat - Sohar Highway Suwaiq, Sultanate of Oman	Phone # (968) 26861893 Fax # (968) 26860793
7	**Ghubra Branch**	Post Box No.897, Postal Code No.133 Ghubra Roundabout (inside) First Traffic Signal Right Ghubra, Sultanate of Oman	Phone # (968) 24490360 Fax # (968) 24492273
8	**Mabelah Branch**	Post Box No.994, Postal Code No.114 Near Oman Oil Petrol Station Muscat – Sohar Highway Mabelah, Sultanate of Oman	Phone # (968) 24450613 Fax # (968) 24450612
9	**Barka Branch**	Post Box No.696, Postal Code No.320 Adjacent to Oman Oil Petrol Station Barka – Muscat Highway Barka, Sultanate of Oman	Phone # (968) 2688 5142 Fax No-(968) 2688 5143
10	**Falaj Branch**	Post Box No.70, Postal Code No.327 Sohar Industrial Estate Next to Doha Shopping Centre (Before Sohar Port) Sohar - Muscat Highway, Sultanate of Oman	Phone: (968) 2675 3036 Fax: (968) 2675 1420

Sl. No.	Name of Branch	Address	Telephone Number
11	**Saham Branch**	Post Box No.878 , Postal Code No.319 Saham Beside Omantel Office, Sultanate of Oman	Phone: (968) 268 55442 Fax: (968) 268 55446
12	**Ruwi Branch**	Ruwi High Street -Centre Post Box No. 1585 Postal Code No.114, Hay Al Mina Sultanate of Oman	Phone # (968) 24794792 Fax # (968) 24796792
13	**Shinas Branch**	Post Box No.402, Postal Code No.324 Shinas roundabout Sultanate of Oman	Phone # (968) 26748315 Fax # (968) 26748316
14	**Rustaq Branch**	Post Box No: 167, Postal Code No.: 329 Burj Al Radda, Ramez International (Hyper Market) Rustaq South Batinah Governorate, Sultanate of Oman	Phone # (968) 26 87 79 12 Fax : (968) 26 87 79 13

Branch Network of Nepal Bangladesh Bank Limited, Nepal

Head Office : Kamaldi, Khathmandu
SWIFT: NPBBNPKA

Sl. No.	Name of Branch	Address	Telephone Number
1	**Corporate Branch**	District: Kathmandu, Municipality: Kathmandu	Phone: 01-4233780/81/82/83/84/85
2	**Newroad Branch**	District: Kathmandu, Municipality: Kathmandu	Phone # 01-4241368/4224477
3	**Battar Branch**	District: Nuwakot, Municipality: Bidur	Phone # 010-560256
4	**Bhaisepati Branch**	District: Lalitpur, Municipality: Lalitpur	Phone # 01-5590028
5	**Main Branch**	District: Kathmandu, Municipality: Kathmandu	Phone # 01-4780770/4781195
6	**Janakpur Branch**	District: Dhanusha, Municipality: JANAKPUR	Phone # 041-521548
7	**Kalimati Branch**	District: Kathmandu, Municipality: Kathmandu	Phone # 01-4277298
8	**Butwal Branch**	District: Rupamdehi, Municipality: Butwal	Phone # 071-544845
9	**Hetauda Branch**	District: Makwanpur, Municipality: Hetauda	Phone # 057-525282
10	**Birgunj Branch**	District: Parsa, Municipality: Birgunj	Phone # 051-523689
11	**Nepalgunj Branch**	District: Banke, Municipality: Nepalgunj	Phone # 081-415021
12	**Biratnagar Branch**	District: Morang, Municipality: Biratnagar	Phone # 021-530523
13	**Tatopani (Barhabise) Branch**	District: Sindhupalchwok	Phone# 011489022
14	**Dhangadhi Branch**	District: Kailali Branch, Municipality: Dhangadhi	Phone # 091-521785
15	**Pokhara Branch**	District: Kaski, Municipality: Pokhara	Phone # 061-533134
16	**Kapon Branch**	District: Kathmandu, Municipality: Budanilkantha	Phone # 01-4823335
17	**Baglung Branch**	District: Baglung, Municipality: baglung	Phone # 068-522872
18	**Daldale Branch**	District: Nawaiparasi, Municipality: Dhangadhi	Phone # 091-521785
19	**Chhathae Branch**	District: Terhathum, Municipality: Chhather Rural	Phone # 9851142173
20	**Lalitpur Branch**	District: Lalitpur, Municipality: Lalitpur	Phone # 01-5008721/5554011
21	**Dharan Branch**	District: Sunsari, Municipality: Dharan	Phone # 025-530166

