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Independent Auditor's Report

To the Shareholders of IFIC Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of IFIC Bank Limited and its subsidiaries (the "Group") as well as the separate financial statement of IFIC Bank Limited (the "Bank") which comprise the consolidated and separate Balance sheet as at 31 December 2018, consolidated and separate profit and loss accounts, consolidated and separate cash flow statement, consolidated and separate statement of changes in equity for the year then ended, and notes to consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2018, and its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.1.1.

Basis for Opinion

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

Key Audit Matters

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

1. Measurement of provision for loans and advances	
See notes no. 7, 8 and 15.1 to 15.3 to the financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to further business performance of the borrower; • Market value of the collateral; and • Ability to repossess collateral. <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued time to time.</p> <p>Due to high level of judgement involved and using some manual process in estimating the provision for loans and advance, we considered this to be a key audit matter.</p> <p>At year end the Bank reported total loans and advances of BDT 206,930 million (2017: BDT 179,264 million) and provision for loans and advances of BDT 5,954 million (2017: BDT 5,908 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Reviewed quarterly Classification of Loans (CL). <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.



2. Valuation of treasury bill and treasury bond	
See note no. 6 to the financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The classification and measurement of treasury bill and treasury bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models.</p>	<p>We tested the operating effectiveness of key controls focusing on the classification and measurement of treasury bill and treasury bond.</p> <p>We tested a sample of the valuation models and the inputs used in those models using a variety of techniques. Applied in the circumstances.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
3. Measurement of deferred tax assets	
See note no. 10.5 to the financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The Bank have reported net deferred tax assets to totaling BDT 904 million (2017: BDT 1,113 million) as at 31 December 2018.</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding of the Group and the Bank's key controls over the recognition and measurement of deferred tax assets and the assumptions used in estimating the Group and Bank's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures as per IAS 12 Income Tax.</p>



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



6. Carrying value of investments in subsidiaries by the Bank	
See note no. 10.4 to the financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The Bank has invested in equity shares of its subsidiaries namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited. As at 31 December 2018 the carrying value of these investment is BDT 2,232 million.</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in IFIC Securities Limited and IFIC Money Transfer (UK) Limited stated at cost.</p>	<p>We have reviewed management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36 Impairment of Assets.</p> <p>We have analyzed the appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p>

Other Matter

The consolidated financial statements of the Group and also separate financial statements of the Bank as at and for the year ended 31 December 2017 were audited by another auditor who expressed as unmodified opinion on those statements on 10 April 2018.

Other Information

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

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

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

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

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

Management of the Bank is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2.1.1, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank.

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

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

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

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

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



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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

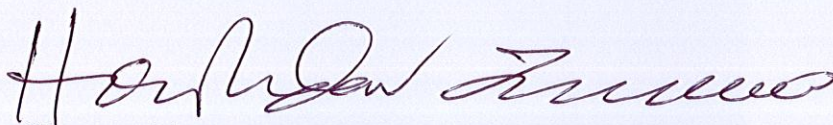
- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section 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 antifraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities.



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- (iii) financial statements of two subsidiaries namely, IFIC Securities Limited and IFIC Money Transfer (UK) Limited has been audited by Howladar Yunus & Co., Chartered Accountants and Ahmed & Co. respectively and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery as explained in note-15.1.
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 4,330 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.


Chartered Accountants

Dated: Dhaka
29 April 2019

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Balance Sheet
as at 31 December 2018

Particulars	Note	Amount in BDT	
		31 December 2018	31 December 2017
PROPERTY AND ASSETS			
Cash		16,020,741,583	15,487,553,511
Cash in hand (including foreign currency)	3.a	2,899,030,289	2,251,768,572
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.b	13,121,711,294	13,235,784,939
Balance with other banks and financial institutions	4.a	8,118,980,917	10,623,519,846
In Bangladesh	4.a(i)	6,823,590,588	8,068,534,922
Outside Bangladesh	4.a(ii)	1,295,390,329	2,554,984,924
Money at call and on short notice	5	3,970,000,000	3,830,000,000
Investments		32,664,400,101	29,290,877,363
Government securities	6.a	27,258,506,647	23,943,582,942
Other investments	6.b	5,405,893,454	5,347,294,421
Loans and advances		210,932,291,735	183,296,111,106
Loans, cash credit, overdrafts etc.	7.a	198,670,768,028	171,593,194,706
Bills purchased and discounted	8.a	12,261,523,707	11,702,916,400
Fixed assets including premises, furniture and fixtures	9.a	5,445,835,394	3,539,338,093
Other assets	10.a	9,003,060,522	10,277,591,453
Non-banking assets	11	373,474,800	373,474,800
Total assets		286,528,785,052	256,718,466,172
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	12.a	9,969,432,278	8,473,580,748
Subordinated debt	13	3,500,000,000	3,500,000,000
Deposits and other accounts	14.a	226,228,549,042	200,148,679,835
Current deposit and other accounts		40,849,197,782	30,611,131,194
Bills payable		2,066,079,056	2,238,152,090
Savings bank deposits		24,711,065,947	27,058,321,723
Fixed deposits		158,602,206,257	140,241,074,828
Other liabilities	15.a	23,153,144,360	22,492,022,640
Total liabilities		262,851,125,680	234,614,283,223
Capital/Shareholders' equity			
Paid up capital	16.2	13,387,387,350	11,953,024,420
Statutory reserve	17	5,696,418,313	5,124,540,729
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19.a	13,108,847	6,229,549
Revaluation reserve against fixed assets	20	115,314,704	115,314,704
Foreign currency translation reserve	20.a	43,292,875	126,200,022
Surplus in profit and loss account	22	4,267,059,068	4,623,795,459
Attributable to equity holders		23,677,652,554	22,104,176,280
Non-controlling interest	23	6,818	6,669
Total shareholders' equity		23,677,659,372	22,104,182,949
Total liabilities and shareholders' equity		286,528,785,052	256,718,466,172

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Balance Sheet
as at 31 December 2018

Amount in BDT

Particulars	Note	31 December 2018	31 December 2017
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24	60,435,601,239	58,620,180,261
Acceptances and endorsements	24.1	23,224,423,401	19,010,992,711
Letters of guarantee	24.2	10,228,543,056	10,475,384,676
Irrevocable letters of credit	24.3	15,475,413,131	19,364,242,284
Bills for collection	24.4	11,507,221,651	9,769,560,590
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		60,435,601,239	58,620,180,261

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

Sd/-

Managing Director & CEO

Sd/-

Director

Sd/-

Director

Sd/-

Director

Signed as per our annexed report of same date

29 April 2019
Dhaka

Sd/-
Howladar Yunus & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Profit and Loss Account
for the year ended 31 December 2018

Particulars	Note	Amount in BDT	
		2018	2017
Interest income	26.a	19,011,904,653	15,039,273,910
Interest paid on deposits, borrowings etc.	27.a	14,404,699,530	9,437,189,617
Net interest income		4,607,205,123	5,602,084,293
Investment income	28.a	2,044,196,628	2,105,410,059
Commission, exchange and brokerage	29.a	1,639,740,927	1,717,435,369
Other operating income	30.a	467,734,788	533,667,507
		4,151,672,343	4,356,512,935
Total operating income		8,758,877,466	9,958,597,228
Salary and allowances	31.a	2,580,872,443	2,600,408,127
Rent, taxes, insurance, electricity etc.	32.a	780,871,636	702,378,221
Legal expenses	33.a	12,493,496	11,625,374
Postage, stamp, telecommunication etc.	34.a	63,263,272	76,477,658
Stationery, printing, advertisement etc.	35.a	377,063,537	433,195,870
Managing Director's salary	36	15,120,000	15,120,000
Directors' fees	37.a	1,911,000	1,621,500
Auditors' fees	38.a	1,990,133	1,866,696
Charges on loan losses		109,642,716	244,828,037
Depreciation and repair of bank's assets	39.a	484,602,840	495,842,413
Other expenses	40.a	736,982,153	830,180,678
		5,164,813,226	5,413,544,574
Total operating expenses		5,164,813,226	5,413,544,574
Operating profit		3,594,064,240	4,545,052,654
Share of profit of joint ventures/associates	40.b.(iii)	400,125,308	355,283,995
Profit before provision		3,994,189,548	4,900,336,649
Provision for loans, investments & other assets	41.a		
Provision for loans and advance		820,009,910	2,224,550,526
Provision for diminution in value of investments		178,461,306	(106,366,393)
Provision for other assets		36,959,400	19,525,474
		1,035,430,616	2,137,709,607
Total provision		1,035,430,616	2,137,709,607
Profit/(Loss) before taxes		2,958,758,932	2,762,627,042
Provision for taxation			
Current tax	42.a	1,100,427,296	807,210,974
Deferred tax expense/(income)	42.b	208,827,364	(441,248,283)
		1,309,254,660	365,962,691
Net profit after taxation		1,649,504,272	2,396,664,351
Net profit after tax attributable to:			
Equity holders of the Bank		1,649,504,123	2,396,664,244
Non-controlling interest	23.1	149	108
Retained earnings brought forward from previous year		4,623,795,459	3,379,031,381
Add: Net profit after tax (attributable to equity holders of the Bank)		1,649,504,123	2,396,664,244
Profit available for appropriation		6,273,299,582	5,775,695,625
Appropriations:			
Statutory reserve		571,877,584	475,313,886
General reserve		-	-
Dividend		1,434,362,930	676,586,280
		2,006,240,514	1,151,900,166
Retained surplus		4,267,059,068	4,623,795,459
Earnings Per Share (EPS)	49.a	1.23	1.79

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

Sd/-

Managing Director & CEO

Sd/-

Director

Sd/-

Director

Sd/-

Director

Signed as per our annexed report of same date

29 April 2019
Dhaka

Sd/-
Howladar Yunus & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Cash Flow Statement
for the year ended 31 December 2018

Particulars	Note	Amount in BDT	
		2018	2017
A. Cash flows from operating activities			
Interest received		20,836,219,004	16,998,394,318
Interest payments		(12,955,875,376)	(8,984,625,603)
Dividend received		48,101,207	65,028,135
Fees and commission received		1,668,289,873	1,761,868,025
Recoveries of loans and advances previously written-off		165,713,392	106,277,295
Cash payments to employees		(2,606,492,443)	(2,565,528,127)
Cash payments to suppliers		(460,646,290)	(482,189,662)
Income taxes paid		(1,119,101,633)	(840,794,890)
Receipts from other operating activities	43.a	495,324,043	580,115,746
Payments for other operating activities	44.a	(1,716,485,152)	(1,763,578,270)
Operating cash flows before changing in operating assets and liabilities		4,355,046,625	4,874,966,967
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		(27,338,068,246)	(42,754,900,754)
Other assets	46.a	204,015,482	(371,172,827)
Deposits from other banks		(8,875,257,126)	20,224,643,000
Deposits from customers		33,503,564,838	19,345,508,796
Other liabilities	47.a	433,493,512	242,678,067
		(2,072,251,540)	(3,313,243,718)
Net cash flows from/(used in) operating activities		2,282,795,086	1,561,723,249
B. Cash flows from investing activities			
Net proceeds/(payments) from sale/(purchase) of Government securities		(3,309,748,707)	(3,195,532,139)
Net proceeds/(payments) from sale/(purchase) of securities		(81,973,557)	629,772,038
Purchase of property, plant & equipment		(2,195,800,256)	(337,425,131)
Proceeds from sale of property, plant & equipment		2,474,163	5,301,340
Net cash flows from/(used in) investing activities		(5,585,048,358)	(2,897,883,892)
C. Cash flows from financing activities			
Borrowing from other banks, financial institutions and agents		1,495,851,530	2,311,846,252
Payment against lease obligation		(2,839,044)	(3,620,804)
Receipts from issue of Rights share		-	5,638,219,070
Net cash flows from/(used in) financing activities		1,493,012,486	7,946,444,518
D. Net increase/(decrease) in cash (A+B+C)		(1,809,240,786)	6,610,283,875
E. Effects of exchange rate changes on cash and cash equivalents		(23,814,371)	242,847,644
F. Opening balance of cash and cash equivalents		29,945,046,257	23,091,914,737
G. Closing balance of cash and cash equivalents (D+E+F)		28,111,991,100	29,945,046,257
Closing cash and cash equivalents	45.a		
Cash in hand		2,899,030,289	2,251,768,572
Balance with Bangladesh Bank and its agent bank(s)		13,121,711,294	13,235,784,939
Balance with other banks and financial institutions		8,118,980,917	10,623,519,846
Money at call and on short notice		3,970,000,000	3,830,000,000
Prize bonds		2,268,600	3,972,900
		28,111,991,100	29,945,046,257

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Consolidated Statement of Changes in Equity
for the year ended 31 December 2018

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 2018	11,953,024,420	5,124,540,729	155,071,397	6,229,549	115,314,704	126,200,022	4,623,795,459	6,669	22,104,182,949
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2018	11,953,024,420	5,124,540,729	155,071,397	6,229,549	115,314,704	126,200,022	4,623,795,459	6,669	22,104,182,949
Surplus/(deficit) on account of revaluation of investments	-	-	-	6,879,297	-	-	-	-	6,879,297
Effect of foreign currency translation	-	-	-	-	-	(82,907,147)	-	-	(82,907,147)
Net gain and losses not recognized in the profit and loss account	11,953,024,420	5,124,540,729	155,071,397	13,108,847	115,314,704	43,292,875	4,623,795,459	6,669	22,028,155,100
Net profit for the year	-	-	-	-	-	-	1,649,504,123	149	1,649,504,272
Bonus share issued for the year 2017	1,434,362,930	-	-	-	-	-	(1,434,362,930)	-	-
Transfer to statutory reserve	-	571,877,584	-	-	-	-	(571,877,584)	-	-
Balance as at 31 December 2018	13,387,387,350	5,696,418,313	155,071,397	13,108,847	115,314,704	43,292,875	4,267,059,068	6,818	23,677,659,372
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	14,069,299,526
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)	-	-
Issue of share capital (Right share)	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

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
as at 31 December 2018

Amount in BDT

Particulars	Note	31 December 2018	31 December 2017
PROPERTY AND ASSETS			
Cash	3	16,007,300,116	15,478,772,582
Cash in hand (including foreign currency)	3.1	2,885,588,822	2,242,987,643
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	3.2	13,121,711,294	13,235,784,939
Balance with other banks and financial institutions	4	8,099,478,106	10,623,519,845
In Bangladesh	4.1	6,823,590,588	8,068,534,921
Outside Bangladesh	4	1,275,887,518	2,554,984,924
Money at call and on short notice	5	3,970,000,000	3,830,000,000
Investments	6	31,304,385,918	27,858,142,242
Government securities	6.1	27,258,506,647	23,943,582,942
Other investments	6.2	4,045,879,271	3,914,559,300
Loans and advances	7	206,929,635,707	179,264,206,747
Loans, cash credit, overdrafts etc.	7.1	194,668,112,000	167,561,290,347
Bills purchased and discounted	8	12,261,523,707	11,702,916,400
Fixed assets including premises, furniture and fixtures	9	5,437,949,308	3,528,384,037
Other assets	10	10,951,058,432	12,292,441,552
Non-banking assets	11	373,474,800	373,474,800
Total assets		283,073,282,387	253,248,941,805
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial Institutions and agents	12	9,969,432,278	8,473,580,748
Subordinated debt	13	3,500,000,000	3,500,000,000
Deposits and other accounts	14	226,333,027,803	200,205,665,479
Current deposit and other accounts	14.1	40,953,676,543	30,668,116,838
Bills payable	14.2	2,066,079,056	2,238,152,090
Savings bank deposits	14.3	24,711,065,947	27,058,321,723
Fixed deposits	14.4	158,602,206,257	140,241,074,828
Other liabilities	15	21,154,588,088	20,530,574,923
Total liabilities		260,957,048,169	232,709,821,150
Capital/Shareholders' equity			
Paid up capital	16.2	13,387,387,350	11,953,024,420
Statutory reserve	17	5,696,418,313	5,124,540,729
General reserve	18	155,071,397	155,071,397
Revaluation reserve against securities	19	13,108,847	6,229,549
Revaluation reserve against fixed assets	20	115,314,704	115,314,704
Surplus in profit and loss account	21	2,748,933,607	3,184,939,855
Total shareholders' equity		22,116,234,218	20,539,120,654
Total liabilities and shareholders' equity		283,073,282,387	253,248,941,805

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
as at 31 December 2018

Amount in BDT

Particulars	Note	31 December 2018	31 December 2017
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24	60,435,601,239	58,620,180,261
Acceptances and endorsements	24.1	23,224,423,401	19,010,992,711
Letters of guarantee	24.2	10,228,543,056	10,475,384,676
Irrevocable letters of credit	24.3	15,475,413,131	19,364,242,284
Bills for collection	24.4	11,507,221,651	9,769,560,590
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		60,435,601,239	58,620,180,261

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

Sd/-

Managing Director & CEO

Sd/-

Director

Sd/-

Director

Sd/-

Director

Signed as per our annexed report

29 April 2019
Dhaka

Sd/-
Howladar Yunus & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Profit and Loss Account
for the year ended 31 December 2018

Amount in BDT

Particulars	Note	2018	2017
Interest income	26	18,964,531,143	14,924,359,151
Interest paid on deposits, borrowings, etc.	27	14,404,724,629	9,432,299,373
Net interest income		4,559,806,514	5,492,059,778
Investment income	28	2,358,454,068	2,071,096,827
Commission, exchange and brokerage	29	1,616,275,359	1,667,194,163
Other operating income	30	466,172,933	531,967,516
		4,440,902,360	4,270,258,506
Total operating income		9,000,708,874	9,762,318,284
Salary and allowances	31	2,559,167,763	2,577,447,176
Rent, taxes, insurance, electricity, etc.	32	765,826,300	687,056,381
Legal expenses	33	10,300,630	9,121,163
Postage, stamp, telecommunication, etc.	34	62,977,318	76,244,922
Stationery, printing, advertisement, etc.	35	376,907,659	432,887,521
Managing Director's salary	36	15,120,000	15,120,000
Directors' fees	37	1,704,000	1,472,000
Auditors' fees	38	1,500,000	1,277,778
Charges on loan losses		109,642,716	244,828,037
Depreciation and repair of bank's assets	39	481,382,585	492,434,975
Other expenses	40	721,477,016	810,149,296
Total operating expenses		5,106,005,987	5,348,039,249
Profit/(Loss) before provision		3,894,702,887	4,414,279,035
Provision for loans, investments and other assets	41		
Provision for loans and advance		813,009,910	2,124,550,526
Provision for diminution in value of investments		185,345,656	(106,366,393)
Other provisions		36,959,400	19,525,474
Total Provision		1,035,314,966	2,037,709,607
Profit/(Loss) before taxes		2,859,387,921	2,376,569,428
Provision for taxation	42		
Current tax		1,080,000,000	750,000,000
Deferred tax expense/(income)		209,153,654	(441,165,478)
		1,289,153,654	308,834,522
Net profit after taxation		1,570,234,267	2,067,734,906
Retained earnings brought forward from previous year		3,184,939,855	2,269,105,114
		4,755,174,122	4,336,840,020
Appropriations			
Statutory reserve		571,877,584	475,313,886
General reserve		-	-
Dividend		1,434,362,930	676,586,280
		2,006,240,514	1,151,900,166
Retained surplus		2,748,933,607	3,184,939,854
Earnings Per Share (EPS)	49	1.17	1.54

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

Sd/-	Sd/-	Sd/-	Sd/-
_____ Managing Director & CEO	_____ Director	_____ Director	_____ Director

Signed as per our annexed report

29 April 2019
Dhaka

Sd/-
Howladar Yunus & Co.
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Cash Flow Statement
for the year ended 31 December 2018

Amount in BDT

Particulars	Note	2018	2017
A. Cash flows from operating activities			
Interest received		20,788,845,494	16,883,479,561
Interest payments		(12,955,900,475)	(8,979,735,359)
Dividend received		40,611,379	57,296,849
Fees and commission received		1,616,275,359	1,667,194,163
Recoveries of loans and advances previously written-off		165,713,392	106,277,295
Cash payments to employees		(2,584,787,763)	(2,542,567,176)
Cash payments to suppliers		(460,646,290)	(482,189,662)
Income taxes paid		(1,056,598,314)	(796,454,642)
Receipts from other operating activities	43	471,064,423	536,217,165
Payments for other operating activities	44	(1,682,602,848)	(1,724,441,334)
Operating cash flows before changing in operating assets and liabilities		4,341,974,358	4,725,076,860
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase/sale of trading securities		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		(27,421,751,453)	(42,859,794,573)
Other assets	46	206,716,709	(387,638,876)
Deposits from other banks		(8,875,257,126)	20,224,643,000
Deposits from customers		33,551,057,955	19,380,109,782
Other liabilities	47	468,677,135	244,452,255
		(2,070,556,780)	(3,398,228,411)
Net cash flows from/(used in) operating activities		2,271,417,578	1,326,848,448
B. Cash flows from investing activities			
Net proceeds/(payments) from sale/(purchase) of Government securities		(3,309,748,707)	(3,195,532,139)
Net proceeds/(payments) from sale/(purchase) of securities		(97,673,892)	535,212,004
Purchase of property, plant & equipment		(2,198,868,226)	(337,324,034)
Proceeds from sale of property, plant & equipment		2,474,163	5,301,340
Net cash flows from/(used in) investing activities		(5,603,816,663)	(2,992,342,829)
C. Cash flows from financing activities			
Borrowing from other banks, financial institution and agents		1,495,851,530	2,646,411,825
Payment against lease obligation		(2,839,044)	(3,620,804)
Receipts from issue of Rights share		-	5,638,219,070
Net cash flows from/(used in) financing activities		1,493,012,486	8,281,010,091
D. Net increase/(decrease) in cash (A+B+C)		(1,839,386,599)	6,615,515,711
E. Effects of exchange rate changes on cash and cash equivalents		(17,831,906)	241,100,083
F. Opening balance of cash and cash equivalents		29,936,265,327	23,079,649,534
G. Closing balance of cash and cash equivalents (D+E+F)		28,079,046,822	29,936,265,327
Closing cash and cash equivalents			
	45		
Cash in hand		2,885,588,822	2,242,987,643
Balance with Bangladesh Bank and its agent bank(s)		13,121,711,294	13,235,784,939
Balance with other banks and financial institutions		8,099,478,106	10,623,519,845
Money at call and on short notice		3,970,000,000	3,830,000,000
Prize bonds		2,268,600	3,972,900
		28,079,046,822	29,936,265,327

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Statement of Changes in Equity
for the year ended 31 December 2018

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 2018	11,953,024,420	5,124,540,729	155,071,397	6,229,549	115,314,704	3,184,939,855	20,539,120,655
Impact of changes in accounting policy	-	-	-	-	-	-	-
Restated balance as at 1 January 2018	11,953,024,420	5,124,540,729	155,071,397	6,229,549	115,314,704	3,184,939,855	20,539,120,655
Surplus/deficit on account of revaluation of investments	-	-	-	6,879,297	-	-	6,879,297
Effect of foreign currency translation	-	-	-	-	-	-	-
Net gain and losses not recognized in the income statement	11,953,024,420	5,124,540,729	155,071,397	13,108,847	115,314,704	3,184,939,855	20,545,999,952
Net profit for the year	-	-	-	-	-	1,570,234,267	1,570,234,267
Bonus share issued for the year 2017	1,434,362,930	-	-	-	-	(1,434,362,930)	-
Transfer to statutory reserve	-	571,877,584	-	-	-	(571,877,584)	-
Balance as at 31 December 2018	13,387,387,350	5,696,418,313	155,071,397	13,108,847	115,314,704	2,748,933,607	22,116,234,218
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)
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	12,833,166,678
Net profit for the year	-	-	-	-	-	2,067,734,906	2,067,734,906
Bonus share issued for the year 2016	676,586,280	-	-	-	-	(676,586,280)	-
Issue of share capital (Right share)	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	20,539,120,654

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Liquidity Statement

Maturity Analysis of Assets and Liabilities

as at 31 December 2018

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)	3,856,616,212	123,931,651	123,931,650	-	11,902,820,604	16,007,300,116
Balance with other banks and financial institutions	86,436,223	2,743,041,883	5,270,000,000	-	-	8,099,478,106
Money at call and on short notice	3,970,000,000	-	-	-	-	3,970,000,000
Investment	2,268,600	3,583,458,033	9,151,073,751	12,366,423,831	6,201,161,703	31,304,385,918
Loans and advances	36,377,157,823	29,079,270,104	43,908,901,085	66,212,878,661	31,351,428,034	206,929,635,707
Fixed assets including premises, furniture and fixture	-	543,794,931	815,692,396	2,175,179,723	1,903,282,258	5,437,949,308
Other assets	940,313,791	3,988,885,858	1,880,627,582	1,909,437,412	2,231,793,790	10,951,058,432
Non-banking assets	-	-	-	373,474,800	-	373,474,800
Total assets	45,232,792,650	40,062,382,459	61,150,226,463	83,037,394,427	53,590,486,388	283,073,282,387
Liabilities						
Subordinated debt	-	-	700,000,000	2,800,000,000	-	3,500,000,000
Borrowing from other banks, financial institutions and agents	433,019,551	2,265,916,026	2,323,012,367	4,905,043,200	42,441,134	9,969,432,278
Deposits and other accounts	29,572,411,368	51,688,317,713	63,163,508,843	78,326,109,413	3,582,680,466	226,333,027,803
Other liabilities	2,504,759,142	546,235,931	2,250,053,216	2,003,291,366	13,850,248,432	21,154,588,088
Total liabilities	32,510,190,061	54,500,469,670	68,436,574,426	88,034,443,978	17,475,370,033	260,957,048,169
Net liquidity	12,722,602,589	(14,438,087,212)	(7,286,347,963)	(4,997,049,551)	36,115,116,356	22,116,234,218

Notes to the Financial Statements
as at and for the year ended 31 December 2018

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 fledged 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.

The Bank has 147 branches and 81 ATM booths with 93 ATMs as on 31 December 2018. 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. The 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-L**.

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 related services. The operation of the company starts on 10 March 2011.

Audited Financial Statements of IFIC Securities Limited are shown in **Annexure-M**.

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.

Audited Financial Statements of IFIC Money Transfer (UK) Limited are shown in **Annexure-N**.

1.5 Joint Ventures/Associates of the Bank

1.5.1 Nepal Bangladesh Bank Limited, Nepal

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.

The stake of IFIC in the share capital of NBBL is 40.91% and rest of the stake held by other institutions and general public of Nepal. The Bank's total holding is 33,088,433 number of shares out of 80,882,992 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. IFIC has Management & Technical Service Agreement to provide technical know-how and professional knowledge to strengthen the smooth function of NBBL.

1.5.2 Oman Exchange LLC, Oman

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 rest 75% shares is held by the Omani sponsors.

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. In 2017 NIB Bank Limited merged with MCB Bank Limited and IFIC Bank owned 175,508 shares of MCB Bank Limited.

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation

2.1.1 Statement of compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed 2017 but yet to issue financial reporting standards for public interest entities such as Banks. The Banking Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly the separate and the consolidated financial statements of the Group comprising the Bank, its subsidiaries and its associates (hereinafter "the/these financial statements") as at and for the year ended 31 December 2018 continue to be prepared in accordance with IFRSs, IASs and the "First Schedule" (section 38) of the Banking Companies Act 1991 as amended, BRPD Circular number 14 dated 25 June 2003 and other Bangladesh Bank Circulars.

The Bank complied with the requirements of following laws and regulations from various Government bodies:

- i) The Banking Companies Act 1991;
- ii) The Companies Act 1994;
- iii) Rules and Regulations Issued by Bangladesh Bank;
- iv) 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 and notifications
- v) The Income Tax Ordinance 1984 and amendment thereon;
- vi) The Value Added Tax Act 1991 and amendment thereon;
- vii) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations;

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

As such the Group and the Bank has departed from those contradictory requirements of IASs and IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i) Investment in shares and securities

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet, respectively. Provision should be made for any loss arising from diminution in value of investment (portfolio basis); otherwise investments are recognized at cost.

ii) Revaluation gains/losses on Government securities

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

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

iii) Repo and reverse repo transactions

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

Bangladesh Bank: As per DOS circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no. 2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction and the financial asset is derecognized in the seller's book and recognized in the buyer's book.

In addition to that as per DMD circular letter no. 7 dated 29 July 2012, non-primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may carry out collateralized repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognize the asset.

iv) Provision on loans and advances/investments

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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 5 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 15 dated 27 September 2017 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 off-balance sheet exposures as per BRPD circular no. 10 dated 18 September 2007, BRPD circular no. 7 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018. Moreover, a provision for Short-Term Agricultural and Micro-Credits has to be provided at the rate of 5% for 'sub-standard' and 'doubtful' loans and at the rate of 100% provision for the 'bad/Loss' loans. As per BRPD circular no. 4 dated 29 January 2015, 1% additional provision have to be maintained for large restructured loan. Such provision policies are not specifically in line with those prescribed by IFRS 9.

v) Recognition of interest in suspense

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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount transferred/credited to an interest in suspense account and shown as liability in the balance sheet.

vi) Other comprehensive income

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

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The template of financial statements issued by Bangladesh Bank neither include OCI nor 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.

vii) Financial instruments – presentation and disclosure

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

viii) Financial guarantees

IAS/IFRS: As per IFRS 9: *Financial Instruments*, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the term of debt instruments. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized amount and the over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and loss allowance determined expected credit loss under IFRS 9. Financial guarantees are prescribed to be included 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 should be treated as off balance items. No liability is recognized for the guarantee except the cash margin.

ix) Cash and cash equivalent

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

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

x) Non-banking asset

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, there is a separate balance sheet item named Non-banking assets existed in the standard format.

xi) Cash flow statement

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

Bangladesh Bank: Bangladesh Bank as a primary regulator prescribed the template of the cash flow statement in BRPD circular no. 14 dated 25 June 2003 and the Bank prepared cash flow statement as per this circular.

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

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

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

xiii) Presentation of intangible asset

IAS/IFRS: Intangible asset must be identified, recognized and disclosed in the financial statements as per IAS 38: *Intangible Assets*.

Bangladesh Bank: There is no regulation for disclosure of intangible assets in BRPD circular no. 14 dated 25 June 2003.

xiv) Off-balance sheet items

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

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

xv) Disclosure of appropriation of profit

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

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

xvi) Loans and advances/Investments net off provision

IAS/IFRS: As per IFIS 9, 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

These financial statements 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)' are measured at present value using amortization concept.
- Zero Coupon Bond are measured 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 IAS 16: *Property Plant and Equipment*.

No adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the bank, as appropriate.

2.1.3 Reporting period

These 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 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 Limited have been adjusted proportionately in line with the reporting period of its parent i.e. IFIC Bank Limited during calculation of share of post-acquisition profit from associates in its consolidated financial statement.

2.1.4 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 29 April 2019.

2.1.6 Functional and presentation currency

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

2.1.7 Use of estimates and judgments

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

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described below:

- a) Provision for loans, advances and investments
- b) Revaluation of land & buildings
- c) Deferred tax assets/liabilities
- d) Useful life of depreciable assets
- e) Measurement of defined benefit obligation (Provision for gratuity)
- f) Provision / accruals for expenses
- g) Provision for current taxation
- h) Contingent Liability (Letter of Guarantee)

2.1.7.1 Changes in accounting estimates

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

2.1.8 Going concern

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

The management of the Bank has calculated all the ratios related to the maintenance of regulatory requirements of capital & liquidity such as CRAR, LCR, NSFR, Leverage ratio, CRR & SLR and assessed adequacy of bank's liquidity as per structured liquidity profile to determine bank's shock absorbent capacity in different distress scenario. All the ratios and results thus calculated reveal that Bank is running well above the level of different parameters set by the respective guidelines of Bangladesh Bank.

2.1.9 Cash flow statement

Cash flow statement has been prepared in accordance with IAS 7: *Statement of Cash Flows*, and under the guideline of Bangladesh Bank, BRPD circular no. 14 dated 25 June 2003. As per BRPD circular no. 14, banks are not guided to disclose a reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for nonoperation items and for the net changes in operating accruals.

2.1.10 Statement of changes in equity

Statement of changes in equity has been prepared in accordance with IAS 1: *Presentation of Financial Statements*, and following the guidelines of Bangladesh Bank, BRPD Circular no. 14 dated 25 June 2003 which reflects information about the increase or decrease in net assets or wealth during the period.

2.1.11 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

2.1.12 Materiality and aggregation

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

2.1.13 Comparative information

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

2.1.14 Basis of consolidated and separate financial statements

The consolidated financial statements include the financial statements of IFIC Bank Limited and its subsidiaries, IFIC Securities Limited operating in Bangladesh and IFIC Money Transfer (UK) Limited operating in United Kingdom as those of a single economic entity. The separate financial statements are derived by combining the financial statements of main operation of IFIC Bank Limited and the financial statements of Off-shore Banking Unit operating in Bangladesh.

The consolidated and separate financial statements have been prepared in accordance with IAS 27: *Separate Financial Statements* and IFRS 10: *Consolidated Financial Statements*. The consolidated financial statements are prepared to a common year ended 31 December 2018. Since the reporting period of Nepal Bangladesh Bank Limited is different from that of the parent so necessary adjustments have been made to the financial results at the time of consolidation. Both consolidated financial statements and separate financial statements of the Bank comprises Balance Sheet, Profit & Loss Statement, Cash Flow Statement, Statement of Changes in Equity and relevant notes and disclosures.

2.1.14.1 Subsidiaries

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

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

2.1.14.2 Associates

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

2.1.14.3 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.

2.2 Significant accounting policies

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

2.2.1 Assets and basis of their measurement

2.2.1.1 Cash and cash equivalents

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

2.2.1.2 Investment

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

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

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

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

Investment primarily held for selling/trading is classified in this category. After initial recognition, investments are revalued weekly basis on mark to market policy. Decrease in the book value is recognized in the profit and loss account and any increase is transferred to revaluation reserve account.

iii) Investment in quoted shares/securities

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

iv) Investment in unquoted shares/securities

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

v) Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting and presented in the Bank's consolidated financial statements as that of a single economic entity in accordance with the IAS 27: *Separate Financial Statements* and IFRS 10: *Consolidated Financial Statements*.

vi) Investment in associates

Investment in associates are accounted for using the equity method (equity accounted investees) in the consolidated financial statements as per IAS 28: *Investment in Associates*. The consolidated financial statements include the IFIC's share of the profit and loss of equity accounted investees, after adjustments to align the accounting policies with those of the IFIC Bank Limited, from the date that significant influence commences until the date that significant influence ceases.

2.2.1.3 Loans and advances

i) Loans and advances are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business. It has been stated at gross value as 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. 5 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 1 dated 20 February 2018, BRPD circular no. 7 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018. As per BRPD circular no. 4 dated 29 January 2015, 1% additional provision has to be maintained for restructured large loan.

The provision 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%				

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.

iv) Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, (ii) against which legal cases are filed and (iii) classified as bad/loss for more than the stipulated period as per guidelines of Bangladesh Bank. These write off however, will not undermine/affect the claim amount against the borrower.

A separate Remedial Asset Management (RAM) monitors loans written off 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. Written off loans and advances are reported to the Credit Information Bureau (CIB) of Bangladesh Bank.

v) As per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012 the Bank has recognized 1% General Provision on the following off balance sheet exposures considering the exemption as provided through BRPD circular no. 10 dated 18 September 2007, BRPD circular no. 1 dated 03 January 2018, BRPD circular no. 7 dated 21 June 2018 and BRPD circular no.13 dated 18 October 2018.

- Acceptance and endorsements
- Letters of guarantee
- Irrevocable letters of credit
- Foreign exchange contracts

2.2.1.4 Stock of stationery

Stock of stationery e.g. security stationery, printing stationery etc. has been shown under other assets and is valued at cost.

2.2.1.5 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. Land is initially measured at cost and then recognized at revalued amount. The bank has charged depreciation using straight line method and 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 IAS 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 in the month of 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 or improvement of building or implementation of new system etc. are initially kept as capital work in progress and once ready/available for use then it is transferred to respective category of fixed assets and calculation of depreciation starts accordingly.

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.

2.2.1.6 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 IAS 38: *Intangible Assets*. Intangible assets acquired separately are recorded on initial recognition at costs and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure on intangible asset

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are charged as expense to the profit and loss account as and when they are incurred.

Amortization of intangible asset

Intangible assets are amortized on straight line method to the profit and loss account from the year when the asset is available for use. Intangible asset i.e. acquisition cost of the computer application software is amortized over its useful life which is usually 10 years or among the period of license of the concerned software.

2.2.1.7 Impairment of assets

An asset is impaired when its carrying amount exceeds its recoverable amount as per IAS 36: *Impairment of Assets*. The Bank assesses at the end of each reporting period whether there is any indication that an asset may be impaired. The impairment test is also made whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the Bank makes an estimate of the recoverable amount of such assets. Upon estimation, if the recoverable amount is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and resultant impairment losses are recognized in the profit and loss account.

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

2.2.1.8 Leasing

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance leases.

When the Bank is a lessee under finance leases, the leased assets are capitalized and included in "fixed assets" and the corresponding liability to the lessor is included in "Borrowing". A finance lease and its corresponding liability are recognized initially at the fair value of the asset or, if lower, the present value of the minimum lease payments. Finance charges payable are recognized as interest expense over the period of the lease based on the interest rate implicit in the lease so as to give a constant rate of interest on the remaining balance of the liability.

All other leases are classified as operating leases. When the Bank is the lessee under an operating lease, leased assets are not recognized in the balance sheet. Rentals payable, including rent paid in advance, under operating leases are accounted for on a straight-line basis over the period of the lease, unless another systematic basis is more representative of the time pattern of the user's benefit, and are included in "Rent expenses".

2.2.1.9 Other assets

Other assets include mainly advance office rent, payment of advance income tax has not been closed yet and all other financial assets, fees and other unrealized income receivable, advance for operating and capital expenditure and stocks of stationery and stamps etc. Any part of other assets which is unadjusted more than 12 months subject to make provision as per BRPD circular no. 14 dated 25 June 2001.

2.2.2 Liabilities, provisions and basis of their measurement

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

No provision is recognized for -

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

Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognized in the financial statement since this may result in the recognition of income that may never be realized.

2.2.2.1 Borrowings from other banks, financial institutions and agents

Borrowing funds include call money deposits, borrowings under re-finance scheme, obligation under lease finance and other short term and long term borrowings from banks and financial institutions. Interest paid/payable on these borrowings is charged to the profit and loss accounts.

2.2.2.2 Deposits and other accounts

Deposits and other accounts include interest and non-interest bearing demand and time deposits received from the customers/depositors in the form of current, savings and term deposits etc. Interest paid/payable is charged to the profit and loss account. Deposits by customers and banks are recognized when the Bank enters into the contractual provisions of the arrangements with counterparties, which is generally on trade date, and initially measured at the consideration received.

2.2.2.3 Other 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, IAS and IFRS, Income Tax Ordinance 1984 and internal policies of the bank. Provisions and accrued expenses are recognized in the financial statements when the bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.2.2.4 Provision for taxation

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

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

The Bank accounted for deferred tax as per IAS 12: *Income Taxes*, Income Tax Ordinance (ITO) 1984 and BRPD circular no. 11 dated 12 December 2011 issued by the Bangladesh Bank. It is generated by temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base.

Deferred tax assets, including specific provision (only doubtful and bad / loss) against the classified loans and advances, the tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences. They are also recognized for taxable temporary differences arising on investments and it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax assets associated with these interests are recognized only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profits against which to utilize the benefits of the temporary difference.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realized or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement reflects the tax consequences that would follow from the manner in which the bank, at the reporting date, recovers or settles the carrying amount of its assets and liabilities.

2.2.2.5 Provision for diminution in value of investments

Provision for diminution of value of quoted shares and mutual funds (closed-end), placed under other liability, has been made on portfolio basis (gain net off) following DOS circular no. 4 dated 24 November 2011 and DOS circular letter no. 3 dated 12 March 2015 respectively. For unquoted shares, provision has been made based on available NAV of respective number of units. As on the reporting date, the Bank does not hold any open-end mutual fund.

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).

2.2.2.6 Provision for Nostro Account

Provisions for unsettled transactions made on nostro accounts are reviewed on a quarterly basis by the management and certified by the Bank's external auditors on a semi-annual basis as per circular letter no. FEPD(FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank.

2.2.2.7 Provision for 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 considering the exemption as provided through as per instruction contained in Bangladesh Bank BRPD circular no. 10 dated 18 September 2007, BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 1 dated 03 January 2018, BRPD circular no. 7 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018.

2.2.2.8 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 earned during immediately

preceding 12 months and is payable at the different applicable rate on the year of service as defined in the "IFIC Bank Employees' Gratuity Fund" which is a funded Gratuity Fund.

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 spouse with 2 (two) children at rates provided in the Insurance Coverage Scheme of the Bank.

Performance bonus

Bank provides the bonus to the eligible 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.

Mandatory Annual leave / Leave Fare Assistance

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

Subsidized loan scheme

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

2.2.3 Revenue recognition

i) Interest income

Interest income is recognized on an accruals basis, Interest on loans and advances ceases to taken into income when such advances are classified, kept in interest suspense account. Interest on classified advances is accounted for on realization basis as per Bangladesh Bank guidelines.

ii) Investment income

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

iii) Dividend income on shares

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

iv) Fees and commission income

The Bank earns fees and commission from a diverse range of service provided to its customers. These include fees and commission income arising on financial and other services provided by the bank including trade finance, credit/debit cards, remittances, locker facilities, SMS banking and service charge on various accounts.

v) Exchange gain/(loss)

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

vi) Gain or loss on sale of property, plant and equipment

The gain or loss on disposal of premises and equipment is determined as the difference between the carrying amount of the assets at the time of disposal and the proceeds of disposal, and is recognized as an item of other income in the year in which the significant risks and rewards of ownership and transferred to buyer.

2.2.3.1 Interest paid on deposits and borrowings

In terms of the provisions of the IAS 1: *Presentation of the Financial Statements* interest expenses are recognized on accrual basis.

2.2.3.2 Interest on subordinated debt

Interest on subordinated debt is recognized on accrual basis and paid as per the respective terms of interest payment.

2.2.3.3 Management and other expenses

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

2.2.4 General

2.2.4.1 Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

i) Authorized capital

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

ii) Paid up share capital

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

2.2.4.2 Statutory reserve

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

2.2.4.3 Fixed assets revaluation reserve

When an asset's carrying amount is increased as a result of a revaluation the increase amount should be credited directly to equity under the heading of revaluation surplus/reserve as per *IAS 16: Property, Plant and Equipment*. The Bank revalued the land which is absolutely owned by the Bank and the increased amount was transferred to revaluation reserve.

2.2.4.4 Non controlling interest

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

2.2.4.5 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.

2.2.4.6 Earnings per share (EPS)

Earning per share (EPS) has been computed as per IAS 33: *Earnings Per Share* by dividing the basic earning by the weighted average number of ordinary Shares outstanding as at 31 December 2018 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 shares, the net profit after tax for the period has been considered as fully attributable to the ordinary shareholders. This has been calculated by dividing the net profit after tax attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

ii) Weighted average number of 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-weighted factor is the numbers of days the specific shares were outstanding as a proportion of the total number of days in the year.

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

iii) Diluted earnings per share

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

2.2.5 Foreign currency

2.2.5.1 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 IAS 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.

2.2.5.2 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.

2.2.6 Related party transactions

As per IAS 24: *Related Party Disclosures*, parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. The Bank carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24: *Related Party Disclosures*, Bangladesh Bank and BSEC guidelines. Details of the related party transactions have been disclosed in **Annexure-F**.

2.2.7 Operating segments

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

2.2.8 Events after the reporting period

As per IAS 10: *Events after the Reporting Period*, events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of event can be identified:

(a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and

(b) Non adjusting events after the reporting period, are those that are indicative of conditions that arose 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.

2.2.9 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 8 February 2016 and BRPD(BFIS)661/18B(P)/2016-2475 dated 17 April 2016) issued 07 (seven) years Non-Convertible Coupon Bearing Subordinated Bonds as a part of eligible capital under Tier-II as per Basel-III. The issued instrument is un-secured, non-convertible in nature and will be redeemed at 20% of its face value each year which will start at the end of 3rd year i.e. May 2019.

The rate of interest of the Bond is Reference Rate + 4.8% Margin, where Reference Rate is the latest 182 days Bangladesh Govt. T-Bill rate. Coupon floor rate is 7.0% and coupon ceiling rate is 11.0%. Coupon to be paid semi-annually. This subordinated bond has been rated by CRAB as AA₃ (Hyb) in Long Term category with 'Stable' outlook valid up to 28 June 2019 which is judged to be of very high quality, subject to very low credit risk.