Sl. No.	Name of Branch	Address	Telephone Number
22	**Bhaktapur Branch**	District: Bhaktapur, Municipality: Suryabinayak	Phone # 01-6613170
23	**Dhunche Branch**	District: Rashuwa, Municipality: Dhunche	Phone # 010-540014
24	**Narayanghat Branch**	District: Chitwan, Municipality: Bharatpur	Phone # 056-570962
25	**Bhojpur Branch**	District: Bhojpur, Municipality: Bhojpur	Phone # 029-420713
26	**Birtamod Branch**	District: Jhapa, Municipality: Birtamod	Phone # 023-545724
27	**Balaju Branch**	District: Kathmandu, Municipality: Kathmandu	Phone # 01-4383768/4384170
28	**Jorpati Branch**	District: Kathmandu, Municipality: Gokarneshwor	Phone # 01-4910997/4910828
29	**Bhairahawa Branch**	District: Rupandehi, Municipality: Siddharthnagar	Phone # 071-521659
30	**Salayan Branch**	District: Salyan, Municipality: Sarada	Phone # 088-400182
31	**Surkhet Branch**	District: Surkhet, Municipality: Birendranagar	Phone # 083-520220
32	**Kirtipur Branch**	District: Kathmandu, Municipality: Kirtipur	Phone # 01-4670633/4671123
33	**Darchula Branch**	District: Darchula, Municipality: Api	Phone # 093-420242
34	**Imadole Branch**	Distict: Lalitpur, Municipality: Lalitpur	Phone # 01-5204202
35	**Itahari Branch**	District: Sunsari, Municipality: itahari Sub Metro	Phone #025-582411
36	**Sinja Branch**	District: Jumla, Municipality: sinja Rural	Phone # 9758004548
37	**Panchkhapan Branch**	District: Sankhuwashava Municipality: Panchakhapan	Phone #029-411084
38	**Sankranti Branch**	District: Terahathum, Municipality: Iwa	Phone # 026-680052
39	**Dang Branch**	District: Dang, Municipality: Ghorahi	Phone # 082-563796
40	**Biratchowk Branch**	District: Morang, Municipality: Koshi Haraicha	Phone # 021-545789
41	**Karsia Branch**	District: Morang, Municipality: Sorabhag	Phone # 021-565038
42	**Galchhi Branch**	District: Dhading, Municipality: Baireni	Phone # 010-403127
43	**Jhalari Branch**	District: Kanchanpur, Municipality: Jhalari Pipaladi	Phone # 099-540185
44	**Musikot Branch**	District: Rukum, Municipality: Musikot	Phone # 088-530364
45	**Phidim Branch**	District: Panchthar, Municipality: Phidim	Ph # 024-521081
46	**Khairehani Branch**	District: Chitwan, Municipality: Khairehani	Ph # 056-583097/583367
47	**Chainpur Branch**	District: Bajhang, Municipality: Jaya Prithvi	Phone # 9841364770
48	**Kushma Branch**	District: Parbat, Municipality: Kushma	Phone # 067-421327
49	**Khajura Branch**	District: Banke, Municipality: Bageswori	Phone # 9845030487
50	**Maharajgunj Branch**	District: Kathmandu Municipality: Kathmandu Metro	Phone # 01-4376565
51	**Chabahil Branch**	District: Kathmandu Municipality: Kathmandu Metro	Phone # 01-4482692
52	**Lekhnath Branch**	District: Kaski, Municipality: Pokhara lekhnath	Phone # 061-411445
53	**Sindhuwa Branch**	District: Dhankuta Municipality: Chhathar Jorpati Rural	Phone # 026-404169
54	**Sangurigadi Branch**	District: Dhankuta Municipality: Sangurigadhi Rural	Phone # 026-400078



GLOBAL NETWORK OF CORRESPONDENT BANKS

AFGHANISTAN
Bank Alfalah Limited

AUSTRALIA
Citigroup PTY Limited
Citibank NA
Commonwealth Bank of Australia Sydney
JPMorgan Chase Bank NA
KEB Hana Bank
Mizuho Bank Limited

AUSTRIA
Erste Bank Der Oesterreichischen Sparkas
Erste Group Bank AG
Raiffeisen Zentral Bank Oesterreich AG

BAHRAIN
Bank Alfalah Limited
Bank Al Habib Limited
ICICI bank Limited
KEB Hana Bank

BELGIUM
Bank J. Van Breda and Co. NV
Belfius Bank SA/NV
BNP Paribas Fortis
Commerzbank AG, The
Deutsche Bank AG
KBC Bank NV

BHUTAN
Bank of Bhutan
Druk PNB Bank Limited

BRAZIL
Banco De Tokyo-Mitbushi UFJ Brasil S/A
Banco Keb Hana Do Brasil S.A.
HSBC Bank Brasil-Banco Multiplo

Bulgaria
Citibank Europe Plc, Bulgaria Branch

CANADA
BNP Paribas Canada
Habib Canadian Bank
HSBC Bank Canada
KEB Hana Bank Canada
Royal Bank of Canada

CHINA, PEOPLE'S REPUBLIC
Bank of Guiyang
Bank of Hebei
Bank of Huzhou Co. Ltd.
Bank of New York Mellon, The
Bank of Ruifeng
Bank of Taizhou Co. Ltd.
BNP Paribas (China) Ltd.
China Everbright Bank
Citibank (China) Co. Ltd.
Commerzbank AG
Foshan Rural Commercial Bank Co. Ltd.
HSBC Bank (China) Co. Ltd.
Jiangsu Jiangnan Rural Commercial Bank Co. Ltd.
JPMorgan Chase Bank (China) Company Ltd.
Jiangsu Jiangyin Rural Commercial Bank
Laishang Bank Co. Ltd.
Ningbo Yuyao Rural Commercial Bank Co. Ltd.
Ping an Bank Co. Ltd.
Skandinaviska Enskilda Banken AB (publ)
Standard Chartered Bank (China) Limited
Weifang Rural Commercial Bank Co. Ltd.
Wells Fargo Bank N.A.
Woori Bank (China) Limited
Yinzhou Bank
Zhejiang Tailong Commercial Bank Co. Ltd.
Zhejiang Zhuji Rural Commercial Bank Co. Ltd.
Zhejiang Hecheng Rural Commercial Bank Co. Ltd.

CZECH REPUBLIC
Ceska Sporitelna A.S.
Commerzbank AG

DENMARK
Danske Bank A/S
Nordea Bank Denkmark A/S
Spar Nord Bank
Syd Bank A/S

EGYPT
Bank Audi SAE
Masreqbank

ESTONIA
Nordea Bank AB

FINLAND
Danske Bank
Danske Bank PLC
Nordea Bank Finland PLC

FRANCE
Banque Revillon
BNP Paribas SA
Commerzbank AG
HSBC France
JPMorgan Chase Bank NA
KEB Hana Bank
Monte Paschi Banque SA

GERMANY
Bankhaus Carl F. Plump & Co.
Commerzbank AG
Danske Bank A/S
Deutsche Bank Private-Und Geschaeltskunden AG
Deutsche Bank AG
Deutsche Bank Trust AG
HSH Nord Bank AG
JPMorgan AG
Joh. Berenberg, Gossler Und. Co. KG
KEB Hana Bank Deutschland AS
Landesbank Baden-Wuerttemberg
Sparkasse Hannover
Sparkasse Krefeld
Sparkasse Nuernberg
SEB AG
Unicredit Bank AG (Hypobayerische)
Volksbank Remscheid-Soligen Eg
Volksbank Reutlingen EG

HONG KONG
AB International Finance Limited
Axis Bank Limited
Banca Monte Dei Paschi Di Siena SpA
Bank of America, N.A.
Bank of New York Mellon, The
Bank of Tokyo-Mitsubishi UFJ Ltd., The
BNP Paribas
Citibank N.A.
Commerzbank AG
EBL Finance (HK) Limited
E.SUN Commercial Bank Limited
Habib Bank Zurich (Hong Kong) Ltd.
Hongkong and Shanghai Banking Corp.
ICICI Bank Limited
Intesa Sanpaolo SPA
JPMorgan Chase Bank NA
KEB Hana Bank
Mashreqbank PSC
Mizuho Bank Ltd.
National Bank of Pakistan
PBL Finance (Hong Kong) Limited
Skandinaviska Enskilda Banken AB (Publ)
Societe Generale
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
Svenska Handelsbanken AB
Unicredit Bank AG (Hypobayerische)
Wells Fargo Bank N.A.
Wing Hang Bank Ltd.
DBS Bank Hong Kong
Habib Finance International Limited