2.2.10 Risk management

Risk is the exposure to uncertainty and risk exposure is the extent to which an entity is sensitive to underlying risks. Risk management is the process by which an organization defines the level of risk to be taken, measures the level of risk being taken and adjusts the later toward the former, with the goal of maximizing the company's value. Risk management is not about minimizing risk, but about actively managing risks to achieve goals. 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 risk management 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 a board 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 analyzes 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 its 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.

The Bank has defined segregation of duties for all credit risk related activities like credit approval, administration, monitoring and recovery functions.

ii) Asset liability management risk

Asset Liability Management (ALM) 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)" and Customer Acceptance Policy 2013 (amended in 2018) which are 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 Supply of Account Information, Suspicious Transaction Report (STR), Cash Transaction Report (CTR), Know Your Customer (KYC) Procedure, Transaction Monitoring Report, Structured Monitoring Report, Porisisto Gha (Suspicious/Abnormal transaction) 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 very much aware of maintaining good rating on AML/CFT issues.

To create awareness and prevent AML & CFT issues Bank is regularly arranging training programs for newly recruits, refreshers & regional branch officials on prevention of money laundering & combating financing of terrorism with the particular focus on Trade Based Money Laundering in addition to 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 and Bank also providing training with target to specific roles, responsibilities and activities. to create customer awareness Bank has been distributing leaflets to the customer's regarding AML & CFT issues and Branch displays AML & CFT awareness poster at Branch's visible places. Bank also conducting inspections to branches for checking records and creating awareness among the branch officials to prevent AML & CFT issues.

iv) Internal control and compliance risk

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

Internal Control Unit (ICU) has also been set-up at the branches with the existing manpower to minimize irregularities and lapses to prevent fraud, forgeries and to avoid operational risks of the Bank. In 2016 the Bank has introduced 'Risk based Internal Audit Policy', Branch Audit Rating System in order to upgrade 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

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

- Conducted Cyber Security Assessment to outline the risky areas with PwC- an international reputed consulting firm. The bank has prepared the way out to mitigate the risk areas as per their guideline.
- For ensuring cyber security, the bank is continuously conducting training on sensitive IT tasks for IT division and awareness program for creating Cyber Security Awareness for relevant employees.
- The bank is taking data backup on daily basis; one copy is being stored in a fire-proof Vault and another copy is being kept at a remote site to withstand any disaster in Data Centre.
- Upgradation of Disaster Recovery (DR) Site is done and DR site can ensure any payment related service to the customers in case of any emergency or any disaster at Data Centre. Business continuity Plan has also been developed.
- As per the Bangladesh Bank guideline, the bank has concentrated on ICT security management. In this regard ICT Steering Committee and ICT Security Committee have been formed and are working to ensure the overall ICT Security.
- The bank has replaced the network equipment including core firewall, and enhanced security in the Data Center and Disaster

recovery site.

- The SWIFT environment of the bank is upgraded. World class Trade processing system is integrated with the payment system to mitigate the risk of financial fraud.
- The Bank has implemented a robust mailing system. Availability of Exchange Server in Disaster Recovery Site is completed. World class security is established for email security.
- New Data Center in IFIC tower is inaugurated and is providing value to IT service delivery of the bank. Physical and other appropriate security is being maintained in the workplace to protect ICT resources properly as per the guideline of Bangladesh Bank.
- The bank is maintaining Service Level Agreement (SLA) with the vendors who are directly involved for providing critical services on behalf of the bank. The bank is also maintaining insurance coverage for critical IT assets and maintaining IT Assets Inventory.
- The Bank is strictly following the Information Security Guidelines of Bangladesh Bank which covers Password Control, User ID Maintenance, Input Control, Network Security, Data Encryption, Virus Protection and Access Control to Internet and Emailing.
- The bank has also completed all ICT Security documentation to ensure security of the ICT Systems and is continuously updating them to strengthen security of the systems.

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, stems from adverse movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices.

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

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

d) Interest rate risk

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

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

e) Equity price risk

Equity price risk is the risk of losses caused by changes in equity prices. These losses could arise because of changes in the value of listed shares held directly by the bank; changes in the value of listed shares held by a bank subsidiary; changes in the

value of listed shares used as collateral for loans from a bank or a bank subsidiary, whether or not the loan was made for the purpose of buying the shares; and changes in the value of unlisted shares. Bank presses vital importance to measure, monitor, and control their equity market risk.

f) Reputation risk

Reputation risk may arise from the possibility that negative publicity regarding the bank and its business practices, in the territory or elsewhere through related entities, and whether accurate or not, will adversely impact the operations and position of the bank. Reputation risk may also arise from an institution, or an affiliate, being domiciled in a jurisdiction where the legal and organizational framework for the regulation and supervision of financial institutions is generally viewed as failing to meet international standards for the protection of consumers of financial services and for the prevention of sheltering the proceeds of organized crime.

The Bank manages the reputation risk ensuring the followings:

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

2.2.11 Audit Committee

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

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

2.2.12 Management Committee (MANCOM)

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

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

2.2.13 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 2017 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 2017	AA ₂	ST-2	Stable	30-Jun-19
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

2.2.14 Compliance report on International Financial Reporting Standards (IFRSs):

In December 2017, Institute of Chartered Accountants of Bangladesh (ICAB) vide letter I/II/ICAB-2017 decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 1 January 2018. However, since issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on financial statements. While preparing the financial statements, Bank complied all the applicable IASs and IFRSs as adopted by ICAB except those described in note 2.1.1. Details are given below:

Name of the IFRS	IFRS No.	Status
First-time Adoption International Financial Reporting Standards	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	Complied
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A
Financial Instruments: Disclosures	7	Complied*
Operating Segments	8	Complied
Financial Instruments	9	Complied*
Consolidated Financial Statements	10	Complied
Joint Arrangements	11	Complied
Disclosure of Interests in Other Entities	12	Complied
Fair Value Measurement	13	Complied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Complied*
Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Complied
Inventories	2	Complied
Statement of Cash Flows	7	Complied
Accounting Policies, Changes in Accounting estimates & Errors	8	Complied
Events After the Reporting Period	10	Complied
Income Taxes	12	Complied
Property, Plant and Equipment	16	Complied
Leases	17	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 Bangladesh Bank which are different to IAS/IFRS, some of the requirements specified in these IAS/IFRSs are not applied.

New accounting standards not yet adopted

The Bank has consistently applied the accounting policies to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2018 have been considered. As per the Bank's assessment, only material impact of new standards adopted in 2018 is relating to calculation of impairment provision as per IFRS 9: *Financial Instruments*. However, in absence of any revised guideline from Bangladesh Bank, the Bank continued previously used impairment, classification and measurement policies for its loans and advances. Accordingly, these amendments have no material impact on the financial statements of the Bank.

A number of standards and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

(a) IFRS 16 Leases

IFRS 16: *Leases*, issued in January 2016 replaces existing leases guidance and effective for reporting period beginning on or after 1 January 2019. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The Bank has not yet assessed the potential impact of IFRS 16 on its financial statements.

(b) IFRS 17 Insurance Contract

IFRS 17: *Insurance Contract* was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

Notes to the Financial Statements
as at and for the year ended 31 December 2018

		Amount in BDT	
	Note	31 December 2018	31 December 2017
3	Cash		
	Cash in hand (including foreign currency)	2,885,588,822	2,242,987,643
	Balance with Bangladesh Bank and its agent bank (s) (including foreign currency)	13,121,711,294	13,235,784,939
		16,007,300,116	15,478,772,582
3.1	Cash in hand (including foreign currency)		
	Local currency in hand	2,632,581,387	2,007,898,180
	Foreign currencies in hand	39,030,457	31,065,052
	Cash with ATM	213,976,978	204,024,411
		2,885,588,822	2,242,987,643
3.2	Balance with Bangladesh Bank and its agents bank		
	Bangladesh Bank		
	Local currency	12,232,523,883	11,658,597,953
	Foreign currency	325,799,600	1,213,888,149
		12,558,323,483	12,872,486,102
	Sonali Bank as agent of Bangladesh Bank	563,387,811	363,298,837
		13,121,711,294	13,235,784,939
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 3 April 2018 and MPD circular no. 2, dated 10 December 2013.		
3.3.1	Cash Reserve Requirement (CRR)		
	As per Bangladesh Bank MPD Circular no. 1 dated 3 April 2018 [effective from 15 April 2018], all scheduled banks have to maintain CRR of minimum 5.0% on daily basis and 5.5% on bi-weekly basis based on weekly average demand and time liabilities excluding inter-bank deposits of immediate preceding two months [i.e. CRR of December 2018 was based on weekly average balance of October 2018]. CRR maintained by the Bank as per statutory requirement is shown below:		
	Average time and demand liabilities	209,283,456,045	172,336,019,750
	Required reserve	11,510,590,082	11,201,841,284
	Actual reserve maintained*	12,206,346,533	11,615,875,000
	Surplus	695,756,451	414,033,716
	* 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 2018 was based on weekly average balance of October 2018]. SLR maintained by the Bank as per statutory requirement is shown below:		
	Average time and demand liabilities	209,283,456,045	172,336,019,750
	Required reserve	27,206,849,000	22,403,682,568
	Actual reserve maintained	31,400,971,131	26,959,930,238
	Surplus	4,194,122,131	4,556,247,670
	Actual reserve maintained for SLR		
	Cash in hand	2,885,588,822	2,242,987,643
	Balance with Bangladesh Bank in excess of CRR	695,756,451	414,033,716
	Balance with Sonali Bank as agent	563,387,811	363,298,837
	Government securities (HFT)	12,498,053,088	11,070,665,980
	Government securities (HTM)	14,758,184,959	12,868,944,062
		31,400,971,131	26,959,930,238
3.a	Consolidated cash in hand		
	IFIC Bank Limited	2,885,588,822	2,242,987,643
	IFIC Securities Limited	6,904	7,105
	IFIC Money Transfer (UK) Limited	13,434,563	8,773,824
		2,899,030,289	2,251,768,572

	Note	31 December 2018	31 December 2017
3.b Balance with Bangladesh Bank and its agent bank(s)			
IFIC Bank Limited	3.2	13,121,711,294	13,235,784,939
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		13,121,711,294	13,235,784,939
		16,020,741,583	15,487,553,511
4 Balance with other banks and financial institutions			
In Bangladesh	4.1	6,823,590,588	8,068,534,921
Outside Bangladesh *		1,275,887,518	2,554,984,924
		8,099,478,106	10,623,519,845
* Details of Balance with outside Bangladesh are shown in "Annexure-A".			
4.1 In Bangladesh			
In current deposit account with			
Agrani Bank Limited		31,027,173	32,525,278
Sonali Bank Limited		17,282,743	44,109,821
Islami Bank Bangladesh Limited		98,575	99,150
		48,408,491	76,734,249
In special notice deposit account with			
Trust Bank Limited		33,192,803	33,078,349
Standard Chartered Bank		4,834,930	8,692,380
		38,027,733	41,770,729
In beneficiary owner (BO) account with			
IFIC Securities Limited		659	659
Latif Securities Limited		28,834	29,284
Asain Tiger Capital Partners Investments Limited		7,124,871	-
		7,154,364	29,943
In fixed deposit account with banks and NBFIs			
Banking companies			
EXIM Bank Limited		500,000,000	-
Jamuna Bank Limited		1,000,000,000	-
Social Islamic Bank Limited		500,000,000	-
		2,000,000,000	-
Non-Banking Financial Institutions			
Investment Corporation of Bangladesh		3,780,000,000	7,800,000,000
Peoples Leasing & Financial Services Limited		150,000,000	150,000,000
IPDC Finance Limited		300,000,000	-
Delta Brac Housing Finance Corp. Limited		500,000,000	-
		4,730,000,000	7,950,000,000
		6,730,000,000	7,950,000,000
		6,823,590,588	8,068,534,921
4.2 Maturity grouping of balance with other banks and FIs			
Receivable on demand		86,436,223	2,673,489,902
Up to 1 month		2,743,041,883	3,500,029,943
More than 1 month but not more than 3 months		5,270,000,000	4,450,000,000
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		-	-
		8,099,478,106	10,623,519,845
4.a Consolidated balance with other banks and financial institutions			
4.a(i) In Bangladesh			
IFIC Bank Limited	4.1	6,823,590,588	8,068,534,921
IFIC Securities Limited		145,670,986	95,242,495
IFIC Money Transfer (UK) Limited		-	-
		6,969,261,574	8,163,777,416
Less: Inter-company transaction		145,670,986	95,242,494
		6,823,590,588	8,068,534,922

	Note	31 December 2018	31 December 2017
4.a(ii) Outside Bangladesh			
IFIC Bank Limited	4	1,275,887,518	2,554,984,924
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		19,502,811	-
		1,295,390,329	2,554,984,924
		8,118,980,917	10,623,519,846
5 Money at call and on short notice			
Commercial Bank of Ceylon PLC		250,000,000	-
Midland Bank Limited		200,000,000	-
National Bank Limited		600,000,000	-
NCC Bank Limited		850,000,000	500,000,000
NRB Bank Limited		70,000,000	-
One Bank Limited		100,000,000	-
The City Bank Limited		1,400,000,000	150,000,000
Uttara Bank Limited		500,000,000	-
AB Bank Limited		-	500,000,000
Bank Alfalah Limited		-	200,000,000
Basic Bank Limited		-	650,000,000
BRAC Bank Limited		-	100,000,000
Habib Bank Limited		-	330,000,000
Pubali Bank Limited		-	1,400,000,000
		3,970,000,000	3,830,000,000
6 Investments			
Government Securities	6.1	27,258,506,647	23,943,582,942
Other Investments	6.2	4,045,879,271	3,914,559,300
		31,304,385,918	27,858,142,242
6.1 Government securities			
Treasury bills	6.1.1	12,498,053,088	8,371,890,078
Treasury bonds	6.1.2	14,758,184,959	12,868,944,062
Bangladesh Bank bills		-	2,698,775,902
Prize bond		2,268,600	3,972,900
		27,258,506,647	23,943,582,942
6.1.1 Treasury bills			
91 days treasury bills		2,795,411,871	5,062,153,880
182 days treasury bills		2,053,245,577	2,055,468,793
364 days treasury bills		7,649,395,640	1,254,267,405
		12,498,053,088	8,371,890,078
6.1.2 Treasury bonds			
2 years Treasury bond		2,901,236,644	1,551,864,375
5 years Treasury bond		2,647,870,266	1,416,584,158
10 years Treasury bond		3,927,550,928	5,508,401,071
15 years Treasury bond		3,536,076,359	2,941,619,589
20 years Treasury bond		1,745,450,762	1,450,474,869
		14,758,184,959	12,868,944,062
6.2 Other investments			
Unquoted shares			
Karmasangsthan Bank		20,000,000	20,000,000
Central Depository Bangladesh Limited		22,847,220	22,847,220
Energypac Power Generation Limited		25,960,000	25,960,000
		68,807,220	68,807,220

	Note	31 December 2018	31 December 2017	
Quoted shares				
Eastland Insurance Company Limited		7,958,672	7,958,672	
Fareast Life Insurance Limited		122,511,641	122,511,641	
National Housing Finance & Investment Limited		39,010,000	39,010,000	
Power Grid Company Limited		215,882,261	215,882,261	
Summit Alliance Port Limited		5,692,616	5,692,616	
TITAS Gas Transmission and Distribution Limited		412,348,120	412,348,120	
Unique Hotel and Resorts Limited		21,029,385	21,029,385	
Aman Feed Limited		4,743,200	-	
BBS Cables Limited		9,646,540	-	
BRAC Bank Limited		4,175,700	-	
Confidence Cement Limited		12,741,029	-	
GlaxoSmithKline(GSK) Bangladesh Limited		10,682,010	-	
Meghna Petroleum Limited		3,750,542	-	
Shahjalal Islami Bank Limited		5,581,890	-	
Shasha Denims Limited		7,439,512	-	
Singer Bangladesh Limited		10,965,683	-	
Southeast Bank Limited		2,232,795	-	
Square Pharmaceuticals Limited		8,957,201	-	
Summit Power Limited		7,751,100	-	
United Power Generation & Distribution Company Limited		9,006,690	-	
		922,106,587	824,432,695	
Mutual funds				
IFIC Bank 1 st Mutual Fund		250,000,000	250,000,000	
ICB Employee 1 st Mutual Fund		17,986,473	17,986,473	
		267,986,473	267,986,473	
Foreign Investment				
Investment in associates				
Nepal Bangladesh Bank Limited		2,411,533,806	2,383,257,623	
Oman Exchange LLC		19,070,638	18,797,875	
		2,430,604,444	2,402,055,498	
Other foreign investment				
MCB Bank Limited, Pakistan		356,374,547	351,277,414	
		2,786,978,991	2,753,332,912	
		4,045,879,271	3,914,559,300	
Details of investment in shares are shown in "Annexure-B".				
6.3 Government securities classified according to Bangladesh Bank Circular				
Held for trading (HFT)	6.1.1	12,498,053,088	11,070,665,980	
Held to maturity (HTM)	6.1.2	14,758,184,959	12,868,944,062	
Other securities	6.1	2,268,600	3,972,900	
		27,258,506,647	23,943,582,942	
6.4 Maturity grouping of investments				
On demand		2,268,600	3,972,900	
Up to 1 month		-	6,144,894,985	
Over 1 month but not more than 3 months		3,583,458,033	4,909,031,451	
Over 3 months but not more than 6 months		1,596,060,073	1,142,973,870	
Over 6 months but not more than 1 years		7,555,013,678	2,730,948,455	
Over 1 year but not more than 5 years		12,366,423,831	5,268,550,365	
Over 5 years		6,201,161,703	7,657,770,217	
		31,304,385,918	27,858,142,242	
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				

	Note	31 December 2018	31 December 2017
Disclosure regarding overall transaction of Repo and Reverse Repo			
Counterparty name		Minimum outstanding in Y2018	Maximum outstanding in Y2018
			Daily average outstanding in Y2018
Securities sold under Repo			
With Bangladesh Bank		-	-
With other Banks and FIs		496,798,000	735,042,000
Securities purchased under Reverse Repo			
From Bangladesh Bank		-	-
From other Banks and FIs		193,953,686	991,695,000
6.a Consolidated investments			
Government Securities			
IFIC Bank Limited	6.1	27,258,506,647	23,943,582,942
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		27,258,506,647	23,943,582,942
6.b Consolidated other investments			
IFIC Bank Limited	6.2	4,045,879,271	3,914,559,300
IFIC Securities Limited		70,782,190	86,482,525
IFIC Money Transfer (UK) Limited		-	-
Less: Book value of investment in joint venture/associate-NBBL		(2,411,533,806)	(2,383,257,623)
Less: Book value of investment in joint venture/associate -OE LLC		(19,070,638)	(18,797,875)
Add: Investment in NBBL under equity method	40.b(i)	3,667,144,961	3,696,288,544
Add: Investment in OE LLC under equity method	40.b(ii)	52,691,476	52,019,550
		5,405,893,454	5,347,294,421
		32,664,400,101	29,290,877,363
7 Loans and advances			
Loans, cash credit, overdraft etc.	7.1	194,668,112,000	167,561,290,347
Bill purchased and discounted	8	12,261,523,707	11,702,916,400
		206,929,635,707	179,264,206,747
7.1 Loans, cash credit, overdraft etc.			
Term loan industrial		18,014,358,116	17,063,561,459
Term loan consumer finance		406,147,670	558,364,756
Agricultural loan		3,307,816,634	3,371,120,066
Term loan women entrepreneur		8,514,611	11,013,182
Term loan-others		52,513,482,252	41,166,349,180
House building loans		32,118,754,920	28,602,090,173
Staff loan		1,616,151,683	1,757,091,256
Transport loan		175,128,847	283,941,559
Loan general		3,478,838,901	2,907,043,082
Demand loan		5,902,080,933	4,801,451,088
Overdrafts		41,966,927,428	33,845,375,485
Cash credit		25,608,250,393	25,763,648,192
Credit card finance		218,924,160	221,172,914
Loan against trust receipt (LTR)		7,269,614,377	6,045,961,917
Lease finance	7.17	399,773,603	603,861,134
		193,004,764,528	167,002,045,443
		193,004,764,528	167,002,045,443
Off-shore banking unit		1,663,347,472	559,244,904
		194,668,112,000	167,561,290,347
7.2 Net loans and advances including bills purchased and discounted			
Total loans and advances	7	206,929,635,707	179,264,206,747
Less: Provision against loans and advances	15	(5,953,922,678)	(5,908,672,674)
Less: Interest suspense account	15.8	(6,286,303,850)	(4,953,004,400)
		194,689,409,178	168,402,529,673

	Note	31 December 2018	31 December 2017
7.3 Residual maturity grouping of Loans, cash credit, overdraft etc.			
On demand		33,896,561,001	27,838,862,770
Up to 1 month		5,233,301,371	5,450,193,405
Over 1 month but not more than 3 months		17,823,885,652	16,826,336,698
Over 3 months but not more than 1 years		40,150,057,281	46,739,015,931
Over 1 year but not more than 5 years		66,212,878,661	13,745,948,626
Over 5 years		31,351,428,034	56,960,932,917
		194,668,112,000	167,561,290,347
7.4 Loans and advances under broad categories			
In Bangladesh			
Loans		127,092,934,179	107,952,266,670
Cash credit		25,608,250,393	25,763,648,192
Overdrafts		41,966,927,428	33,845,375,485
		194,668,112,000	167,561,290,347
Bill purchased and discounted	8	12,261,523,707	11,702,916,400
		206,929,635,707	179,264,206,747
Outside Bangladesh		-	-
		206,929,635,707	179,264,206,747
7.5 Loans and advances on the basis of significant concentration			
Loans and advances to Directors, executives and others			
Loans and advances to directors and their allied concerns		-	-
Loans and advances to Managing Director, Senior Executives and Staffs		1,616,151,683	1,757,091,256
Advances to customers' groups		205,313,484,024	177,507,115,491
		206,929,635,707	179,264,206,747
7.6 Loans and advances allowed to each customer exceeding 10% of Bank's total capital			
Number of customers		22	18
Outstanding - Funded		68,358,030,000	42,831,500,000
Outstanding - Non-funded		15,537,500,000	16,705,600,000
Amount classified		-	28,560,000.00
Amount of loans and advances (comprising funded and non funded facilities) to each customer exceeding BDT2,690.37 million which is computed as 10% of the Bank's capital (as defined under the Banking Companies Act 1991 as amended) of BDT 26,903.65 million as at 31 December 2018 (note-16.7). As at 31 December 2017, 10% of Bank's total capital was BDT 2,411.38 million.			
Details of loans and advances to each customer exceeding 10% Banks capital are shown in "Annexure-C".			
7.7 Industry wise position of loans and advances including bills purchased and discounted			
Agriculture		4,100,871,662	4,152,871,153
Jute		3,409,944,054	2,332,158,477
Textile		9,634,908,479	8,106,041,668
Garments		27,329,636,906	22,846,097,610
Chemical and chemical products		65,641,436	82,717,360
Cement		493,605,449	478,685,019
Bricks & ceramic		1,256,956,493	1,162,799,867
Food products & processing		6,598,731,822	7,009,933,259
Engineering & metal		5,503,947,446	4,572,114,176
Drugs & pharmaceuticals		836,637,760	793,677,153
Hospital & clinics		112,629,849	118,930,607
Paper & paper products		1,946,994,437	729,630,865
Other small industries		10,081,823,073	5,573,560,408
IT sector		4,531,030,945	3,888,500,063
Other service industries		19,672,984,559	18,887,301,387
Trade & commerce		28,450,186,327	25,189,491,153
Transport		380,633,564	412,158,286
Construction firms/companies		9,350,469,046	4,383,749,184
Housing societies/companies		19,577,451,204	18,618,329,957
Cold storage		135,550,704	166,427,636
Consumer finance		35,196,287,222	32,636,155,787
Energy		6,884,492,131	7,228,342,800
Telecommunication		8,805,955,835	6,481,185,089
Others		2,572,265,304	3,413,347,782
		206,929,635,707	179,264,206,747