HUNGARY
Budapest Bank RT
CIB Bank Limited
Commerzbank (Budapest) RT
Raiffeisen Bank ZRT

INDIA
AB Bank Limited
Axis Bank Limited
Bank of Tokyo-Mitsubishi UFJ, Ltd.
The Citibank N.A.
Hongkong & Shanghai Banking Corp. Ltd
ICICI Bank Limited
IndusInd Bank Limited
JPMorgan Chase Bank, N.A.
Masreqbank
Shamrao Vithal Co-operative Bank Limited, The
Sonali Bank Ltd.
Standard Chartered Bank
State Bank of India
Syndicate Bank
Tamilnad Mercantile Bank Limited
Union Bank of India
United Bank of India

INDONESIA
Bank of Tokyo-Mitsubishi UFJ Ltd.
The Bank Mandiri (Persero) PT
Citibank NA
Hongkong and Shanghai banking Corp. Ltd.
JPMorgan Chase Bank, N.A.
PT Bank Pembangunan Daerah Jawa Timur Tbk
PT Bank Syariah Mandiri
Standard Chartered Bank

IRELAND
Citibank Europe PLC
Danske Bank A/S
Wells Fargo Bank International

ITALY
Banca Carim-Cassa Di Risparmio Di Rimini
Banca Delle Marche SPA
Banca di Credito Cooperative di Cambiano
Banca Monte Dei Paschi Di Siena SpA
Banca Popolare Dellemilia Romagna
Banca Popolare Di Marostica
Banca Popolare Di Sondrio
Banca Popolare Valconca
Banca Populare Dell Etruria E Dell Lazio
Banca UBAE SPA
Banco Di Napoli SPA
Bank of Tokyo-Mitsubishi UFJ Ltd.,
The Cassa Di Risparmio Del Veneto SPA
Cassa di Risparmio di Cesena SpA
Cassa di Risparmio di Venezia SPA
Commerzbank AG
Credito Bergamasco SPA
Credito Valtellinese Soc Coop
ICCREA Banca-Istitu Centrale del Credito
Intesa Sanpaolo SPA
JPMorgan Chase Bank NA
Mizuho Bank Ltd.
UBI Banca (Unione di Banche Italiane) SCP
Unicredit SPA
Unipol Banca SPA

JAPAN
Bank of Tokyo-Mitsubishi UFJ Ltd.,
The Bank of New York Mellon
The Citibank Japan Limited
Commerzbank AG
Gifu Shinkin Bank
The Hongkong and Shanghai Banking Corp. Ltd.
JPMorgan Chase Bank NA
KEB Hana Bank
Mizuho Bank Ltd.
National Bank of Pakistan
Okazaki Shinkin Bank
The Standard Chartered Bank
State Bank of India
Sumitomo Mitsui Banking Corporation
Unicredit Bank AG (Hypobayerische)
Wells Fargo Bank N.A.

KOREA, REPUBLIC
Daegu Bank Ltd., The
Hongkong & Shanghai Banking Corp. Ltd.
Industrial Bank of Korea
JPMorgan Chase Bank NA
Kookmin Bank
KEB Hana Bank
Kwangju Bank Limited, The
National Bank of Pakistan
Pusan Bank
Shinhan Bank
Standard Chartered Bank
Wells Fargo Bank N.A.
Woori Bank

KSA
Bank Muscat SAOG
Islamic Development Bank
JPMorgan Chase Bank, N.A.
Saudi British Bank, The

KUWAIT
BankMuscat SAOG
Citibank N.A.
National Bank of Kuwait

LUXEMBOURG
Danske Bank International A/S

MALAYSIA
Citibank Berhad
HSBC Bank Malaysia Berhad
JPMorgan Chase Bank Berhad
Malayan Banking Berhad (Maybank)
Standard Chartered Bank

MALDIVES
Bank of the Maldives PLC

MALTA
AKbank T.A.S.

NEPAL
Himalayan Bank Limited
Nepal Bangladesh Bank Ltd.

NETHERLANDS
ABN Amro Bank N.V.
Bank of America N.A.
Commerzbank AG
Deutsche Bank AG
Deutsche Bank Nederland N.V.
KEB Hana Bank

NEW ZEALAND
Bank of New Zealand
General Equity Building Society

NIGERIA
Guaranty Trust Bank Plc

NORWAY
Danske Bank A/S
DNB Bank ASA
Nordea Bank Norge ASA
Sparebank 1 SR-Bank ASA

OMAN
Bank Dhofar (S.A.O.G)
Bank Muscat SAOG

PAKISTAN
Bank Al Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Summit Bank Limited

PANAMA
KEB Hana Bank

PHILIPPINES
Asian Development Bank
Hongkong and Shanghai Banking Corp. Ltd.
JPMorgan Chase Bank, N.A.
KEB Hana Bank

POLAND
Bank Handlowy W Warszawie SA
Bank Polska Kasa Opieki SA
Danske Bank A/S
Deutsche Bank Polska SA
MBANK S.A. (Formerly BRE Bank)

QATAR
Doha Bank
Masreqbank

RUSSIAN FEDERATION
Necklace Bank Limited

SINGAPORE
Axis Bank Limited
Bank of America, N.A.
Bank of Tokyo-Mitsubishi UFJ Ltd.,
The BNP Paribas
BNP Paribas Wealth Management
Citibank N.A.
Commerzbank AG
Deutsche Bank AG
DBS Bank Limited
Emirates NBD Bank PJSC
Habib Bank Limited
Hongkong and Shanghai Banking Corp.
ICICI bank Limited
Indian Bank
JPMorgan Chase Bank NA
KEB Hana Bank
Mizuho Bank Ltd.
National Bank of Kuwait S.A.K.,
The Nordea Bank Finland PLC
Skandinaviska Enskilda Banken AB (Publ)
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
Unicredit Bank AG (Hypobayerische)
United Overseas Bank Ltd.
Wells Fargo Bank, NA, Singapore Branch

SLOVENIA
Dezelna Banka Slovenije D.D.
Nova Kreditna Banka Maribor D.D.
Unicredit Banka Slovenija D.D.

SOUTH AFRICA
Citibank South Africa
NED Bank Limited

SPAIN
Banco De Sabadell S.A.
Bank of Tokyo-Mitsubishi UFJ Ltd.,
The Bankia S.A.
CAIXABANK S.A.
Caja Espana De Inversones
Commerzbank AG
Laboral Kutxa
Abanca Corporacion Bancaria, A.S.

SRI LANKA
ICICI Bank Limited
Nations Trust Bank Ltd.
Seylan Bank PLC
Standard Chartered Bank

SWEDEN
Danske Bank
DNB Bank ASA
Nordea Bank AB (PUBL) (Stockholm)
Skandinaviska Enskilda Banken AB
Svenska Handelsbanken
SWED Bank

SWITZERLAND
Banque Cantonale De Geneve
BNP Paribas (Suisse) SA
Habib Bank AG Zurich
UBL (Switzerland) AG
Valiant Bank
Zurcher Kantonal Bank

TAIWAN
Bank of New York Mellon
The Chang Hwa Commercial Bank Ltd.
Citibank Taiwan Limited
Deutsche Bank AG
E.SUN Commercial Bank Limited
HSBC Bank (Taiwan) Limited
JPMorgan Chase Bank NA
MEGA International Commercial Bank Co. Ltd.
Standard Chartered Bank
Standard Chartered Bank (Taiwan) Ltd.
Sumitomo Mitsui Banking Corporation
Wells Fargo Bank N.A.

THAILAND
Bangkok Bank Public Company Ltd.
Bank for Agriculture and Agricultural Cooperatives
Bank of Ayudhya Public Company Limited
Bank of Tokyo-Mitsubishi UFJ Ltd.
The Citibank N.A.
Export-Import Bank of Thailand
Hongkong & Shanghai Banking Corp. Ltd.
JPMorgan Chase Bank, N.A.
Krung Thai Bank Public Company Ltd.
Mizuho Bank Ltd.
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation

TURKEY
AK Bank T.A.S.
Albaraka Turk Katilim Bankasi AS
Alternatifbank AS
Asya Katilin Bankasi AS
Fibabanka AS
FinansBank A.S.
HSBC Bank A.S.
Tekstil Bankasi AS
Turk Ekononi Bankasi A.S.
Turkiye Garanti Bankasi AS