	Note	31 December 2018	31 December 2017
7.8 Sector wise position of loans and advances including bills purchased and discounted			
Government sector		-	-
Other public sector		45,272,017	-
Private sector		206,862,539,963	179,237,084,213
Co-operative sector		21,823,727	27,122,534
		206,929,635,707	179,264,206,747
7.9 Geographical location-wise loans and advances including bills purchased and discounted			
Dhaka division		169,660,429,132	144,030,740,953
Chittagong division		18,918,852,561	17,381,011,763
Sylhet division		1,552,604,529	1,470,580,894
Rajshahi division		6,813,459,086	7,042,320,828
Khulna division		4,238,229,069	4,151,988,855
Barisal division		1,006,182,814	994,648,565
Rangpur division		3,175,705,370	3,028,618,733
Mymensingh division		1,564,173,146	1,164,296,156
		206,929,635,707	179,264,206,747
Outside Bangladesh		-	-
		206,929,635,707	179,264,206,747
7.10 Business segment-wise concentration of loans and advances as per CL			
Corporate		141,789,297,838	114,268,773,216
SME		29,203,321,027	28,689,558,321
Short term agri credit		1,238,546,499	3,761,090,000
Consumer (including staff)		6,169,280,362	6,598,267,850
Others		28,529,189,981	25,946,517,361
		206,929,635,707	179,264,206,747
7.11 Loans and advances including bills purchased and discounted as per CL			
Continuous loan			
Consumer finance		3,228,503,802	3,476,707,674
Small and medium enterprise		22,087,432,209	22,256,621,260
Loans to BHs/MBs/SDs		284,034,921	398,612,145
Other continuous loans		40,316,586,108	31,991,528,702
		65,916,557,040	58,123,469,781
Demand loans			
Consumer finance		805,569,104	645,345,795
Small and medium enterprise		3,093,352,762	2,677,584,337
Loans to BHs/MBs/SDs		-	20,039,788
Other demand loans		26,447,995,846	23,934,076,194
		30,346,917,712	27,277,046,114
Term loan			
Consumer finance (including staff, other than HF)		2,135,207,456	2,476,214,381
Small and medium enterprise		4,022,536,056	3,755,352,724
Housing finance (HF)		28,240,132,875	25,519,413,170
Loans for professionals		390,554	880,603
Loans to BHs/MBs/SDs		4,631,631	7,571,655
Other fixed term loan		75,024,715,884	58,343,168,319
		109,427,614,456	90,102,600,852
Short term loan			
Short term agri credit		1,238,546,499	3,761,090,000
		206,929,635,707	179,264,206,747
7.12 Security/collateral-wise concentration of loans and advances including bills purchased and discounted			
Collateral of movable/immovable assets		164,770,530,731	149,412,525,582
Local banks and financial institutions' guarantee		-	4,399,751,911
Export documents		2,377,254,025	2,235,024,178
Fixed deposit receipts		6,914,255,832	6,900,692,558
Personal guarantee		6,239,794,609	6,453,205,313
Other securities		26,627,800,510	9,863,007,205
		206,929,635,707	179,264,206,747

	Note	31 December 2018	31 December 2017
7.13 Particulars of loans and advances			
i)	Loans considered good in respect of which the Bank is fully secured	197,494,534,296	168,190,076,609
ii)	Loans considered good for which the Bank holds no other security than the debtors' personal guarantee	218,924,160	221,172,914
iii)	Loans considered good being secured by personal security of one or more persons in addition to the personal security of the debtors	9,216,177,251	10,852,957,224
iv)	Loans adversely classified; provision not maintained there against	-	-
		206,929,635,707	179,264,206,747
v)	Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons.	1,616,151,683	1,757,091,256
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	7,993,422	1,847,022,714
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	(196,775,921)	1,144,330,431
	Amount of loan written off	1,368,940,948	1,516,812,121
	Amount recovered against the loans previously written off	173,422,704	107,849,295
	b) Amount of provision kept against loans classified as bad/loss as at the Balance Sheet date	3,027,299,586	3,224,075,507
	c) Amount of interest creditable to the interest suspense account	3,143,633,681	2,302,722,641
xi)	Cumulative amount of written off loan:		
	Opening balance	11,883,203,872	10,470,681,046
	Amount written off during the year	1,368,940,948	1,516,812,121
	Interest charged	-	3,560,000
	Recovery from written-off during the year*	(173,422,704)	(107,849,295)
		13,078,722,116	11,883,203,872
	* Recovery from written-off loans during the year include interest waiver of Tk. 7,709,312 [Y2017: Tk. 1,572,000]		
7.14 Cumulative amount of written off loans for which law suits have been filed			
	Opening balance	17,254,211,808	15,737,399,687
	During the year	1,368,940,948	1,516,812,121
		18,623,152,756	17,254,211,808
	Out of this cumulative amount of written-off loans, no suit could be filed for recovery of Tk. 43.8 million for becoming time barred.		
7.15 Classification of loans and advances			
Unclassified			
	Standard	183,181,322,577	159,896,974,048
	Special mention account	11,008,179,243	7,889,353,032
		194,189,501,820	167,786,327,080
Classified			
	Substandard	3,950,146,955	2,840,907,426
	Doubtful	645,594,790	521,370,466
	Bad/Loss	8,144,392,142	8,115,601,775
		12,740,133,887	11,477,879,667
		206,929,635,707	179,264,206,747

	Note	31 December 2018	31 December 2017
7.16 Movements of classified loans and advances			
Opening balance		11,477,879,667	7,250,942,884
Additions during the year		15,163,270,027	9,293,289,090
Reduction during the year		(13,901,015,807)	(5,066,352,307)
		12,740,133,887	11,477,879,667
7.17 Net lease receivable			
Gross lease receivable within 1 year		77,389,239	115,910,449
Gross lease receivable 1 - 5 years		404,770,638	638,830,811
Total lease rental receivable		482,159,877	754,741,261
Less: Unearned income		82,386,274	150,880,127
Net lease receivable		399,773,603	603,861,134
7.a Consolidated loans and advance			
Loans, cash credits, overdrafts etc.			
IFIC Bank Limited	7.1	194,668,112,000	167,561,290,347
IFIC Securities Limited		4,002,656,028	4,031,904,359
IFIC Money Transfer (UK) Limited		-	-
		198,670,768,028	171,593,194,706
Less: Inter-company transactions		-	-
		198,670,768,028	171,593,194,706
8 Bills purchased and discounted			
Payable in Bangladesh	8.1	11,355,935,165	11,029,263,524
Payable outside Bangladesh	8.1	905,588,542	673,652,876
		12,261,523,707	11,702,916,400
8.1 Bill purchased and discounted			
Payable in Bangladesh			
Local bills/documents			
Inland documentary bill purchase (IDBP)		1,187,854,926	1,315,396,432
Payment against documents-cash		195,805,114	127,852,644
Payment against documents-EDF		7,599,331,777	5,724,232,382
Payment against documents-forced (Inland)		834,336,580	843,396,126
Payment against documents-forced (Foreign)		740,133,711	673,091,858
Payment against documents-Others		262,904,240	150,999,876
		10,820,366,348	8,834,969,317
Off-shore banking unit		535,568,817	2,194,294,207
		11,355,935,165	11,029,263,524
Payable outside Bangladesh			
Foreign documentary bill purchase (FDBP)		905,588,542	673,652,876
		12,261,523,707	11,702,916,400
8.2 Residual maturity grouping of bill purchased and discounted			
On demand		2,480,596,822	1,765,458,061
Up to 1 month		2,236,092,869	1,560,213,773
Over 1 month but not more than 3 months		3,785,990,212	2,839,400,250
Over 3 months but not more than 6 months		3,719,063,264	3,337,347,403
Over 6 months		39,780,540	2,200,496,913
		12,261,523,707	11,702,916,400
8.a Consolidated bills purchased and discounted			
IFIC Bank Limited	8	12,261,523,707	11,702,916,400
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		12,261,523,707	11,702,916,400
9 Fixed assets including premises, furniture and fixtures			
Cost/revalued:			
Land		2,423,609,559	475,118,759
Buildings and premises		1,902,617,204	1,902,617,204
Wooden furniture		254,995,657	249,945,814
Steel furniture		69,355,031	65,205,635
Computer equipment		834,234,736	737,808,649
Office equipment		227,658,391	219,597,186

	Note	31 December 2018	31 December 2017
Electrical & gas equipment		872,562,106	796,346,586
Leasehold improvement		295,691,386	261,520,676
Vehicles		134,040,330	119,768,760
Leased vehicles		47,600,000	47,600,000
Soft furnishing		11,764,626	11,468,191
Software		554,133,463	542,871,430
		7,628,262,489	5,429,868,890
Capital work in progress *		195,116,279	232,657,045
		7,823,378,768	5,662,525,935
Less: Accumulated depreciation		2,385,429,460	2,134,141,897
Written down value		5,437,949,308	3,528,384,037

Details of fixed assets are shown in "Annexure-D"

* Capital work in progress represents the amount paid for Document Management System, Fire Protection System, Data Center, Fusion Banking Essence and Integration of SWIFT with CBS.

9.a Consolidated fixed assets including premises, furniture and fixtures

IFC Bank Limited	9	5,437,949,308	3,528,384,037
IFC Securities Limited		4,255,186	5,055,648
IFC Money Transfer (UK) Limited		3,630,900	5,898,408
		5,445,835,394	3,539,338,093

10 Other assets

Stationery and stamps		32,367,261	35,525,576
Suspense account	10.1	828,249,291	1,002,872,721
Advance, deposit and prepayments	10.2	5,408,142,054	6,806,703,648
Accrued interest & other income receivable	10.3	980,553,915	901,974,973
Investment in subsidiaries	10.4	2,231,793,790	2,233,231,960
Deferred tax assets	10.5	903,795,256	1,112,948,910
Revaluation account FDBP		1,791,292	1,791,292
Receivable others		376,975,003	36,321,862
		10,763,667,862	12,131,370,942
Off-shore banking unit		187,390,570	161,070,610
		10,951,058,432	12,292,441,552

10.1 Suspense account

Advance against bills, new branches		16,551,502	16,863,890
Advance against TA / DA		3,664,125	2,276,340
Law charges		225,421,603	184,012,612
Encashment of Shanchaya Patra		397,305,266	606,941,080
Wage earners development bond		25,456,033	44,468,281
Investment bond		8,193,009	22,305,287
Sundry debtors		149,410,510	123,930,599
EFTN receivable		1,785,243	959,133
VISA card		462,000	603,355
CIB charge receivable		-	401,744
Cash incentive audit fees		-	110,400
		828,249,291	1,002,872,721

10.2 Advance, deposit and prepayments

Rent		259,355,926	289,314,164
Income tax	10.2.1	4,863,041,730	6,225,321,335
Security deposit including demand note		13,191,174	12,966,474
Car purchase scheme		159,089,205	133,852,149
Insurance premium		2,500,000	9,975,024
Protested bills		44,130,460	23,740,892
Cash remittance		45,526,689	98,761,562
Supplier		9,251,038	9,214,902
Lease vehicle		896,021	896,021
Share money deposits		11,159,811	2,421,125
Fixed assets		-	240,000
		5,408,142,054	6,806,703,648

	Note	31 December 2018	31 December 2017
10.2.1 Advance income tax			
Balance at the beginning of the year		6,225,321,335	2,604,728,491
Add: Payment made during the year		1,056,598,314	796,454,642
Add: Prior years adjustment made during the year		42,603,403	2,824,138,202
Less: Settlement of Years 2013 and 2014		(2,461,481,322)	-
Closing balance		4,863,041,730	6,225,321,335
10.3 Accrued interest & other income receivable			
Treasury bonds and bills		355,836,743	410,601,747
Receivables from Government		41,272,375	41,272,375
Accrued interest on loans and advances		494,723,269	349,168,073
Accrued interest on investment in term and call		88,721,528	100,932,778
		980,553,915	901,974,973
10.4 Investment in subsidiaries			
IFIC Securities Limited		2,199,994,000	2,199,994,000
IFIC Money Transfer (UK) Limited		31,799,790	33,237,960
		2,231,793,790	2,233,231,960
10.5 Deferred tax assets			
Deferred tax assets have been recognized and measured as per International Accounting Standards 12: <i>Income Taxes</i> 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		1,168,882,916	1,334,667,576
Deferred tax liabilities		(265,087,660)	(221,718,666)
Deferred tax assets/(liabilities)		903,795,256	1,112,948,910
i) Deferred tax on provision for loans and advances classified as doubtful and bad & loss			
Carrying amount		3,117,021,110	3,336,668,941
Tax base		-	-
Deductible/(taxable) temporary difference		3,117,021,110	3,336,668,941
Tax rate		37.50%	40.00%
Closing deferred tax assets/(liabilities)		1,168,882,916	1,334,667,576
Opening deferred tax assets/(liabilities)		1,334,667,576	862,970,743
Deferred tax (expense)/income (A)		(165,784,660)	471,696,833
ii) Deferred tax on fixed assets			
Carrying amount		2,873,948,596	2,792,370,798
Tax base		2,167,048,168	2,238,074,133
Deductible/(Taxable) temporary difference		706,900,427	554,296,665
Tax rate		37.50%	40.00%
Closing deferred tax assets/(liabilities)		(265,087,660)	(221,718,666)
Opening deferred tax assets/(liabilities)		(221,718,666)	(191,187,312)
Deferred tax (expense)/income (B)		(43,368,994)	(30,531,355)
Deferred tax (expense)/income (A+B)		(209,153,654)	441,165,478
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	31,799,790	33,237,960
		2,231,793,790	2,233,231,960
10.7 Non-Income generating other assets			
Stationery and stamps		32,367,261	35,525,576
Suspense account	10.1	828,249,291	1,002,872,721
Advance, deposit and prepayments	10.2	5,408,142,054	6,806,703,648
Accrued interest & other income receivable	10.3	980,553,915	901,974,973
Deferred tax assets	10.5	903,795,256	1,112,948,910
Revaluation account FDBP		1,791,292	1,791,292
Receivable others		376,975,003	36,321,862
		8,531,874,072	9,898,138,982
Off-shore banking unit		187,390,570	161,070,610
		8,719,264,642	10,059,209,592

	Note	31 December 2018	31 December 2017
10.a Consolidated other assets			
IFIC Bank Limited	10	10,951,058,432	12,292,441,552
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	31,799,790	33,237,960
		8,719,264,642	10,059,209,592
IFIC Securities Limited		283,186,384	217,744,800
IFIC Money Transfer (UK) Limited		609,496	637,061
		9,003,060,522	10,277,591,453
11 Non-banking assets		373,474,800	373,474,800
Through the verdict of honorable court under section 33(7) of the Artharin Adalat Act 2003, the Bank has got an absolute ownership on few mortgaged properties and in the books of accounts recorded as non-banking assets in the year 2013.			
12 Borrowing from other banks, financial institutions and agents			
In Bangladesh	12.1	7,871,932,278	6,404,087,443
Outside Bangladesh	12.2	2,097,500,000	2,069,493,305
		9,969,432,278	8,473,580,748
12.1 In Bangladesh			
Obligation under lease finance		19,827,757	26,773,597
Short term borrowing		83,900,000	-
		103,727,757	26,773,597
Refinance from Bangladesh Bank			
Export Development Fund (EDF)		7,133,891,576	5,467,225,444
Small and Medium Enterprise (SME)		574,842,616	832,119,174
Long Term Financing Facility (LTFF)		59,470,329	77,969,228
		7,768,204,521	6,377,313,846
		7,871,932,278	6,404,087,443
12.2 Outside Bangladesh			
Nepal Bangladesh Bank Limited		2,097,500,000	1,984,800,000
Standard Chartered Bank (Singapore)		-	84,693,305
		2,097,500,000	2,069,493,305
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		9,969,432,278	8,473,580,748
		9,969,432,278	8,473,580,748
12.4 Maturity grouping of borrowing from other banks, financial institutions and agents			
Payable			
On demand		11,474,233	38,666,411
Up to 1 month		421,545,318	912,261,781
Over 1 month but not more than 3 months		2,265,916,026	3,069,002,175
Over 3 months but not more than 1 year		2,323,012,367	4,014,232,069
Over 1 year but not more than 5 years		4,905,043,200	439,418,312
Over 5 years		42,441,134	-
		9,969,432,278	8,473,580,748
12.a Consolidated borrowing from other banks, financial institutions and agents			
In Bangladesh			
IFIC Bank Limited	12.1	7,871,932,278	6,404,087,443
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		7,871,932,278	6,404,087,443
Less: Inter -company transactions		-	-
		7,871,932,278	6,404,087,443

	Note	31 December 2018	31 December 2017	
Outside Bangladesh				
IFIC Bank Limited	12.2	2,097,500,000	2,069,493,305	
IFIC Securities Limited		-	-	
IFIC Money Transfer (UK) Limited		-	-	
		2,097,500,000	2,069,493,305	
		9,969,432,278	8,473,580,748	
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 2018	Outstanding 31 December 2017
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
14 Deposits and other accounts				
Current deposit and other accounts	14.1	40,953,676,543	30,668,116,838	
Bills payable	14.2	2,066,079,056	2,238,152,090	
Savings bank deposits	14.3	24,711,065,947	27,058,321,723	
Fixed deposits	14.4	158,602,206,257	140,241,074,828	
		226,333,027,803	200,205,665,479	
14.1 Current deposit and other accounts				
Current accounts		18,493,074,110	16,097,196,971	
IFIC AAMAR account		14,564,938,228	5,838,655,265	
Foreign currency deposit		869,285,363	972,467,714	
Resident foreign currency deposit		50,707,790	45,830,669	
Exporters foreign currency account		4,881,723,297	5,410,636,302	
Margin on letters of credit		1,304,092,145	1,611,822,555	
Margin on letters of guarantee		374,569,623	332,769,212	
Investors' account credit balance		549,018	549,350	
Q-cash, prepaid, cheque card		1,072,314	1,093,075	
Sundry deposit	14.1.1	413,664,655	357,095,725	
		40,953,676,543	30,668,116,838	
14.1.1 Sundry deposit				
Sundry creditor		122,172,679	135,646,439	
Lease deposit		23,645,299	25,383,032	
Risk fund-lease, CCS & others		264,303	510,971	
Clearing collection		147,668,326	40,287,044	
VISA credit card		36,230,106	65,863,557	
Sundry deposit BFF		25,912,400	25,912,400	
FDD issued but not presented		13,323,391	13,001,395	
IBC lodgment		61,650	62,595	
Key deposit		5,799,550	5,664,500	
CIB Charges		1,720,766	2,768,941	
Credit report charge		2,071,972	1,847,368	
Other sundry deposits		34,794,213	40,147,483	
		413,664,655	357,095,725	
14.2 Bills payable				
Payment order		2,058,290,411	2,230,597,345	
Demand draft		5,732,767	5,737,767	
Security deposit receipt		2,055,878	1,816,978	
		2,066,079,056	2,238,152,090	
14.3 Savings bank deposits				
Savings account		17,475,296,032	18,222,098,068	
Super savings plus		5,723,959,197	7,270,200,846	
Payroll savings		343,980,845	325,373,793	
Sanchita-female savings		995,543,687	1,082,972,982	
Student savings - duronto		171,693,222	157,445,075	
Interest payable on savings deposit		592,964	230,959	
		24,711,065,947	27,058,321,723	

	Note	31 December 2018	31 December 2017
14.4 Fixed deposits			
Special notice deposit (SND)		25,101,619,381	19,779,157,220
Term deposit	14.4.1	124,730,829,282	112,267,520,646
Recurring deposit	14.4.2	8,747,714,491	8,154,214,626
Non resident foreign currency deposit (NFCD)		9,101,831	8,928,117
Export retention quota (ERQ)		12,941,272	31,254,219
		158,602,206,257	140,241,074,828
14.4.1 Term deposit			
Fixed deposits		108,862,565,314	95,864,403,286
Double return deposit scheme		7,855,681,076	9,183,547,333
Three years deposit plus		5,163,900	5,323,766
Monthly income scheme		4,800,115,250	5,415,049,683
Monthly income scheme - Arjon		56,080,000	122,372,295
Interest payable on term deposit		3,151,223,742	1,676,824,283
		124,730,829,282	112,267,520,646
14.4.2 Recurring deposit			
Pension savings scheme (PSS)		6,745,497,954	6,614,966,251
Pension savings scheme - Joma		18,136,965	17,760,200
Flexi DPS - Freedom		1,023,904,154	755,196,423
Millionaire dream plan		523,532,439	455,980,489
School savings plan		34,896,628	43,205,010
IFIC AGAMI		181,010,586	23,170,518
Interest payable on recurring deposit		220,735,765	243,935,735
		8,747,714,491	8,154,214,626
14.5 Deposit and other accounts of the banks			
Deposit from banks		11,732,305,874	20,607,563,000
Deposit from customers		214,600,721,929	179,598,102,479
		226,333,027,803	200,205,665,479
14.6 Payable on demand and time deposit			
Demand deposits			
Current deposits		33,979,626,823	21,960,064,868
Savings deposits		2,223,942,568	2,435,228,168
Sundry deposit		5,486,921,550	5,227,334,761
Bills payable		2,066,079,056	2,238,152,090
		43,756,569,997	31,860,779,887
Time deposits			
Savings deposits		22,486,530,414	30,033,498,898
Fixed deposits		130,106,585,066	105,047,950,619
Special notice deposits		25,101,619,381	19,810,411,439
Deposits under schemes		4,881,722,944	13,453,024,636
		182,576,457,806	168,344,885,592
		226,333,027,803	200,205,665,479
14.7 Sector-wise concentration of deposits and other accounts			
Government deposits		6,669,713,875	3,714,695,000
Other public sector		35,089,000,201	24,735,873,000
Deposit for banks		11,732,305,874	20,607,563,000
Foreign currency deposits		5,823,759,553	6,437,862,802
Private sectors		167,018,248,300	144,709,671,677
		226,333,027,803	200,205,665,479
14.8 Unclaimed deposits			
Current deposits		5,531,272	8,876,209
Savings deposits		35,616,032	26,276,492
Special notice deposits		2,646,077	11,021,134
Pay order		117,432	4,813,581
Demand Draft		27,658	583,710
Security deposit receipt		-	235,163
FC Deposit		1,121,430	-
		45,059,901	51,806,289