U.A.E.
Abu Dhabi Commercial Bank PJSC
Axis Bank Limited
Citibank N.A.
Emirates NBD Bank PJSC
First Gulf Bank PJSC
Habib Bank AG Zurich
Habib Bank Limited
Mashreqbank PSC
Noor Islamic Bank PJSC
Standard Chartered Bank
United Bank Limited
The National Bank RAS AL Khaimah

U.S.A
Bank of America, N.A.
Bank of New York Mellon
The Bank of Tokyo-Mitsubishi UFJ Ltd.,
The BNP Paribas USA
Cathay Bank
Citibank NA
City National Bank
Deutsche Bank Trust Company Americas
First Citizens Bank
Habib American Bank
Habib Bank Limited
HSBC Bank USA
ICICI Bank Limited
JPMorgan Chase Bank NA
Masreqbank PSC
Mizuho Bank Ltd.
Regions Bank
RBS Citizens NA
Standard Chartered Bank
Sterling National Bank
Sumitomo Mitsui Banking Corporation
UMB Bank N.A.
Union Bank NA
United Bank Limited
US Bank
Wells Fargo Bank N.A.
Woori Bank
Woori America Bank

UKRAINE
PJSC Bank Credit Dnepr

UNITED KINGDOM
Bank of America N.A.
Citibank NA
Commerzbank AG
Danske Bank A/S
Emirates NBD Bank PJSC
Habib Bank AG Zurich
Habib-UK Plc
HSBC Bank Plc
Intesa Sanpaolo SPA
JPMorgan Chase Bank NA
KEB Hana Bank
Masreqbank PSC
Mizuho Bank Ltd.
Northern Bank
Sonali Bank (UK) Ltd.
Standard Chartered Bank
United National Bank Ltd.
Wells Fargo Bank N.A.
Wells Fargo Securities Int'l Ltd.

UZBEKISTAN
Central Bank of the Republic Uzbeki
National Bank for Foreign Economic

VIETNAM
Asia Commercial Joint Stock Bank
HSBC Bank (Vietnam) Limited
Joint Stock Commercial Bank for Inv. & Development
JPMorgan Chase Bank, N.A.
KEB Hana Bank
Woori Bank

BANGLADESH
AB Bank Limited
Agrani Bank Limited
Al-Arafah Islami Bank Limited
Bank Asia Limited
BRAC Bank Limited
Bangladesh Commerce Bank Limited
Bangladesh Krishi Bank
Bangladesh Development Bank Limited
Bank Alfalah Limited
Basic Bank Limited
Citibank N.A.
City Bank Limited
Commercial Bank of Ceylon Plc
Dhaka Bank Limited
Dutch-Bangla Bank Limited
Eastern Bank Limited
Export Import Bank Limited
Farmers Bank Limited
The First Security Islami Bank Limited
Habib Bank Limited
Hong Kong and Shanghai Banking Corp. Ltd.
ICB Islamic Bank Limited
Islami Bank Bangladesh Limited
Jamuna Bank Limited
Janata Bank Limited
Meghna Bank Limited
Mercantile Bank Limited
Midland Bank Limited
Modhumoti Bank Limited
Mutual Trust Bank Limited
National Bank Limited
National Bank of Pakistan
National Credit and Commerce Bank Limited
NRB Bank Limited
NRB Commercial Bank Limited
NRB Global Bank Limited
One Bank Limited
Premier Bank Limited
Prime Bank Limited
Pubali Bank Limited
Rupali Bank Limited
Shahjalal Islami Bank Limited
Social Islami Bank Limited
Sonali Bank Limited
Southeast Bank Limited
South Bangla Agriculture & Commerce Bank Ltd.
Standard Bank Limited
Standard Chartered Bank
State Bank of India
Trust Bank Limited
Union Bank Limited
United Commercial Bank Limited
Uttara Bank Limited
Woori Bank
Shimantoo Bank Limited

NOTICE OF THE 41ST AGM



International Finance Investment and Commerce Bank Limited
Head Office : IFIC Tower, 61, Purana Paltan, G.P.O. Box: 2229, Dhaka-1000

Notice of the 41st Annual General Meeting

Notice is hereby given to the Members of International Finance Investment and Commerce Bank Limited (IFIC Bank Limited) that the 41st Annual General Meeting of the Company will be held on **Sunday, 24 June 2018 at 11.00 a.m. at Officers' Club, 26, Bailey Road, Ramna, Dhaka-1000** to transact the following agenda:

AGENDA

1) To receive, consider and adopt the Audited Financial Statements of the Bank for the year ended on 31 December 2017 together with the Reports of the Auditors and Directors thereon.
2) To declare dividend for the year ended on 31 December 2017 as recommended by the Board of Directors.
3) To elect/re-elect Director(s) of the Bank.
4) To appoint the External Auditors of the Bank for the term until the next Annual General Meeting and to fix their remuneration.
5) To confirm the appointment of Independent Director.
6) To transact any other business/issue with the permission of the Chair.

By order of the Board of Directors

(Md. Mokammel Hoque)
Company Secretary

Dated: Dhaka
03 June 2018

Notes :

1) The '**Record Date**' was fixed on **10 May 2018 (Thursday)**.
2) The Shareholders whose names appeared in the Share Register of the Bank and/or in the Depository (CDBL) Register on the '**Record Date**' i.e. **10 May 2018** shall be eligible to attend the AGM and will be entitled to the Dividend.
3) The Board of Directors has recommended Stock Dividend @ 12% for the year ended on 31 December 2017 for approval of the Shareholders in the 41st Annual General Meeting of the Bank.
4) A Shareholder eligible to attend and vote at the AGM may appoint a Proxy to attend and vote on his/her behalf. Proxy Form duly completed by the Shareholder and Power of Attorney/Letter of Authorization from a Company/Corporation must be submitted to the Registered Office of the Company at least 72 (seventy two) hours before the time fixed for holding of the Meeting.
5) In case of non-receipt of Annual Report 2017 sent through Courier Services, Members may collect the same from the Share Department of the Company located at BDBL Bhaban (10th Floor), 8, Rajuk Avenue, Dhaka-1000 within 20 June 2018. The Annual Report 2017 is also available at the Investors' Relation page of Bank's website: **www.ificbank.com.bd**
6) The retiring Directors shall be eligible for election/re-election as per provision laid down in the Articles of Association of the Bank.
7) For convenience of the Honourable Shareholders and Proxy-holders, the '**Registration Counters**' of the Annual General Meeting shall be opened at 9.00 a.m. on the date fixed for the Meeting.
8) **No Gift/Gift Coupon/Food Box etc. or benefit in cash or kind shall be provided to the Shareholders in the 41st AGM**, in compliance with Regulation 24(2) of the Listing Regulations, 2015 of both the Stock Exchanges (DSE & CSE).

AMARSTOCK

ATTENDANCE SLIP



International Finance Investment and Commerce Bank Limited
Head Office : IFIC Tower, 61, Purana Paltan, G.P.O. Box: 2229, Dhaka-1000

Attendance Slip

I hereby record my attendance at the **41st Annual General Meeting** of International Finance Investment and Commerce Bank Limited (IFIC Bank Limited) being held on **Sunday, 24 June 2018 at 11.00 a.m. at Officers' Club, 26, Bailey Road, Ramna, Dhaka-1000.**

Name of the Shareholder(s) : .....

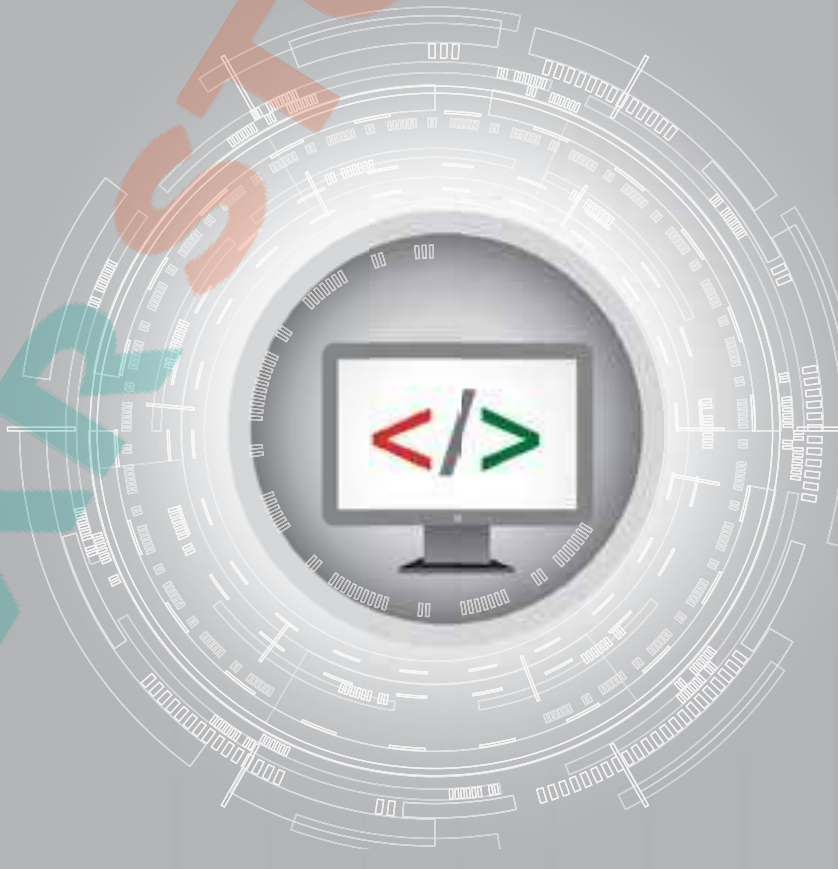
Folio/BO ID No. ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Signature of the Shareholder