	Note	31 December 2018	31 December 2017
14.9 Residual maturity grouping of deposits and other accounts			
Maturity grouping of deposit from banks			
On demand		228,503,339	162,729,000
Up to 1 month		13,802,535	11,250,000,000
Over 1 month but not more than 3 months		550,000,000	9,194,834,000
Over 3 months but not more than 1 year		10,940,000,000	-
Over 1 year but not more than 5 years		-	-
Over 5 years		-	-
		11,732,305,874	20,607,563,000
Maturity grouping of deposit from customers excluding bills payable			
On demand		1,581,265,204	1,215,437,463
Up to 1 month		27,128,956,565	21,314,463,719
Over 1 month but not more than 3 months		50,725,061,895	42,723,480,810
Over 3 months but not more than 1 year		52,016,880,935	41,637,846,343
Over 1 year but not more than 5 years		77,912,853,596	68,509,993,273
Over 5 years		3,169,624,677	1,958,728,781
		212,534,642,872	177,359,950,389
Maturity grouping of bills payable			
On demand		206,627,909	223,815,208
Up to 1 month		413,255,816	447,630,418
Over 1 month but not more than 3 months		413,255,818	447,630,418
Over 3 months but not more than 1 year		206,627,908	223,815,210
Over 1 year but not more than 5 years		413,255,817	447,630,418
Over 5 years		413,055,789	447,630,418
		2,066,079,057	2,238,152,090
		226,333,027,803	200,205,665,479
14.a Consolidated deposits and other accounts			
Current deposits and other accounts			
IFIC Bank Limited	14.1	40,953,676,543	30,668,116,838
IFIC Securities Limited		41,192,225	38,256,850
IFIC Money Transfer (UK) Limited		-	-
		40,994,868,768	30,706,373,688
Less: Inter -company transactions		145,670,986	95,242,494
		40,849,197,782	30,611,131,194
Bills payable			
IFIC Bank Limited	14.2	2,066,079,056	2,238,152,090
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		2,066,079,056	2,238,152,090
Savings bank deposit			
IFIC Bank Limited	14.3	24,711,065,947	27,058,321,723
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		24,711,065,947	27,058,321,723
Fixed deposits			
IFIC Bank Limited	14.4	158,602,206,257	140,241,074,828
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		158,602,206,257	140,241,074,828
		226,228,549,042	200,148,679,836
15 Other liabilities			
Specific provision for classified loans and advances	15.1	3,439,332,446	3,594,107,146
General provision for unclassified loans and advances	15.2	1,970,054,642	1,715,857,694
Provision for off balance sheet items	15.3	544,535,590	598,707,834
Provision for loans and advance		5,953,922,678	5,908,672,674
Provision for diminution in value of investments	15.4	524,903,189	339,557,533
Provision for nostro accounts	15.5	10,533,645	10,382,985
Provision for other assets	15.6	376,349,960	339,541,220
Provision for loans, investments and assets		6,865,709,472	6,598,154,412

	Note	31 December 2018	31 December 2017
Provision for taxation	15.7	6,634,055,867	7,972,933,786
Interest suspense accounts	15.8	6,286,303,850	4,953,004,400
Incentive bonus	15.9	240,500,000	251,000,000
Rebate to good borrowers		21,870,000	51,870,000
Interest payable on borrowing and bond		48,264,200	53,840,584
Accrued expenses		29,470,225	37,845,053
Withholding Tax payable to government *		278,926,291	244,417,451
Withholding VAT payable to government *		71,091,971	56,486,370
Excise duty payable to government *		176,133,961	164,385,378
Dividend		2,814,447	2,814,447
Revaluation of investment abroad		30,946,297	30,946,297
Oman Exchange LLC		97,364	1,656,242
Sale proceeds of PSP & TC		357,561,049	1,527,464
Buying house commission		12,770,725	20,535,151
Recovery on court cases		7,030,339	7,170,350
Matured deposits		23,816,402	32,564,985
Govt. RMG fund *		1,254,676	1,123,970
Others		65,970,952	47,979,234
		21,154,588,088	20,530,255,574
Interest payable to SCB for OBU		-	319,349
		21,154,588,088	20,530,574,923

* Subsequently deposited to government exchequer.

15.1 Specific provision for classified loans and advances

Provision held at the beginning of the year		3,594,107,146	2,354,935,029
Less: Fully provided debts written off		(933,473,298)	(998,762,158)
Add: Recoveries of amounts previously written off		165,713,392	106,277,295
Add: Specific provision for the year	41	612,985,206	2,131,656,980
		3,439,332,446	3,594,107,146

15.1.1 Specific provision required for classified loans and advances

Status of loans and advances	Base for provision	Rate(%)	Required provision	
			31 December 2018	31 December 2017
Sub-standard	1,609,269,330	20.00%	321,853,867	256,525,291
Sub-standard- Short term agri. credit	9,149,388	5.00%	457,469	912,914
Doubtful	178,192,118	50.00%	89,096,059	112,366,970
Doubtful- Short term agri. credit	12,509,295	5.00%	625,465	226,464
Bad/loss	3,027,299,586	100.00%	3,027,299,586	3,224,075,507
	4,836,419,717		3,439,332,446	3,594,107,146
Specific provision maintained (note-15.1)			3,439,332,446	3,594,107,146
Excess(short)			-	-

15.2 General provision for un-classified loans & advances

Provision held at the beginning of the year		1,688,322,303	1,768,754,055
Provision made/(release) during the year	41	259,743,176	(80,431,752)
		1,948,065,479	1,688,322,303
Off-shore Banking Unit (OBU)			
Provision held at the beginning of the year		27,535,391	14,387,037
Provision made/(release) during the year	41	(5,546,228)	13,148,354
		21,989,163	27,535,391
		1,970,054,642	1,715,857,694

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 2018	31 December 2017
Standard				
Small and medium enterprise *	22,448,302,157	0.25%	56,293,051	58,466,555
Consumer finance (house building)	24,683,511,692	1.00%	246,835,117	242,746,744
Loans to LP/BHs/MBs/SDs share etc.	288,666,552	2.00%	5,773,331	8,529,024
Consumer finance	4,180,216,526	5.00%	209,010,826	227,327,292
Consumer finance (card)	135,008,671	2.00%	2,700,173	2,757,966
Short term agri. and micro-credit	1,190,668,818	1.00%	11,906,688	37,181,862
Staff loan	1,616,151,680	0.00%	-	-
Other unclassified loan	126,439,880,194	1.00%	1,264,398,802	988,959,657
	180,982,406,290		1,796,917,988	1,565,969,100

	Note	31 December 2018	31 December 2017
Special Mention Account (SMA)			
Small and medium enterprise		2,637,682	1,226,358
Consumer finance (house building)		21,918,444	7,556,074
Loans to LP/BHs/MBs/SDs share etc.		3,492	8,309
Consumer finance		4,183,738	2,813,796
Consumer finance (card)		35,010	80,852
Short term agri. and micro-credit		-	-
Staff loan		-	-
Other unclassified loan **		112,369,125	100,667,815
		141,147,491	112,353,203

Off-shore banking unit

Un-classified loans	1.00%	21,989,163	27,535,391
		21,989,163	27,535,391

1,960,054,642 **1,705,857,694**

General provision maintained (note-15.2)

1,970,054,642 **1,715,857,694**

Excess/(short) **10,000,000** **10,000,000**

* As per Bangladesh Bank instruction vide letter no. BRPD(P-1)/661/13(Cha)/2018-2628 dated 21 November 2018 on account of M/s. Bipanika Electronics an additional amount of BDT172,296 has been maintained.

** 1% additional provision has been maintained against restructured loan in line with the BRPD Circular No. 04 dated 29 January 2015. Details Restructured Loan are shown in Annexure-J.

15.3 Provision for off-balance sheet

Provision held at the beginning of the year		598,707,834	538,530,890
Provision made/(release) during the year	41	(54,172,244)	60,176,944
		544,535,590	598,707,834

15.3.1 Provision required for off-balance sheet exposure

Status	Base for provision	Rate(%)	Required provision	
			31 December 2018	31 December 2017
Acceptances and endorsements	23,224,423,401	1.00%	232,244,234	190,109,927
Letters of guarantee *	10,228,543,056	1.00%	114,791,463	117,259,878
Irrevocable letters of credit	15,475,413,131	1.00%	154,754,131	193,642,423
Bills for collection	4,274,576,248	1.00%	42,745,762	97,695,606
	53,202,955,836		544,535,590	598,707,834
Provision maintained (note-15.3)			544,535,590	598,707,834
Excess/(short)			-	-

* As per Bangladesh Bank instruction, BDT 537,544 and BDT 11,968,588 has been maintained as additional provision against letter of guarantee of M/s Hannan Works and M/s ATCO Internation, respectively.

15.4 Provision for diminution in value of investments

Provision held at the beginning of the year		339,557,533	445,923,927
Provision made/(release) during the year	41	185,345,656	(106,366,394)
		524,903,189	339,557,533

15.5 Provision for nostro account

Provision held at the beginning of the year		10,382,985	9,881,061
Provision made/(release) during the year	41.1	150,660	501,924
		10,533,645	10,382,985

15.6 Provision for other assets

Provision held at the beginning of the year		339,541,220	320,517,670
Provision made/(release) during the year	41.1	36,808,740	19,023,550
		376,349,960	339,541,220

15.6.1 Particulars of required provision for other assets

Status	Base for provision	Rate(%)	Required provision	
			31 December 2018	31 December 2017
Other assets for 6-12 months	35,078,170	50%	17,539,085	10,307,433
Other assets for more than 12 months	314,680,415	100%	314,680,415	303,992,895
Protested bills	44,130,460	100%	44,130,460	23,740,892
			376,349,960	338,041,220
Provision maintained (note-15.6)			376,349,960	339,541,220
Excess/(Short)			-	1,500,000

	Note	31 December 2018	31 December 2017
15.7 Provision for taxation			
Provision held at the beginning of the year		7,972,933,786	4,398,795,584
Add: Provision made during the year		1,080,000,000	750,000,000
		9,052,933,786	5,148,795,584
Add: Payment made during the year		42,603,403	2,824,138,202
Less: Settlement of Years 2013 and 2014		(2,461,481,322)	-
		6,634,055,867	7,972,933,786
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 for the year 2018 after considering the prior years excess tax provisions and final settlement of assessment year 2014-2015 and 2015-2016. Assessments up to year 2014 (other than 2005 and 2010) have been completed by the tax authority and there is no tax liability remained outstanding up to year 2014 except 2005 and 2010. Overall tax position/status of the Bank are shown in <i>Annexure - K</i> .			
15.8 Interest suspense account			
Balance at the beginning of the year		4,953,004,400	4,195,820,550
Add: Amount transferred to interest suspense account during the year		3,143,633,681	2,302,722,641
Less: Amount transferred to interest income account during the year		(1,484,509,297)	(1,272,316,865)
Less: Amount written-off during the year		(325,824,934)	(273,221,927)
		6,286,303,850	4,953,004,400
15.9 Incentive bonus			
Balance at the beginning of the year		251,000,000	201,000,000
Add: Provision made during the year		240,000,000	250,000,000
Less: Paid during the year		(242,615,407)	(176,718,154)
Less: Transfer to income during the year		(7,884,593)	(23,281,846)
		240,500,000	251,000,000
15.a Consolidated other liabilities			
IFIC Bank Limited	15	21,154,588,088	20,530,574,923
IFIC Securities Limited		1,965,256,165	1,952,790,227
IFIC Money Transfer (UK) Limited		33,300,107	8,657,490
		23,153,144,360	22,492,022,640
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	5,638,219,070
762,516,828 ordinary shares of Taka 10 each issued for bonus share		7,625,168,280	6,190,805,350
1,338,738,735 ordinary shares of Taka 10 each		13,387,387,350	11,953,024,420
16.2.1 The Bank raised paid-up capital of Tk. 44,000,000 through Rights Issue of 440,000 no. of ordinary shares at a ratio of 1R:2 i.e. one rights share for two existing share at par in the year 1989 which was completed in the month of January 1990, before change of denomination from Tk. 100 to Tk. 10 which was effected from 4 December 2011.			
16.2.2 The Bank raised paid-up capital of Tk. 5,638,219,070 through Rights Issue of 563,821,907 no. of ordinary shares at a ratio of 1R:1 i.e. one rights share for one existing share at par in the year 2017.			
16.3 Issued, subscribed and fully paid up Capital-Shareholders' Category			
900,321,109 [Year 2017: 803,858,133] ordinary shares of Taka 10 each fully paid held by the Sponsors, Directors, Institutions, Foreign investors & General Public.		9,003,211,090	8,038,581,330
438,417,626 [Year 2017: 391,444,309] ordinary shares of Taka 10 each fully paid held by the Government of the People's Republic of Bangladesh.		4,384,176,260	3,914,443,090
		13,387,387,350	11,953,024,420

16.4 Shareholding by category

Category	31 December 2018			31 December 2017		
	No. of Share	%	Taka	No. of Share	%	Taka
Sponsors	52,541,011	3.92	525,410,110	46,911,623	3.92	469,116,230
Directors	26,782,314	2.00	267,823,140	23,912,781	2.00	239,127,810
Government (Director also)	438,417,626	32.75	4,384,176,260	391,444,309	32.75	3,914,443,090
Sub-Total	517,740,951	38.67	5,177,409,510	462,268,713	38.67	4,622,687,130
Institutions	301,327,505	22.51	3,013,275,050	257,334,656	21.53	2,573,346,560
Foreign investors	24,126,033	1.8	241,260,330	23,104,033	1.93	231,040,330
General investors	495,544,246	37.02	4,955,442,460	452,595,040	37.87	4,525,950,400
Sub-Total	820,997,784	61.33	8,209,977,840	733,033,729	61.33	7,330,337,290
Total	1,338,738,735	100.00	13,387,387,350	1,195,302,442	100.00	11,953,024,420

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.

16.5 Distribution of paid up capital

Holding of share	31 December 2018			31 December 2017		
	No. of holder	Total shares	%	No. of holder	Total shares	%
1 to 500 shares	15,486	2,170,986	0.16	18,009	2,827,397	0.24
501 to 5000 shares	16,060	31,964,716	2.39	17,138	36,030,417	3.01
5,001 to 10,000 shares	4,058	28,724,648	2.15	3,965	30,154,632	2.52
10,001 to 20,000 shares	2,878	40,127,050	3.00	2,515	37,138,693	3.11
20,001 to 30,000 shares	1,137	27,986,162	2.09	994	25,034,324	2.09
30,001 to 40,000 shares	500	17,321,635	1.29	421	14,855,119	1.24
40,001 to 50,000 shares	298	13,527,710	1.01	317	14,701,011	1.23
50,001 to 100,000 shares	606	41,591,254	3.11	490	35,922,430	3.01
100,001 to 1,000,000 shares	577	145,032,801	10.83	470	127,499,796	10.67
More than 1,000,000 shares	121	990,291,773	73.97	102	871,138,623	72.88
Total	41,721	1,338,738,735	100.00	44,421	1,195,302,442	100.00

16.6 Shareholding of Directors as at 31 December 2018

Sl.	Name of the Directors	Status	Holding %	Closing Position	Opening Position
1	Mr. Salman F Rahman	Chairman	2.00	26,782,314	23,912,781
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	438,417,626	391,444,309
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.

16.7 Solo Capital Adequacy Ratio (BASEL III)

As per section 13(2) of the Banking Companies Act, 1991 as amended 2013, BRPD circular no. 18 dated 21 December 2014, Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III) was issued and effective from 1 January 2015. Capital to Risk-weighted Asset Ratio (CRAR) is calculated as follows:

Common Equity Tier 1 (going-concern capital)

Paid-up capital	16.2	13,387,387,350	11,953,024,420
Statutory reserve	17	5,696,418,313	5,124,540,729
General reserve	18	155,071,397	155,071,397
Retained earnings	21	2,748,933,607	3,184,939,855
		21,987,810,667	20,417,576,401
Less: Regulatory Adjustments			
Goodwill and all other Intangible Assets ¹		-	(275,108,319)
Deduction from Tier-1 Capital (95% of deferred tax assets)		(1,110,438,771)	(1,267,934,198)
Total Common Equity Tier 1 Capital		20,877,371,897	18,874,533,884

	Note	31 December 2018	31 December 2017
Tier-2 (Gone-Concern Capital)			
General provision		2,514,590,232	1,715,857,694
Subordinated debt that meet the qualifying criteria 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
Less: Regulatory Adjustments			
Revaluation reserve (80% for 2018 and 60% for 2017 of Tk. 58,445,121)		(46,756,097)	(35,067,073)
Total Tier-2 Capital		6,026,279,257	5,239,235,743
Total Regulatory Capital (A)			
		26,903,651,153	24,113,769,627
Total assets including off-balance sheet items		343,508,883,626	311,869,122,066
Total risk-weighted Assets		213,010,627,971	191,772,831,281
Required capital @11.875% [Y2017: 11.25%] (B)		25,295,012,072	21,574,443,519
Total capital surplus C=(A-B)		1,608,639,082	2,539,326,108
Capital to Risk-weighted Asset Ratio (CRAR)			
Common Equity Tier 1 to RWA		9.80%	9.84%
Tier - 2 Capital to RWA		2.83%	2.73%
Capital to Risk-weighted Asset Ratio (CRAR)		12.63%	12.57%
Details computation of risk-weighted assets are shown in "Annexure - E"			
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	13,387,387,350	11,953,024,420
Statutory reserve	17	5,696,418,313	5,124,540,729
General reserve	18	155,071,397	155,071,397
Retained earnings	22	4,267,059,068	4,623,795,459
		23,505,936,128	21,856,432,005
Less: Regulatory Adjustments			
Goodwill and all other Intangible Assets ¹		-	(275,108,319)
Deduction from Tier-1 Capital (95% of deferred tax assets)		(1,110,438,771)	(1,267,934,198)
Total Common Equity Tier 1 Capital		22,395,497,358	20,313,389,488
Tier-2 (Gone-Concern Capital)			
General provision		2,514,590,232	1,715,857,694
Subordinated debt that meet the qualifying criteria 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
Less: Regulatory Adjustments			
Revaluation reserve (80% for 2018 and 60% for 2017 of Tk. 58,445,121)		(46,756,097)	(35,067,073)
Total Tier-2 Capital		6,026,279,257	5,239,235,743
Total Regulatory Capital (A)			
		28,421,776,615	25,552,625,231
Total assets including off-balance sheet items		346,964,386,291	315,338,646,433
Total risk-weighted Assets		218,798,091,096	195,585,470,071
Required capital @11.875% [Y2017: 11.25%] (B)		25,982,273,318	22,003,365,383
Total capital surplus C=(A-B)		2,439,503,297	3,549,259,848
Capital to Risk-weighted Asset Ratio (CRAR):			
Common Equity Tier 1 to RWA		10.24%	10.39%
Tier – 2 Capital to RWA		2.75%	2.68%
Capital to Risk-weighted Asset Ratio (CRAR)		12.99%	13.06%
17 Statutory reserve			
Balance at the beginning of the year		5,124,540,729	4,649,226,843
Transferred from profit during the year		571,877,584	475,313,886
		5,696,418,313	5,124,540,729

	Note	31 December 2018	31 December 2017
18 General reserve		155,071,397	155,071,397
General reserve also includes surplus provision of Tk. 99,300,000 against the restructured large loan of RR Holdings which was transferred from specific provision in the year 2015 as per BRPD Circular No. 04 dated 29 January 2015 and extra ordinary foreign exchange gain of Tk. 28,559,248 transferred from profit in the year 2010.			
19 Revaluation reserve against securities			
HTM securities	19.1	4,743,046	3,857,293
HFT securities	19.2	8,365,801	2,372,256
		13,108,847	6,229,549
19.1 Revaluation reserve HTM securities			
Balance at the beginning of the year		3,857,293	3,500,060
Gain/(loss) from revaluation on investments		885,753	357,233
		4,743,046	3,857,293
19.2 Revaluation reserve HFT securities			
Balance at the beginning of the year		2,372,256	9,887,364
Gain/(loss) from revaluation on investments		5,993,545	(7,515,108)
		8,365,801	2,372,256
19.a Consolidated revaluation reserve against securities			
IFIC Bank Limited	19	13,108,847	6,229,549
IFIC Securities Limited		-	-
IFIC Money Transfer (UK) Limited		-	-
		13,108,847	6,229,549
20 Revaluation reserve against fixed assets		115,314,704	115,314,704
In terms of International Accounting Standard (IAS)-16, "Property, Plant & Equipment" and instruction contained in BRPD Circular No. 10 dated 25 November 2002 issued by Bangladesh Bank, gain on revaluation of Tk. 115,314,704 has been credited to revaluation reserve account.			
20.a Consolidated foreign currency translation reserve			
IFIC Money Transfer (UK) Limited		3,017,535	1,747,560
Investment in joint venture/associate (NBBL)		38,922,757	123,372,642
Investment in joint venture/associate (OE LLC)		1,352,583	1,079,820
		43,292,875	126,200,022
21 Surplus in profit and loss account			
Balance at the beginning of the year		3,184,939,855	2,269,105,114
Net profit after tax for the year		1,570,234,267	2,067,734,907
Less: Transfer to statutory reserve during the year		(571,877,584)	(475,313,886)
Less: Issue of bonus shares		(1,434,362,930)	(676,586,280)
		2,748,933,607	3,184,939,855
22 Consolidated surplus in profit and loss account			
IFIC Bank Limited	21	2,748,933,607	3,184,939,855
IFIC Securities Limited		300,108,468	245,389,187
IFIC Money Transfer (UK) Limited		(30,939,659)	(28,333,718)
Share of profit of investment in joint venture/associate (NBBL)		1,285,855,176	1,230,548,875
Share of profit of investment in joint venture/associate (OE LLC)		33,620,838	33,221,675
Exchange (gain)/loss on investment in joint venture/associate (NBBL)		(69,166,779)	(40,890,596)
Exchange (gain)/loss on investment in joint venture/associate (OE LLC)		(1,352,584)	(1,079,820)
		4,267,059,068	4,623,795,459
23 Non-controlling interest (NCI)			
IFIC Securities Limited	23.1	6,818	6,669
IFIC Money Transfer (UK) Limited		-	-
		6,818	6,669
23.1 NCI of IFIC Securities Limited			
Balance at the beginning of the year		6,669	6,561
Add: Share of profit during the year		149	108
		6,818	6,669

	Note	31 December 2018	31 December 2017
24 Contingent liabilities			
Acceptances and endorsements	24.1	23,224,423,401	19,010,992,711
Letters of guarantee	24.2	10,228,543,056	10,475,384,676
Irrevocable Letters of credit	24.3	15,475,413,131	19,364,242,284
Bills for collection	24.4	11,507,221,651	9,769,560,590
		60,435,601,239	58,620,180,261
24.1 Acceptances and endorsements			
Back to back bills (local currency)		212,374,197	256,932,769
Back to back bills (foreign currency)		23,012,049,204	18,754,059,942
		23,224,423,401	19,010,992,711
24.2 Letters of guarantee			
Letters of guarantee (local currency)		10,057,537,985	10,395,552,720
Letters of guarantee (foreign currency)		171,005,071	79,831,956
		10,228,543,056	10,475,384,676
Money for which the bank is contingently liable in respect of guarantee issued favoring:			
Directors		-	-
Government		2,781,296,524	3,630,418,938
Banks and other financial institutions		2,491,544,704	2,064,335,316
Others		4,955,701,828	4,780,630,422
		10,228,543,056	10,475,384,676
24.3 Irrevocable letters of credit			
Letter of credit (LC) - cash sight		7,423,663,948	11,515,215,323
Letter of credit (LC) - back to back		272,198,528	7,432,527,629
Letter of credit (LC) - cash usance		7,779,550,655	416,499,332
		15,475,413,131	19,364,242,284
24.4 Bills for collection			
Inland bills collection		23,897,531	40,587,299
Foreign bills collection		1,704,375	-
Inland documentary bills for collection		4,274,576,248	3,848,706,621
Foreign documentary bills for collection		7,207,043,497	5,880,266,670
		11,507,221,651	9,769,560,590

Notes to the Financial Statements
as at and for the year ended 31 December 2018

		Amount in BDT	
	Note	2018	2017
25	Income statement		
	Income		
	Interest, discount and similar income	20,913,918,358	16,933,246,438
	Dividend income	398,799,285	57,296,849
	Fees, commission and brokerage	943,614,021	810,348,620
	Gains less losses arising from dealing in securities	5,376,078	2,733,354
	Gains less losses arising from investment securities	4,877,439	2,161,138
	Gain less losses arising from dealing in foreign currencies	672,661,338	856,845,543
	Other operating income	466,186,984	534,056,027
		23,405,433,503	19,196,687,969
	Expenses		
	Interest, fee and commission	14,404,724,629	9,434,132,813
	Losses on loan and advances	109,642,716	244,828,037
	Administrative expenses	3,793,503,670	3,801,221,252
	Other operating expenses	915,658,403	1,014,148,208
	Depreciation on banking assets	287,201,198	288,078,623
		19,510,730,616	14,782,408,934
		3,894,702,887	4,414,279,035
26	Interest income		
	Term loan-industrial	1,794,683,759	1,398,355,771
	Term loan-consumer finance	1,629,859	3,827,663
	Term loan-others	4,030,821,635	3,230,479,387
	House building loan	3,312,440,291	2,216,642,276
	Staff loan	74,909,818	81,705,295
	Transport loan	32,028,964	49,504,459
	Agricultural loan	211,481,447	190,201,410
	Loan general	167,837,201	116,452,632
	Overdrafts	4,016,141,799	3,105,647,161
	Cash credit	2,591,900,340	2,539,820,780
	Lease finance	64,829,905	68,409,627
	Credit card	34,161,090	30,057,319
	Demand loan	656,298,718	420,882,182
	Overdue interest	65,097,957	40,773,065
	Interest income from loan and advances	17,054,262,783	13,492,759,027
	Inland documentary bill purchased (IDBP)	155,720,761	142,221,082
	Foreign documentary bill purchased (FDBP)	20,414,327	19,036,847
	Payment against document (cash)	32,672,585	26,494,941
	Payment against document (forced)	94,172,959	71,753,043
	Payment against document (EDF)	340,331,185	222,973,868
	Payment against document (inland)	79,628,783	63,940,423
	Payment against document (others)	145,416,676	65,189,430
	Loan against imported merchandise	-	7,858,294
	Loan against trust receipt (LTR)	752,616,242	628,350,250
	Interest income from bills paid and discounted	1,620,973,518	1,247,818,178
	Money at call on short notice	137,566,847	19,832,917
	Balance held outside Bangladesh	112,411,368	100,013,974
	Balance held inside Bangladesh	22,825,523	9,036,718
		18,948,040,039	14,869,460,814
	Off-shore banking unit	16,491,104	54,898,337
		18,964,531,143	14,924,359,151

		Amount in BDT	
	Note	2018	2017
26.a Consolidated interest income			
IFIC Bank Limited	26	18,964,531,143	14,924,359,151
IFIC Securities Limited		47,373,510	120,346,836
IFIC Money Transfer (UK) Limited		-	-
		19,011,904,653	15,044,705,987
Less: Inter -company interest income		-	(5,432,077)
		19,011,904,653	15,039,273,910
27 Interest paid on deposits, borrowings etc.			
Interest paid on deposits			
Current deposit		1,476,447,014	321,776,647
Saving bank deposit		881,406,248	955,873,590
Special notice deposit		928,622,148	764,924,134
Fixed deposit		8,660,899,478	4,672,235,335
Non resident FC deposit		147,039	221,260
Resident FC deposit		107,545	40,776
Pension savings scheme		608,893,827	605,604,171
Monthly income scheme		1,313,011,122	1,587,658,558
Foreign currency deposit		287,426	305,349
		13,869,821,847	8,908,639,820
Interest paid on borrowings			
Call borrowing		161,111	1,399,959
Term borrowing		57,097,949	78,107,344
Repurchase agreement (repo)		127,697	1,216,599
Bangladesh Bank- SME refinance		34,115,481	36,277,676
Payment against lease obligation		2,839,044	3,620,804
Interest on subordinated bond		267,435,959	295,989,726
Bangladesh Bank- EDF		169,764,559	105,890,052
Bangladesh Bank- LTFF Refinance		3,360,982	1,157,394
		534,902,782	523,659,554
		14,404,724,629	9,432,299,373
27.a Consolidated interest paid on deposits, borrowings etc.			
IFIC Bank Limited	27	14,404,724,629	9,432,299,373
IFIC Securities Limited		90	10,377,324
IFIC Money Transfer (UK) Limited		-	-
		14,404,724,719	9,442,676,697
Less: Inter -company interest paid		(25,189)	(5,487,080)
		14,404,699,530	9,437,189,617
28 Investment income			
Interest income			
Treasury bills and bonds		1,410,348,672	1,503,843,819
Term placement		539,038,543	505,043,467
Reverse repo		5,376,078	2,733,354
		1,954,763,293	2,011,620,640
Non interest income			
Gain from sale of shares of listed companies	28.1	4,877,439	2,161,138
Dividend income - local		54,379,442	41,735,208
Dividend income - Foreign*		344,419,844	15,561,641
Prize bond		14,050	18,200
		403,690,775	59,476,187
		2,358,454,068	2,071,096,827
* Dividend has been recognized on accrual basis.			

		Amount in BDT		
		Note	2018	2017
28.1	Gain from sale of shares of listed companies			
	Gain on share sale		6,401,020	372,957,331
	Less: Loss on sale of share		(1,523,581)	(370,796,193)
			4,877,439	2,161,138
28.a	Consolidated investment income			
	IFIC Bank Limited	28	2,358,454,068	2,071,096,827
	IFIC Securities Limited		30,162,404	49,874,873
	IFIC Money Transfer (UK) Limited		-	-
	Less: Dividend received from associates (NBBL)		(344,419,844)	(15,561,641)
			2,044,196,628	2,105,410,059
29	Commission, exchange and brokerage			
	Commission	29.1	943,614,021	875,510,911
	Exchange gain/(loss)	29.2	672,661,338	791,683,252
			1,616,275,359	1,667,194,163
29.1	Commission			
	Letter of guarantee (LG)-local		99,710,753	86,085,991
	Letter of guarantee (LG)-foreign		4,854,660	973,322
	Letter of credit (back to back)		134,434,471	103,257,506
	Letter of credit (cash)		145,005,192	152,677,334
	Letter of credit (others)		26,667,353	8,095,098
	Local documentary bills collection (LDBC)		13,242,000	13,385,435
	Inward foreign documentary bills collection (IFDBC)		189,588,064	192,834,093
	Foreign documentary bills collection (FDBC)		12,176,957	8,038,863
	Bills purchased (Inland)		579,145	625,450
	Bills purchased (Foreign)		3,101,214	3,948,515
	Remittances (inland)		14,434,585	15,983,835
	Remittances (foreign)		4,442,829	5,241,713
	Online charge		23,450,602	28,375,728
	Foreign correspondent charges		164,744,758	146,426,967
	Add confirmation		16,772,760	12,855,332
	Sale of sanchaya patra		6,974,584	12,017,577
	Rebate from foreign correspondent		62,117,879	65,162,291
	Commission others		21,316,214	19,525,861
			943,614,021	875,510,911
29.2	Exchange gain/(loss)			
	Exchange gain from revaluation of FC		672,661,338	791,683,252
			672,661,338	791,683,252
29.a	Consolidated commission, exchange and brokerage			
	IFIC Bank Limited	29	1,616,275,359	1,667,194,163
	IFIC Securities Limited		24,395,453	72,335,013
	IFIC Money Transfer (UK) Limited		27,619,061	22,338,849
	Exchange (gain)/loss for investment in joint venture/associate(NBBL)		(28,276,183)	(43,523,948)
	Exchange (gain)/loss for investment in joint venture/associate(OE LLC)		(272,763)	(908,708)
			1,639,740,927	1,717,435,369

		Amount in BDT	
	Note	2018	2017
30 Other operating income			
Locker rent		16,238,293	11,501,952
Godown rent		252,640	2,228,720
Other rents		5,268,480	5,217,019
Cheque issuance fee		22,005,071	19,311,525
SWIFT charges recovery		26,460,886	32,697,244
Godown insurance recovery		355,200	620,450
Miscellaneous earning		25,420,949	27,456,081
Loan processing fees		83,100,506	170,340,106
VISA card fees and commission		35,069,399	39,542,752
Service charge on accounts		101,558,341	100,082,731
Other fees, commission & charges		137,152,419	100,471,059
Gain on sale of fixed assets	40.5	372,406	481,972
Management fee - Foreign*		12,582,000	21,682,211
		465,836,590	531,633,822
Off-shore banking unit		336,343	333,694
		466,172,933	531,967,516

* The Bank has received Management fee from Nepal Bangladesh Bank Limited under Management service / Technical Know-how fee agreement which has credited Bank's Nostro Account in 2018.

30.a Consolidated other operating income

IFIC Bank Limited	30	466,172,933	531,967,516
IFIC Securities Limited		1,587,044	1,754,994
IFIC Money Transfer (UK) Limited		-	-
		467,759,977	533,722,510
Less: Inter -company interest paid		25,189	55,003
		467,734,788	533,667,507

31 Salary and allowances

Basic salary		1,054,076,770	1,035,935,571
House rent allowance		460,650,315	459,259,990
Conveyance allowance		55,954,073	43,488,563
Medical allowances		102,557,584	100,870,394
Entertainment allowance		56,234,457	63,328,289
Other allowances		101,614,246	90,944,067
Incentive bonus		240,000,000	250,000,000
Leave encashment		8,219,071	6,783,040
Festival bonus		193,785,587	190,502,501
Leave fare assistant		106,230,662	109,890,981
Provident fund- Bank's contribution		99,844,998	98,943,780
Contribution to gratuity fund		80,000,000	127,500,000
		2,559,167,763	2,577,447,176

Number of employees for the year of 2018 who were paid remuneration less than Tk. 36,000 was nil (year 2017: nil). Total number of employees employed in the Bank at the end of the year 2018 were 2,556 (year 2017: 2,512).

31.a Consolidated salary and allowances

IFIC Bank Limited	31	2,559,167,763	2,577,447,176
IFIC Securities Limited		13,845,106	14,695,803
IFIC Money Transfer (UK) Limited		7,859,574	8,265,148
		2,580,872,443	2,600,408,127

		Amount in BDT		
		Note	2018	2017
32	Rent, taxes, insurance, electricity etc.			
	Rent paid		467,140,078	436,434,866
	Rates & taxes		41,635,042	10,600,824
	Insurance premium		169,576,277	153,300,228
	Electricity & water		87,474,903	86,720,463
			765,826,300	687,056,381
32.a	Consolidated rent, taxes, insurance, electricity etc.			
	IFIC Bank Limited	32	765,826,300	687,056,381
	IFIC Securities Limited		7,291,082	6,764,372
	IFIC Money Transfer (UK) Limited		7,754,254	8,557,468
			780,871,636	702,378,221
33	Legal expenses			
	Legal expenses		1,977,259	2,348,698
	Professional fees		8,323,371	6,772,465
			10,300,630	9,121,163
33.a	Consolidated legal expenses			
	IFIC Bank Limited	33	10,300,630	9,121,163
	IFIC Securities Limited		429,197	615,004
	IFIC Money Transfer (UK) Limited		1,763,669	1,889,207
			12,493,496	11,625,374
34	Postage, stamp, telecommunication etc.			
	Postage expenses		5,803,438	4,947,593
	Telephone		11,269,697	21,770,071
	Communication facilities		45,904,183	49,527,258
			62,977,318	76,244,922
34.a	Consolidated postage, stamp, telecommunication etc.			
	IFIC Bank Limited	34	62,977,318	76,244,922
	IFIC Securities Limited		58,982	59,080
	IFIC Money Transfer (UK) Limited		226,972	173,656
			63,263,272	76,477,658
35	Stationery, printing, advertisement etc.			
	Printing stationery		17,702,977	14,195,425
	Security stationery		9,943,799	16,258,486
	Petty stationery		19,558,295	19,346,545
	Computer stationery		13,913,185	11,892,668
	Advertisement and publicity		315,789,403	371,194,397
			376,907,659	432,887,521
35.a	Consolidated stationery, printing, advertisement etc.			
	IFIC Bank Limited	35	376,907,659	432,887,521
	IFIC Securities Limited		136,880	223,037
	IFIC Money Transfer (UK) Limited		18,998	85,312
			377,063,537	433,195,870
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.

		Amount in BDT	
	Note	2018	2017
37 Directors' fees			
Meeting attendance fees		1,704,000	1,472,000
		1,704,000	1,472,000
Each Director is paid Tk. 8,000 for attending each meeting as per BRPD circular no. 11 dated 4 October 2015.			
37.a Consolidated Directors' fees			
IFIC Bank Limited	37	1,704,000	1,472,000
IFIC Securities Limited		207,000	149,500
IFIC Money Transfer (UK) Limited		-	-
		1,911,000	1,621,500
38 Auditors' fees			
Statutory annual audit fees		1,500,000	1,277,778
		1,500,000	1,277,778
38.a Consolidated Auditors' fees			
IFIC Bank Limited	38	1,500,000	1,277,778
IFIC Securities Limited		223,500	338,000
IFIC Money Transfer (UK) Limited		266,633	250,918
		1,990,133	1,866,696
39 Depreciation and repair of bank's assets			
Depreciation			
Buildings and premises		47,045,580	46,780,427
Wooden furniture		19,894,529	19,976,448
Steel furniture		3,088,778	3,097,343
Computer equipment		51,751,242	55,337,904
Office equipment		13,276,192	18,761,600
Electrical & gas equipment		79,067,274	70,799,705
Leasehold improvement		17,520,840	17,832,559
Vehicles		13,100,866	11,620,201
Leased vehicles		6,945,840	6,164,080
Soft furnishing		489,136	643,907
Software		35,020,921	37,064,448
		287,201,198	288,078,623
Repairs and maintenance			
Property maintenance and repairs		137,484,156	133,381,449
Vehicles maintenance and repairs		56,697,231	70,974,903
		194,181,387	204,356,352
		481,382,585	492,434,975
39.a Consolidated depreciation and repair of bank's assets			
IFIC Bank Limited	39	481,382,585	492,434,975
IFIC Securities Limited		1,002,643	1,306,624
IFIC Money Transfer (UK) Limited		2,217,612	2,100,814
		484,602,840	495,842,413
40 Other expenses			
Entertainment		35,326,999	34,028,212
Petrol, oil and lubricants	40.1	71,694,069	79,253,042
Training and internship	40.2	29,042,530	25,194,463
Traveling expenses	40.3	60,117,994	58,882,991

	Note	2018	2017
Casual and contractual service	40.4	168,216,672	167,026,857
Subscription and donation		65,705,187	124,372,975
Corporate Social Responsibility (CSR)		48,199,946	80,838,564
Books, newspapers and magazines, etc.		2,154,750	1,309,401
NID verification charge		630,688	1,847,000
Reward and recognition		8,913,076	3,482,625
Uniforms and liveries		4,216,805	2,932,943
Annual General Meeting		9,169,646	9,713,453
Business development		23,758,220	16,234,107
Crockeries		737,383	1,255,313
Brokerage		838,061	2,591,116
Security services		110,672,293	81,822,408
Bank charges and commission		12,330,090	11,588,344
Recovery and sales agent		1,654,727	5,105,152
Rebate to good borrowers		-	10,000,000
VISA card expense		7,546,089	7,361,235
Risk charges		17,171,583	16,168,368
Bond & Rights Share issue		3,168,888	42,795,579
Currency handling charge		1,562,742	1,833,440
Miscellaneous		38,648,578	24,511,709
		721,477,016	810,149,296
** Expenses incurred by the Bank shown in these Financial Statements are inclusive of VAT where applicable as per VAT Act 1991.			
40.1 Petrol, oil and lubricants			
Petrol, oil and lubricants - pool car		18,916,731	19,961,157
Petrol, oil and lubricants - car purchase scheme		52,777,338	59,291,885
		71,694,069	79,253,042
40.2 Training and internship expense includes daily allowance and traveling allowances.			
40.3 Traveling expense represents foreign and local travel which include daily allowances and traveling allowance.			
40.4 Casual and contractual service			
Driver salary - car purchase scheme		45,766,698	38,977,785
DSA salary and incentive		62,860,587	67,082,361
Casual and contractual - staff		59,589,387	60,966,711
		168,216,672	167,026,857
40.5 Gain/ (loss) on sales of fixed assets			
Cost of fixed assets sold			
Wooden furniture		4,061,000	4,391,089
Steel furniture		481,307	452,828
Computer equipment		12,486,117	4,444,915
Office equipment		2,912,969	2,775,800
Electrical & gas equipment		12,849,968	15,176,782
Leasehold improvement		4,946,409	6,966,467
Vehicles		-	5,936,750
Soft furnishing		277,624	277,649
		38,015,394	40,422,279
Less: Accumulated depreciation			

		Amount in BDT	
	Note	2018	2017
Wooden furniture		3,597,645	3,199,040
Steel furniture		332,665	272,724
Computer equipment		12,464,754	4,439,150
Office equipment		2,901,121	2,775,780
Electrical & gas equipment		11,736,569	13,205,372
Leasehold improvement		4,603,284	5,496,589
Vehicles		-	5,936,743
Soft furnishing		277,599	277,513
		35,913,637	35,602,911
Written down value		2,101,757	4,819,368
Sale proceeds of above fixed assets		2,474,163	5,301,340
Gain / (loss) on sales of fixed assets		372,406	481,972
40.a Consolidated other expenses			
IFIC Bank Limited	40	721,477,016	810,149,296
IFIC Securities Limited		5,387,845	12,907,076
IFIC Money Transfer (UK) Limited		10,117,292	7,124,306
		736,982,153	830,180,678
40.b Details of investment in joint ventures/associates - under equity method			
i) Nepal Bangladesh Bank Limited			
Opening balance		3,696,288,544	2,147,122,580
Add/ (less): New investment made during the year		-	1,048,347,452
Add/ (less): Share of post acquisition profit during the year		399,726,145	360,220,116
Add/ (less): Cash dividend		(344,419,844)	(15,561,641)
Add/ (less): Effect of changes in foreign currency exchange rate		(84,449,885)	156,160,037
Closing balance		3,667,144,961	3,696,288,544
ii) Oman Exchange LLC			
Opening balance		52,019,550	56,046,963
Add/ (less): Share of post acquisition profit/(loss) during the year		399,163	(4,936,121)
Add/ (less): Effect of changes in foreign currency exchange rate		272,763	908,708
Closing balance		52,691,476	52,019,550
iii) Share of post acquisition profit during the year			
Nepal Bangladesh Bank Limited		399,726,145	360,220,116
Oman Exchange LLC		399,163	(4,936,121)
		400,125,308	355,283,995
iv) Investment in joint ventures/associates-under equity method			
A. Book value of investment			
Nepal Bangladesh Bank Limited		2,411,533,806	2,383,257,623
Oman Exchange LLC		19,070,638	18,797,875
		2,430,604,444	2,402,055,498
B. Cumulative share of post acquisition profit			
Nepal Bangladesh Bank Limited		1,255,611,155	1,313,030,921
Oman Exchange LLC		33,620,838	33,221,675
		1,289,231,993	1,346,252,596
Total (A+B)		3,719,836,437	3,748,308,094