Note: Honourable Shareholders attending the Meeting in person is requested to complete the Attendance Slip and deposit the same to the '**Registration Counter**' at the AGM venue. Signature in the Attendance Slip must tally with the signature recorded with **the Company (In case of folio, signature recorded with the Share Department and for BO holders, signature received from the CDBL).**

AMAR STOCK

PROXY FORM



IFIC BANK

International Finance Investment and Commerce Bank Limited
Head Office : IFIC Tower, 61, Purana Paltan, G.P.O. Box: 2229, Dhaka-1000

Affix Revenue Stamp of BDT 20.00

Proxy Form

I/We .....

Folio/BO ID No. | | | | | | | | | | | | | | | | |

Address : .....,
being a Shareholder of International Finance Investment and Commerce Bank Limited, do hereby appoint

Mr./Ms .....

of .....

Cell/Land Phone # .....

as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the 41st Annual General Meeting of the Company scheduled to be held on **Sunday, 24 June 2018 at 11.00 a.m. at Officers' Club, 26, Bailey Road, Ramna, Dhaka-1000** and at any adjournment thereof.

In witness whereof I/We set my/our hand(s) on this the ..... day of .....2018.

Signature of the Proxy .....

Signature of the Shareholder(s) .....

No. of shares held ..... Cell/Land Phone # .....

Note : The Proxy Form duly stamped and completed in all respect must be deposited to the Share Department of the Company at least 72 (seventy two) hours before the schedule time of the Meeting for attestation. Signature of the Shareholder(s) must tally with the signature recorded with the Company (**In case of folio, signature recorded with the Share Department and for BO holders, signature received from the CDBL**).

IFIC BANK

International Finance Investment and Commerce Bank Limited
Head Office : IFIC Tower, 61, Purana Paltan, G.P.O. Box: 2229, Dhaka-1000

Attendance Slip for Proxy-Holder

I hereby record my attendance at the 41st Annual General Meeting of International Finance Investment and Commerce Bank Limited being held on **Sunday, 24 June 2018 at 11.00 a.m. at Officers' Club, 26, Bailey Road, Ramna, Dhaka-1000**.

Name of the Shareholder (s) : .....

Folio/BO ID No. | | | | | | | | | | | | | | | | |

No. of Shares held .....

Name of the Proxy-holder.....

Signature of the Proxy-holder ..... Signature of the approving Official of IFIC Bank Limited

Signature of the Shareholder(s) .....

Note : The Proxy-holder attending the Meeting is requested to deposit the Attendance Slip to the '**Registration Counter**' at the AGM venue.

IFIC BANK



IFIC হোম লোন

ভালোবাসায় বসবাস

- আইএফআইসি হোম লোনে কোনো হিডেন চার্জ নেই
- Early Settlement-এ কোনো ফি এবং বিধিনিষেধ নেই
- সেমি-পাকা বাড়ি নির্মাণেও লোন প্রাপ্তির সুযোগ

বিস্তারিত জানতে ফোন করুন ১৬২৫৫ (মোবাইল থেকে) অথবা ০৯৬৬৬৭ ১৬২৫৫

Note

AMAR STOCK

AMAR STOCK

IFIC BANK

International Finance Investment and Commerce Bank Limited
Head Office : IFIC Tower, 61 Purana Paltan, GPO. Box: 2229, Dhaka-1000, Bangladesh
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