		Amount in BDT	
	Note	2018	2017
41 Provision for loans, investments and other assets			
Specific provision	15.1	612,985,206	2,131,656,980
General provision	15.2	259,743,176	(80,431,752)
Provision for off-shore banking unit	15.2	(5,546,228)	13,148,354
Provision for off-balance sheet exposure	15.3	(54,172,244)	60,176,944
Provision for loans and advances		813,009,910	2,124,550,526
Provision for diminution in value of investments	15.4	185,345,656	(106,366,393)
Other provisions	41.1	36,959,400	19,525,474
		1,035,314,966	2,037,709,607
41.1 Other provisions			
Provision for nostro account	15.6	150,660	501,924
Provision for other assets	15.5	36,808,740	19,023,550
		36,959,400	19,525,474
41.a Consolidated provision for loans, investments and other assets			
IFIC Bank Limited	41	1,035,314,966	2,037,709,606
IFIC Securities Limited		115,650	100,000,000
IFIC Money Transfer (UK) Limited		-	-
		1,035,430,616	2,137,709,606
42 Provision for taxation			
Current tax		1,080,000,000	750,000,000
Deferred tax expense/(income)	42.1	209,153,654	(441,165,478)
		1,289,153,654	308,834,522
42.1 Deferred tax expense/(income)			
Deferred tax on provision for loans and advances	10.5	165,784,660	(471,696,833)
Deferred tax on fixed assets	10.5	43,368,994	30,531,355
		209,153,654	(441,165,478)
42.a Consolidated provision for current tax			
IFIC Bank Limited	42	1,080,000,000	750,000,000
IFIC Securities Limited		20,427,296	57,210,974
IFIC Money Transfer (UK) Limited		-	-
		1,100,427,296	807,210,974
42.b Consolidated deferred tax			
IFIC Bank Limited	42.1	209,153,654	(441,165,478)
IFIC Securities Limited		(326,290)	(82,805)
IFIC Money Transfer (UK) Limited		-	-
		208,827,364	(441,248,283)
43 Receipts from other operating activities			
Rent received		21,759,413	21,018,002
Other receipts		444,427,571	513,038,025
Capital gain	28.1	4,877,439	2,161,138
		471,064,423	536,217,165
43.a Consolidated cash received from other operating activities			
IFIC Bank Limited	43	471,064,423	536,217,165
IFIC Securities Limited		24,259,620	43,898,581
IFIC Money Transfer (UK) Limited		-	-
		495,324,043	580,115,746

		Amount in BDT	
	Note	2018	2017
44 Cash paid for other operating activities			
Postage, stamp, telecommunication etc.		62,977,318	76,244,922
Rent paid		467,140,078	436,434,866
Rates, taxes & utilities		41,635,042	10,919,799
Insurance premium		169,576,277	153,300,228
Electricity & water		87,474,903	86,995,799
Traveling expenses		60,117,994	58,882,991
Auditors' fees		1,500,000	1,277,778
Directors' fees		1,704,000	1,472,000
Legal expenses		10,300,630	9,121,163
Repairs and maintenance		194,181,387	204,356,352
Other expenses		585,995,219	685,435,436
		1,682,602,848	1,724,441,334
44.a Consolidated cash paid for other operating activities			
IFIC Bank Limited	44	1,682,602,848	1,724,441,334
IFIC Securities Limited		13,734,486	21,056,069
IFIC Money Transfer (UK) Limited		20,147,818	18,080,867
		1,716,485,152	1,763,578,270
45 Cash and cash equivalents			
Cash in hand		2,885,588,822	2,242,987,643
Balance with Bangladesh Bank and its agent Bank(s)		13,121,711,294	13,235,784,939
Balance with other banks and financial Institutions		8,099,478,106	10,623,519,845
Money at call and on short notice		3,970,000,000	3,830,000,000
Prize Bonds		2,268,600	3,972,900
		28,079,046,822	29,936,265,327
45.a Consolidated cash and cash equivalents			
IFIC Bank Limited	45	28,079,046,822	29,936,265,327
IFIC Securities Limited		6,904	7,106
IFIC Money Transfer (UK) Limited		32,937,374	8,773,824
		28,111,991,100	29,945,046,257
46 (Increase)/decrease of other assets			
Stationery and stamps		32,367,261	35,525,576
Suspense account		828,249,291	1,002,872,721
Advance, deposit and prepayments		545,100,324	581,382,313
Investment in subsidiaries		2,231,793,790	2,233,231,960
Revaluation account FDBP		1,791,292	1,791,292
Receivable others		18,787,097	36,321,862
Off-shore banking unit		187,390,570	161,070,610
Closing other assets		3,845,479,625	4,052,196,334
Opening other assets		4,052,196,334	3,664,557,458
		206,716,709	(387,638,876)
46.a (Increase)/decrease of consolidated other assets			
IFIC Bank Limited	46	206,716,709	(387,638,876)
IFIC Securities Limited		(2,728,792)	16,549,838
IFIC Money Transfer (UK) Limited		27,565	(83,789)
		204,015,482	(371,172,827)

		Amount in BDT	
	Note	2018	2017
47 Increase/(decrease) of other liabilities			
Withholding Tax payable to government		278,926,291	244,417,451
Withholding VAT payable to government		71,091,971	56,486,370
Excise duty payable to government		176,133,961	164,385,378
Dividend payable		2,814,447	2,814,447
Revaluation of investment abroad		30,946,297	30,946,297
Oman Exchange LLC		97,364	1,656,242
Sale proceeds of PSP & TC		357,561,049	1,527,464
Buying house commission		12,770,725	20,535,151
Recovery on court cases		7,030,339	7,170,350
Matured deposits		23,816,402	32,564,985
Govt. RMG fund		1,254,676	1,123,970
Others		65,970,952	47,979,234
Closing other liabilities		1,028,414,474	611,607,339
Opening other liabilities		611,607,339	367,155,084
		416,807,135	244,452,255
47.a Consolidated increase/(decrease) of other liabilities			
IFIC Bank Limited	47	416,807,135	244,452,255
IFIC Securities Limited		(7,956,240)	(3,835,035)
IFIC Money Transfer (UK) Limited		24,642,617	2,060,846
		433,493,512	242,678,067
48 Number of ordinary shares outstanding			
Balance at the beginning of the year		1,195,302,442	563,821,907
Add: Bonus share issued		143,436,293	67,658,628
Add: Right share issued 1R:1		-	563,821,907
		1,338,738,735	1,195,302,442
49 Earnings Per Share (EPS)*			
Net profit after tax		1,570,234,267	2,067,734,907
Number of ordinary shares outstanding		1,338,738,735	1,338,738,735
		1.17	1.54
49.a Consolidated Earnings Per Share (EPS)*			
Net profit after tax attributable to equity holders of the Bank		1,649,504,123	2,396,664,244
Number of ordinary shares outstanding		1,338,738,735	1,338,738,735
		1.23	1.79
50 Net Operating Cash Flow per Share (NOCFPS)*			
Net cash flows from operating activities		2,271,417,578	1,326,848,448
Number of ordinary shares outstanding in respective years		1,338,738,735	1,338,738,735
		1.70	0.99
50.a Consolidated Net Operating Cash Flow per Share (NOCFPS)*			
Consolidated net cash flows from operating activities		2,282,795,086	1,561,723,249
Number of ordinary shares outstanding in respective years		1,338,738,735	1,338,738,735
		1.71	1.17

		Amount in BDT	
	Note	2018	2017
51 Net Asset Value (NAV) per Share*			
Net assets value at the end of the year		22,116,234,218	20,539,120,654
Number of ordinary shares outstanding in respective years		1,338,738,735	1,338,738,735
		16.52	15.34
51.a Consolidated Net Asset Value (NAV) per Share*			
Net assets value at the end of the year attributable to equity holders of the Bank		23,677,652,554	22,104,176,280
Number of ordinary shares outstanding in respective years		1,338,738,735	1,338,738,735
		17.69	16.51

* Previous year's figure has been restated.

52 Events after the reporting period

Subsequent to the balance sheet date, the Board of Directors in its 749th Meeting held on 29 April 2019 recommended 10% stock dividend for the year ended 31 December 2018 which will be placed for approval of the shareholders in the forthcoming 42nd Annual General Meeting of the Bank.

Balance with other Banks and Financial Institutions-Outside Bangladesh

as at 31 December 2018

Annexure-A

Name of the Bank and Financial Institutions	Account type	Currency type	31 December 2018			31 December 2017		
			FC amount	Conversion rate	Equivalent BDT	FC amount	Conversion rate	Equivalent BDT
AB Bank Ltd., Mumbai	CD	USD	628,792	83.90	52,755,658	877,860	82.70	72,598,995
Bank of Bhutan, Phuentsoling	CD	USD	51,355	83.90	4,308,706	28,513	82.70	2,357,996
Bank of Tokyo- Mitsubishi, Tokyo	CD	JPY	4,938,026	0.75	3,720,309	202,582	0.73	147,804
Citi Bank N.A. New York	CD	USD	2,165,883	83.90	181,717,544	3,591,194	82.70	296,991,757
Commerz Bank AG, Frankfurt	CD	USD	1,097,777	83.90	92,103,511	3,327,810	82.70	275,209,900
Commerz Bank AG, Frankfurt	CD	EUR	211,972	95.25	20,190,722	267,388	98.31	26,287,960
Habib Bank, New York	CD	USD	1,035,085	83.90	86,843,611	1,378,878	82.70	114,033,197
Habib Bank AG, Zurich	CD	CHF	97,068	84.25	8,178,356	773	83.85	64,807
ICIC Bank Ltd., India	CD	USD	747,742	83.90	62,735,551	1,144,233	82.70	94,628,081
J.P. Morgan Chase Bank AG, Frankfurt	CD	EUR	111,310	95.25	10,602,486	78,118	98.31	7,680,045
J.P. Morgan Chase Bank, New York	CD	USD	1,769,972	83.90	148,500,644	8,969,473	82.70	741,775,380
J.P. Morgan Chase Bank, Sydney	CD	AUD	44,093	59.30	2,614,574	56,485	64.24	3,628,695
Mashreq Bank, PSC, India	CD	USD	176,161	83.90	14,779,915	319,387	82.70	26,413,332
Masreq Bank PSC, New York	CD	USD	761,772	83.90	63,912,631	1,733,307	82.70	143,344,466
MCB Bank Ltd, Pakistan	CD	USD	233,615	83.90	19,600,288	(7,890)	82.70	(652,534)
Nations Trust Bank Ltd., Colombo	CD	USD	79,884	83.90	6,702,235	23,285	82.70	1,925,674
Nepal Bangladesh Bank Ltd., Nepal	CD	USD	491,290	83.90	41,219,218	370,135	82.70	30,610,125
Sonali Bank Limited, Kolkata	CD	USD	179,210	83.90	15,035,712	199,118	82.70	16,467,052
Sonali Bank (UK) Limited London	CD	EUR	-	-	-	18,618	110.79	2,062,736
Standard Chartered Bank, New York	CD	USD	3,189,332	83.90	267,584,954	5,789,702	82.70	478,808,327
Standard Chartered Bank, Kolkata	CD	USD	877,512	83.90	73,623,217	285,189	82.70	23,585,130
Standard Chartered Bank, London	CD	GBP	128,784	106.00	13,651,027	350,213	110.79	38,801,251
Standard Chartered Bank, London	CD	USD	104,806	83.90	8,793,216	19,152	82.70	1,583,859
Wells Fargo Bank, New York	CD	USD	914,344	83.90	76,713,431	1,893,965	82.70	156,630,890
Total			20,035,784		1,275,887,518	30,917,486.02		2,554,984,924

Details of investment in shares
as at 31 December 2018

Annexure-B
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	114.78	22,956,628	2,956,628
Central Depository Bangladesh Limited	10	2,284,722	10.00	22,847,220	33.79	77,190,437	54,343,217
Energypack Power Generation Limited	10	619,500	41.90	25,960,000	31.17	19,308,869	(6,651,131)
		3,104,222		68,807,220		119,455,934	50,648,714
Quoted shares							
Aman Feed Limited	10	100,000	47.43	4,743,200	47.00	4,700,000	(43,200)
BBS Cables Limited	10	100,000	96.47	9,646,540	96.30	9,630,000	(16,540)
BRAC Bank Limited	10	56,059	74.49	4,175,700	72.70	4,075,489	(100,211)
Confidence Cement Limited	10	70,000	182.01	12,741,029	179.40	12,558,000	(183,029)
Eastland Insurance Company Limited	10	196,439	40.51	7,958,672	20.20	3,968,068	(3,990,604)
Fareast Life Insurance Limited	10	979,224	125.11	122,511,641	63.20	61,886,957	(60,624,684)
GlaxoSmithKline(GSK) Bangladesh Limited	10	6,681	1,598.86	10,682,010	1,450.20	9,688,786	(993,224)
Meghna Petroleum Limited	10	20,000	187.53	3,750,542	188.60	3,772,000	21,458
National Housing Finance & Investment Limited	10	4,808,100	8.11	39,010,000	47.70	229,346,370	190,336,370
Power Grid Company Limited	10	3,123,057	69.13	215,882,261	48.00	149,906,736	(65,975,525)
Shahjalal Islami Bank Limited	10	205,487	27.16	5,581,890	27.60	5,671,441	89,551
Shasha Denims Limited	10	120,653	61.66	7,439,512	60.50	7,299,507	(140,006)
Singer Bangladesh Limited	10	50,100	218.88	10,965,683	221.20	11,082,120	116,437
Southeast Bank Limited	10	150,000	14.89	2,232,795	15.60	2,340,000	107,205
Square Pharmaceuticals Limited	10	35,700	250.90	8,957,201	254.20	9,074,940	117,739
Summit Alliance Port Limited	10	57,044	99.79	5,692,616	25.30	1,443,213	(4,249,403)
Summit Power Limited	10	200,000	38.76	7,751,100	39.40	7,880,000	128,900
TITAS Gas Transmission and Distribution Limited	10	5,383,325	76.60	412,348,120	36.40	195,953,030	(216,395,090)
Unique Hotel and Resorts Limited	10	200,000	105.15	21,029,385	52.80	10,560,000	(10,469,385)
United Power Generation & Distribution Company Limited	10	30,000	300.22	9,006,690	290.70	8,721,000	(285,690)
Total		15,891,869		922,106,587		749,557,657	(172,548,930)
Mutual funds *							
IFIC Bank 1 st Mutual Fund	10	37,951,655	6.59	250,000,000	9.18	348,396,193	98,396,193
ICB Employee 1 st Mutual Fund	10	1,339,500	13.43	17,986,473	6.18	8,277,440	(9,709,033)
		39,291,155		267,986,473		356,673,633	88,687,160

Name of the Company	Face value	No. of share	Cost/share	Cost price	NAV or Mkt price/share	Total value	Gain/(loss)
Foreign Investment							
Investment in associate/joint venture							
Nepal Bangladesh Bank Limited		33,088,433	72.88	2,411,533,806	145.92	4,828,214,511	2,416,680,705
Oman Exchange LLC		2,948	6,469.01	19,070,638	18,880.12	55,658,585	36,587,947
		33,091,381		2,430,604,444		4,883,873,096	2,453,268,652
Other foreign investment							
MCB Bank Limited, Pakistan		175,508	2,030.53	356,374,547	116.12	20,380,453	(335,994,094)
		33,266,889		2,786,978,991		4,904,253,549	2,117,274,558
Total				4,045,879,271		6,129,940,773	2,084,061,501

Required provision for investment in shares				Amount in BDT
Particulars		Cost price	Total value	Req. Provision
Unquoted shares ¹		68,807,220	119,455,934	(6,651,131)
Quoted		922,106,587	749,557,657	(172,548,930)
Mutual funds ²		267,986,473	356,673,633	(9,709,033)
Sub-total		1,258,900,280	1,225,687,224	(188,909,095)
Investment in associate/joint venture ³		2,430,604,444	4,883,873,096	-
Other foreign investment-MCB Bank Limited ⁴		356,374,547	20,380,453	(335,994,094)
Grand Total		4,045,879,271	6,129,940,773	(524,903,189)

¹ Provision is kept against any unrealized loss for investment in unquoted shares.

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 NAV or MV	(NAVx85%) - CP	Required Provision
	A	B		C	D	E	F=(E-B)	G=(A x F)
IFIC Bank 1 st MF	37,951,655	6.59	10.80	9.18	4.20	9.18	-	-
ICB EP 1 st MF	1,339,500	13.43	7.27	6.18	5.40	6.18	(7.25)	(9,709,033)
Total provision required								(9,709,033)

* As per Bangladesh Bank DOS circular letter no. 3 dated 12 March 2015 and DOS circular no. 10 dated 25 June 2015 the fair value of investment in mutual funds is 85% (Closed-end) and 95% (Open-end) of Net Asset Value (NAV) or Market Value (MV) which one is higher. The provision is only required if the cost is higher than Net Asset Value or Market Value.

³ 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 of NAV and market value which one is lower (if applicable).

⁴ As per Bangladesh Bank letter no-DOS(ASR)1153/161/11/2016-4995 dated 13 November 2016 full provision has been maintained for MCB Bank Limited, Pakistan.

Loans and advances allowed to each customer exceeding 10% of Bank's total capital
as at 31 December 2018

BDT in million

Sl.	Name of the group	Name of clients	Outstanding as on 31 December 2018			Amount classified
			Funded	Non-funded	Total	
1	Banglalion	Banglalion Communication Limited.	2,776.30	-	2,776.30	-
		Sub Total:	2,776.30	-	2,776.30	-
2	Bengal	Bengal Communications Limited	3,062.50	-	3,062.50	-
		Sub Total:	3,062.50	-	3,062.50	-
3		Bangladesh Rural Advance Committee	3,505.00	1,564.80	5,069.80	-
		Sub Total:	3,505.00	1,564.80	5,069.80	-
4		Central Land & Building Limited	3,494.20	-	3,494.20	-
		Sub Total:	3,494.20	-	3,494.20	-
5	Doha-Global	Dohatec Newmedia	1,613.90	13.40	1,627.30	-
		Global Voice Telecom Limited	1,803.00	2,128.60	3,931.60	-
		Sub Total:	3,416.90	2,142.00	5,558.90	-
6	ENA	ENA Building Products Limited	226.40	-	226.40	-
		ENA Properties Limited	1,563.40	12.30	1,575.70	-
		Northern Power Solutions Limited	1,470.70	462.90	1,933.60	-
		Sakoatex Limited	274.80	40.00	314.80	-
		Sub Total:	3,535.30	515.20	4,050.50	-
7		Global LPG Limited	3,594.00	-	3,594.00	-
		Sub Total:	3,594.00	-	3,594.00	-
8		Habib Hotel International Limited	3,225.20	30.40	3,255.60	-
		Sub Total:	3,225.20	30.40	3,255.60	-
9	Islam	Islam Garments Limited	1,721.40	2,672.70	4,394.10	-
		Islam Knit Design Limited	7.20	214.20	221.40	-
		Armor Bangladesh Limited	23.30	-	23.30	-
		Euro Jeans Limited	43.50	-	43.50	-
		Sub Total:	1,795.40	2,886.90	4,682.30	-
10	Knit Concern	Knit Concern Limited	603.70	2,029.70	2,633.40	-
		KC Apparels Limited	113.80	394.70	508.50	-
		Pack Concern Limited	64.50	13.00	77.50	-
		K C Lingerie Limited	57.50	183.50	241.00	-
		Zas Concern Limited	16.50	7.80	24.30	-
		JMJ Mollah Cold Storage Limited	87.00	-	87.00	-
		Surecell Medical (BD) Limited	22.30	-	22.30	-
		Sub Total:	965.30	2,628.70	3,594.00	-
11	NASSA	Nassa Properties Limited	3,015.10	-	3,015.10	-
		Nassa Spinners & Garments Limited	147.33	-	147.30	-
		Nassa Supreme Wash Limited	236.20	54.60	290.80	-
		Sub Total:	3,398.63	54.60	3,453.20	-
12	Opex Sinha	Opex Fashions Limited	-	9.50	9.50	-
		Opex Washing Plant Limited	94.30	1.10	95.40	-
		Opex Industries Limited	110.40	-	110.40	-
		Sinha Apparel Accessories Limited	8.80	-	8.80	-
		Sinha Industries Limited	1,951.80	791.90	2,743.70	-
		Sub Total:	2,165.30	802.50	2,967.80	-
13	Phonix	Appollo Ispat Complex Limited	2,762.90	29.90	2,792.80	-
		Sub Total:	2,762.90	29.90	2,792.80	-

Sl.	Name of the group	Name of clients	Outstanding as on 31 December 2018			Amount classified
			Funded	Non-funded	Total	
14	Prisma	Prisma Digital Network Limited	3,463.20	117.00	3,580.20	-
		Sub Total:	3,463.20	117.00	3,580.20	-
15		Quick Real Estate Limited	3,493.20	-	3,493.20	-
		Sub Total:	3,493.20	-	3,493.20	-
16		Raj Housing Limited	3,439.50	-	3,439.50	-
		Sub Total:	3,439.50	-	3,439.50	-
17	Sikder	Powerpac Mutiara Keraniganj (Pvt) Limited	1,827.10	-	1,827.10	-
		R & R Holdings	1,734.10	-	1,734.10	-
		Sub Total:	3,561.20	-	3,561.20	-
18	Silver Line	Silver Composite Textile Mills Limited	909.90	892.40	1,802.30	-
		Silver Line Compusit Textile Mill Limited	2,544.20	364.70	2,908.90	-
		Sub Total:	3,454.10	1,257.10	4,711.20	-
19		Vestel Cable TV Networks Limited	3,168.70	-	3,168.70	-
		Sub Total:	3,168.70	-	3,168.70	-
20		Uttara Jute Fibres & Lndustries Limited	3,227.40	7.90	3,235.30	-
		Sub Total:	3,227.40	7.90	3,235.30	-
21		Uttara Traders(Pvt.) Limited	3,882.30	3,001.70	6,884.00	-
		Sub Total:	3,882.30	3,001.70	6,884.00	-
22		Wisdom Attires Limited	2,971.50	498.80	3,470.30	-
		Sub Total:	2,971.50	498.80	3,470.30	-
		Grand Total:	68,358.03	15,537.50	83,895.50	-

Schedule of fixed assets including premises, furniture and fixture
as at 31 December 2018

Annexure - D

Particulars	Cost						Depreciation/Amortization					Written down value as at 31 December 2018
	Balance as at 1 January 2018	Addition during the year	Transfer from CWIP	Adjustment during the year	Disposal during the year	Balance as at 31 December 2018	Balance as at 1 January 2018	Charged during the year	Adjustment during the year	Disposal during the year	Balance as at 31 December 2018	
Land	475,118,759	-	1,948,490,800	-	-	2,423,609,559	-	-	-	-	-	2,423,609,559
Buildings and premises	1,902,617,204	-	-	-	-	1,902,617,204	280,742,904	47,045,580	-	-	327,788,484	1,574,828,720
Wooden furniture	249,945,813	7,853,120	1,257,724	-	4,061,000	254,995,657	103,190,809	19,894,529	-	3,597,645	119,487,693	135,507,964
Steel furniture	65,205,635	3,221,050	1,409,653	-	481,307	69,355,031	40,432,510	3,088,778	-	332,665	43,188,623	26,166,408
Computer equipment	737,808,650	73,254,852	35,657,351	-	12,486,117	834,234,736	613,269,000	51,751,242	-	12,464,754	652,555,487	181,679,249
Electrical & gas equipment	796,346,585	36,519,834	52,545,654	-	12,849,968	872,562,106	351,323,094	79,067,274	-	11,736,569	418,653,799	453,908,307
Office equipment	219,597,186	10,174,348	799,826	-	2,912,969	227,658,391	183,864,687	13,276,192	-	2,901,121	194,239,759	33,418,632
Leasehold improvement	261,520,678	20,236,904	18,880,213	-	4,946,409	295,691,386	168,708,779	17,520,840	-	4,603,284	181,626,335	114,065,051
Vehicles	119,768,760	14,271,570	-	-	-	134,040,330	93,154,705	13,100,866	-	-	106,255,571	27,784,759
Leased vehicles	47,600,000	-	-	-	-	47,600,000	20,826,403	6,945,840	-	-	27,772,243	19,827,757
Soft furnishing	11,468,191	565,448	8,610	-	277,624	11,764,626	10,865,897	489,136	-	277,599	11,077,434	687,192
Software	542,871,430	5,546,921	5,715,112	-	-	554,133,463	267,763,110	35,020,921	-	-	302,784,032	251,349,431
	5,429,868,891	171,644,049	2,064,764,943	-	38,015,394	7,628,262,489	2,134,141,898	287,201,198	-	35,913,637	2,385,429,460	5,242,833,029
Capital work in progress *	232,657,045	2,027,224,177	(2,064,764,943)	-	-	195,116,279	-	-	-	-	-	195,116,279
Total	5,662,525,936	2,198,868,226	-	-	38,015,394	7,823,378,768	2,134,141,898	287,201,198	-	35,913,637	2,385,429,460	5,437,949,308

* Capital work in progress represents the amount paid for Document Management System, Fire Protection System, Data Center, Fusion Banking Essence and Integration of SWIFT with CBS.

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	3,295,726,993
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.

Computation of Risk Weighted Assets
Annexure -E

Solo Basis

as at 31 December 2018

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	2,885.59	-
b.	Claims on Bangladesh Government (other than PSEs) and Bangladesh Bank		0	27,882.16	-
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	402.10	80.42
		2,3	0.50	78.44	39.22
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	1.00	9.51	9.51
	ii) Maturity less than 3 months		0.20	13,668.95	2,733.79
h.	Claims on Corporate (excluding equity exposure)	1	0.20	9,492.16	1,898.43
		2	0.50	18,153.58	9,076.79
		3,4	1.00	44,990.59	44,990.59
		5,6	1.50	-	-
		Unrated	1.25	16,878.90	21,098.63
h(1)	Claims on SME	SME 1	0.20	213.08	42.62
		SME 2	0.40	175.61	70.25
		SME 3	0.60	658.22	394.93
		SME 4	0.80	501.04	400.83
		SME 5	1.20	-	-
		SME 6	1.50	-	-
		Unrated (small enterprise & <BDT 3m)	0.75	2,508.15	1,881.11
		Unrated (small enterprise having ≥ BDT 3m&Medium enterprise)	1.00	13,800.61	13,800.61

Sl.	Exposure Type	Rating	Risk Weight	Exposure	RWA
i.	Claims under Credit Risk Mitigation	PSE		-	-
		Banks & NBFIs		-	-
		Corporate		4,879.02	3,637.41
		Retail		435.34	6.89
		SME		1,018.09	258.98
		Consumer finance		2,271.82	115.41
		Residential property		-	-
		Commercial real estate		-	-
j.	Claims categorized as retail portfolio (excluding SME, Consumer Finance and Staff loan) upto 1 crore		0.75	434.71	326.04
k.	Consumer finance		1.00	956.12	956.12
l.	Claims fully secured by residential property		0.50	40,087.11	20,043.56
m.	Claims fully secured by Commercial real estate		1.00	22,953.21	22,953.21
n.	1. Past Due Claims that is past due for 60 days or more (Risk weights are to be assigned net of specific provision):				
	i) Where specific provisions are less than 20 percent of the outstanding amount of the past due claim		1.50	4,911.70	7,367.55
	ii) Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim		1.00	4,807.80	4,807.80
	iii) Where specific provisions are more than 50 percent of the outstanding amount of the past due claim		0.50	1,123.50	561.75
	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	3,180.70	3,180.70
	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	183.30	137.48
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	67.88	84.85
q.	Investments in venture capital		1.50	-	-
r.	Investments in premises, plant and equipment and all other fixed assets		1.00	5,437.95	5,437.95
s.	Claims on all fixed assets under operating lease		1.00	295.61	295.61
t.	All other assets			-	-
	i) Claims on GoB & BB		0.00	5,682.91	-
	ii) Staff loan/Investment		0.20	1,616.15	323.23
	iii) Cash items in Process of Collection		0.20	-	-
	iv) Claims on Off-shore Banking Units (OBU)		1.00	2,332.36	2,332.36
	v) Other assets (net off specific provision, if any)		1.00	6,735.35	6,735.35
Sub-Total				261,729.32	176,089.96

2.0 Risk Weighted Amount for Credit Risk Off-Balance Sheet Exposures

BDT in Million

Sl. No.	Exposure Type	BB's Rating Grade*	Risk Weight	Exposure	RWA
1	2	3	4	5	6 = (4x5)
a)	Claims on Bangladesh Government and Bangladesh Bank		0		
b)	Claims on other Sovereigns & Central Banks*				
c)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		0		
d)	Claims on Multilateral Development Banks (MDBs):				
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		0		
	ii) Others MDBs	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
f)	Claims on Banks & NBFIs				
	i) Maturity over 3 months	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
	ii) Maturity less than 3 months		0.20		
g)	Claims on Corporate (excluding equity exposure)	1	0.20	4,521.41	904.28
		2	0.50	12,475.51	6,237.76
		3,4	1.00	6,229.44	6,229.44
		5,6	1.50	-	-
		Unrated	1.25	5,519.88	6,899.85
h)	Claims under retail exposure		0.75	9.76	7.32
h(1)	Claims under SME Credit Rating-wise exposure	1	0.20	-	-
		2	0.40	170.78	68.31
		3	0.60	301.06	180.64
		4	0.80	10.10	8.08
		5	1.20	-	-
		6	1.50	-	-
		Unrated (small enterprise & <BDT 3.00m)	0.75	41.98	31.48
		Unrated (small enterprise having ≥ BDT 3.00m & Medium enterprise)	1.00	2,021.69	2,021.69
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				31,301.63	22,588.86

3.0 Capital Charge for Market Risk (Balance Sheet Exposures)

BDT in Million

Sl. No.	Market Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Interest Rate Related Instruments	50.50	10.00	505.00
b	Equities	163.94	10.00	1,639.39
c	Foreign Exchange Position	27.67	10.00	276.73
d	Commodities	-	-	-
Sub-Total		242.11		2,421.12

4.0 Capital Charge for Operational Risk (Basic Indicator Approach)

Sl. No.	Operational Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Gross Income	1,191.07	10.00	11,910.69
Sub-Total		1,191.07	10.00	11,910.69
Grand Total Risk Weighted Assets				213,010.63

Name of Directors and their interest in different entities
as at 31 December 2018

SI No.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
1	Mr. Salman F Rahman	Chairman	Chairman	GMG Airlines Ltd.
			Chairman	Abahani Ltd.
			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 Ltd.
			Vice Chairman	Esses Exporters Ltd.
2	Mr. Anwaruzzaman Chowdhury	Independent Director	Shareholder	Beximco Power Company Ltd.
			Shareholder	I & I Services Ltd.
3	Ms. Rabeya Jamali	Independent Director	Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Alternate Director (Nominated by IFIC Bank Ltd.)	Oman Exchange LLC
			Chairman	Kipling
4	Mr. Jalal Ahmed	Govt. nominated Director	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
4	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.
			Chairman (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.
			Alternate Director (Nominated by IFIC Bank Ltd.)	Oman Exchange LLC
			Additional Secretary & Executive Project Director	SEIP Project of Finance Division, Ministry of Finance, Bangladesh

SI No.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
5	Mr. A. R. M. Nazmus Sakib	Govt. nominated Director	Director (Nominated by IFIC Bank Ltd.)	Oman Exchange LLC
			Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Additional Secretary (PRL)	
6	Ms. Quamrun Naher Ahmed	Govt. nominated Director	Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Director (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.
			Additional Secretary (PRL)	
7	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

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

Nature of Transaction	Amount in BDT	
	31 December 2018	31 December 2017
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	145,670,986	95,242,494
C. BO account balance	659	659
2) Name of the Party: IFIC Money Transfer (UK) Limited		
Relationship with the company : Subsidiary		
A. Capital investment	31,799,790	33,237,960
3) Name of the Party: Oman Exchange LLC		
Relationship with the company : Associate		
A. Capital investment	19,070,638.00	18,797,875.00
B. Share money deposits	8,703,560	-

Amount in BDT

Nature of Transaction	As at and for the year ended	
	31 December 2018	31 December 2017

3) Name of the Party: Nepal Bangladesh Bank Limited

Relationship with the company : Associate

A. Capital investment	2,411,533,806	2,383,257,623
B. Borrowing	2,097,500,000	1,984,800,000
C. Cash Dividend	344,419,844	15,561,641
D. Management fee received	12,582,000	21,682,211
E. Share money deposits	2,456,251	2,421,125

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 and BB Foreign Exchange Return with a fees of BDT 95,000 per month. Bank has also a service agreement with Bangladesh Export Import Co. Limited for Broadband Internet Service with a fees of BDT 60,000 per month. Bank also paid BDT 62,572,506 and BDT 1,853,150 to Independent Television Limited for sponsorship of various program and Independent Publications Limited for various advertisement and publications respectively in the year 2018.

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
<i>NIL</i>				

Disclosure on Audit Committee of the Bank**Annexure -G**

a) Particulars of members of the Audit Committee

Sl.	Name	Status with the Bank	Status	Educational Qualification
1	Ms. Rabeya Jamali	Independent Director	Chairman	L.L.B. (Hons), L.L.M. in Banking and Financial Law
2	Mr. Anwaruzzaman Chowdhury	Independent Director	Member	MBA
3	Mr. Jalal Ahmed	Director	Member	B.S.S. (Hons), M. S. S. in Public Administration

b) Particulars of meetings held by the Audit Committee during the period from 01 January to 31 December 2018

Sl.	Meeting No	Meeting held on
1	118 th Audit Committee Meeting	14.02.2018
2	119 th Audit Committee Meeting	11.03.2018
3	120 th Audit Committee Meeting	08.04.2018
4	121 th Audit Committee Meeting	07.05.2018
5	122 th Audit Committee Meeting	30.05.2018
6	123 th Audit Committee Meeting	10.06.2018
7	124 th Audit Committee Meeting	22.07.2018
8	125 th Audit Committee Meeting	30.07.2018
9	126 th Audit Committee Meeting	24.10.2018
10	127 th Audit Committee Meeting	30.10.2018
11	128 th Audit Committee Meeting	29.11.2018
12	129 th Audit Committee Meeting	12.12.2018

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 2018 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.

The Committee has considered and reviewed various reports relating to various lapses and deficiencies in internal control or other similar issues relating to Bank's operational activities detected by internal and external auditors and inspectors of Bangladesh Bank and other regulatory authorities.

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 2018 have been explained and endorsed to the Audit Committee whether the statements reflect the complete and concrete information and whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank and Bangladesh Securities and Exchange Commission.

The Committee has submitted compliance report to the Board on quarterly basis during 2018 regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.

Segment Reporting

Annexure - H

 The Bank reports its operations under geographical location and business segment as per IFRS:8 *Operating Segment*
Profit and Loss Account for the year ended 31 December 2018

Amount in BDT

Particulars	IFIC Bank Limited				Subsidiaries		Associates		Adjustment	Consolidated
	Inside Bangladesh		Adjustment	Total	IFIC Securities Limited	IFIC Money Transfer (UK) Limited	Nepal Bangladesh Bank Limited	Oman Exchange LLC		
	Conventional Banking	Off- Shore Banking Unit								
Interest income	18,948,040,039	112,002,533	(95,511,429)	18,964,531,143	47,373,510	-	-	-	-	19,011,904,653
Interest paid on deposits and borrowings, etc.	14,404,724,629	95,511,429	(95,511,429)	14,404,724,629	90	-	-	-	(25,189)	14,404,699,530
Net interest income	4,543,315,410	16,491,104	(191,022,858)	4,559,806,514	47,373,600	-	-	-	(25,189)	4,607,205,123
Investment income	2,358,454,068	-	-	2,358,454,068	30,162,404	-	(344,419,844)	-	-	2,044,196,628
Commission, exchange and brokerage	1,616,275,359	-	-	1,616,275,359	24,395,453	27,619,061	(28,276,183)	(272,763)	-	1,639,740,927
Other operating income	465,836,590	336,343	-	466,172,933	1,587,044	-	-	-	(25,189)	467,734,788
	4,440,566,017	336,343	-	4,440,902,360	56,144,901	27,619,061	(372,696,027)	(272,763)	(25,189)	4,151,672,343
Total operating income	8,983,881,427	16,827,447	(191,022,858)	9,000,708,874	103,518,501	27,619,061	(372,696,027)	(272,763)	(50,378)	8,758,877,466
Salary and allowances	2,557,754,744	1,413,019	-	2,559,167,763	13,845,106	7,859,574	-	-	-	2,580,872,443
Rent, taxes, insurance, electricity, etc.	765,826,300	-	-	765,826,300	7,291,082	7,754,254	-	-	-	780,871,636
Legal expenses	10,300,630	-	-	10,300,630	429,197	1,763,669	-	-	-	12,493,496
Postage, stamps, telecommunication, etc.	62,977,318	-	-	62,977,318	58,982	226,972	-	-	-	63,263,272
Stationery, printing, advertisement, etc.	376,907,659	-	-	376,907,659	136,880	18,998	-	-	-	377,063,537
Managing Director's salary	15,120,000	-	-	15,120,000	-	-	-	-	-	15,120,000
Directors' fees	1,704,000	-	-	1,704,000	207,000	-	-	-	-	1,911,000
Auditors' fees	1,500,000	-	-	1,500,000	223,500	266,633	-	-	-	1,990,133
Charges on loan losses	109,642,716	-	-	109,642,716	-	-	-	-	-	109,642,716
Depreciation and repairs of Bank's assets	481,382,585	-	-	481,382,585	1,002,643	2,217,612	-	-	-	484,602,840
Other expenses	721,477,016	-	-	721,477,016	5,387,845	10,117,292	-	-	-	736,982,153
Total operating expenses	5,104,592,968	1,413,019	-	5,106,005,987	28,582,235	30,225,004	-	-	-	5,164,813,226
Operating profit	3,879,288,458	15,414,428	(191,022,858)	3,894,702,887	74,936,266	(2,605,943)	(372,696,027)	(272,763)	(50,378)	3,594,064,240
Share of profit of joint ventures/associates	-	-	-	-	-	-	399,726,145	399,163	-	400,125,308
Profit before provision	3,879,288,458	15,414,428	(191,022,858)	3,894,702,887	74,936,266	(2,605,943)	27,030,119	126,400	(50,378)	3,994,189,548
Provision against loans and advances	813,009,910	-	-	813,009,910	115,650	-	-	-	-	813,125,560
Provision for diminution in value of investments	185,345,656	-	-	185,345,656	-	-	-	-	-	185,345,656
Provisions for other assets	36,959,400	-	-	36,959,400	-	-	-	-	-	36,959,400
Total provision	1,035,314,966	-	-	1,035,314,966	115,650	-	-	-	-	1,035,430,616
Profit before taxation	2,843,973,492	15,414,428	(191,022,858)	2,859,387,921	74,820,616	(2,605,943)	(372,696,027)	(272,763)	(50,378)	2,958,758,932
Provision for taxation	-	-	-	-	-	-	-	-	-	-
Current tax	1,080,000,000	-	-	1,080,000,000	20,427,296	-	-	-	-	1,100,427,296
Deferred tax	209,153,654	-	-	209,153,654	(326,290)	-	-	-	-	208,827,364
	1,289,153,654	-	-	1,289,153,654	(326,290)	-	-	-	-	1,309,254,660
Net profit after taxation	1,554,819,838	15,414,428	(191,022,858)	1,570,234,267	-	-	-	-	-	1,649,504,272

Balance Sheet as at 31 December 2018

Amount in BDT

Particulars	IFIC Bank Limited				Subsidiaries		Associates		Adjustment	IFIC Bank & it's subsidiaries
	Inside Bangladesh		Adjustment	Total	IFIC Securities Limited	IFIC Exchange (UK) Ltd.	Nepal Bangladesh Bank Limited	Oman Exchange LLC		
	Conventional Banking	Off- Shore Banking Unit								
PROPERTY AND ASSETS										
Cash	16,007,300,116	-	-	16,007,300,116	6,904	13,434,563	-	-	-	16,020,741,583
Balance with other banks and financial instit.	8,099,478,106	-	-	8,099,478,106	145,670,986	19,502,811	-	-	(145,670,986)	8,118,980,917
Money at call and on short notice	3,970,000,000	-	-	3,970,000,000	-	-	-	-	-	3,970,000,000
Investments	31,304,385,918	-	-	31,304,385,918	70,782,190	-	-	-	1,289,231,993	32,664,400,101
Loans and advances	204,730,719,418	2,198,916,289	-	206,929,635,707	4,002,656,028	-	-	-	-	210,932,291,735
Fixed assets	5,437,949,308	-	-	5,437,949,308	4,255,186	3,630,900	-	-	-	5,445,835,394
Other assets	10,763,667,862	187,390,570	-	10,951,058,432	283,186,384	609,496	-	-	(2,231,793,790)	9,003,060,522
Non-banking assets	373,474,800	-	-	373,474,800	-	-	-	-	-	373,474,800
Total Assets	280,686,975,528	2,386,306,859	-	283,073,282,387	4,506,557,678	37,177,770	-	-	(1,088,232,783)	286,528,785,052
LIABILITIES AND CAPITAL										
Borrowings from other banks, financial institutions and agents	9,969,432,278	2,332,355,956	(2,332,355,956)	9,969,432,278	-	-	-	-	-	9,969,432,278
Subordinated debt	3,500,000,000	-	-	3,500,000,000	-	-	-	-	-	3,500,000,000
Deposits and other accounts	226,333,027,803	-	-	226,333,027,803	41,192,225	-	-	-	(145,670,986)	226,228,549,042
Other Liabilities	21,154,588,088	38,536,475	(38,536,475)	21,154,588,088	1,965,256,165	33,300,107	-	-	-	23,153,144,360
Total Liabilities	260,957,048,169	2,370,892,431	(2,370,892,431)	260,957,048,169	2,006,448,390	33,300,107	-	-	(145,670,986)	262,851,125,680
Capital/Shareholders' equity										
Paid up capital	13,387,387,350	-	-	13,387,387,350	2,200,000,000	31,799,790	-	-	(2,231,799,790)	13,387,387,350
Statutory reserve	5,696,418,313	-	-	5,696,418,313	-	-	-	-	-	5,696,418,313
General reserve	155,071,397	-	-	155,071,397	-	-	-	-	-	155,071,397
Revaluation reserve against securities	13,108,847	-	-	13,108,847	-	-	-	-	-	13,108,847
Revaluation reserve against fixed assets	115,314,704	-	-	115,314,704	-	-	-	-	-	115,314,704
Foreign currency translation reserve	-	-	-	-	-	3,017,535	38,922,757	1,352,583	-	43,292,875
Surplus in profit and loss account	2,748,933,607	-	-	2,748,933,607	300,108,468	(30,939,659)	1,285,855,176	33,620,838	(70,519,363)	4,267,059,068
	22,116,234,218	-	-	22,116,234,218	2,500,108,468	3,877,666	1,324,777,933	34,973,421	(2,302,319,153)	23,677,652,554
Minority Interest	-	-	-	-	6,818	-	-	-	-	6,818
Total shareholders' equity	22,116,234,218	-	-	22,116,234,218	2,500,115,287	3,877,666	1,324,777,933	34,973,421	(2,302,319,153)	23,677,659,372
Total liabilities and shareholders' equity	283,073,282,387	2,370,892,431	(2,370,892,431)	283,073,282,387	4,506,563,677	37,177,773	1,324,777,933	34,973,421	(2,447,990,139)	286,528,785,052

**Financial highlights of the Bank
as at and for the year ended 31 December 2018**

Sl.	Particulars	Currency/ percentage	31 December 2018	31 December 2017
1	Paid up capital	BDT	13,387,387,350	11,953,024,420
2	Total capital	BDT	26,903,651,153	24,113,769,627
3	Capital surplus	BDT	1,608,639,082	2,539,326,108
4	Total assets	BDT	283,073,282,387	253,248,941,805
5	Total deposits	BDT	226,333,027,803	200,205,665,479
6	Total loan & advances	BDT	206,929,635,707	179,264,206,747
7	Total contingent liabilities & commitments	BDT	60,435,601,239	58,620,180,261
8	Credit deposit ratio	%	86.83	85.04
9	Percentage of classified loan against total loans & advances	%	6.16	6.40
10	Profit after tax & provision	BDT	1,570,234,267	2,067,734,906
11	Amount of classified loans	BDT	12,740,133,887	11,477,879,667
12	Provision kept against classified loans	BDT	3,439,332,446	3,594,107,146
13	Cost of fund	%	5.26	4.22
14	Interest earning assets	BDT	245,249,701,087	216,239,475,667
15	Non-interest earning assets	BDT	37,823,581,300	37,009,466,138
16	Return on Investment (ROI)	%	7.97	7.81
17	Return on Assets (ROA)	%	0.59	0.92
18	Income from investment	BDT	2,358,454,068	2,071,096,827
19	Earnings per share	BDT	1.17	1.54
20	Net income per share	BDT	1.17	1.54
21	Net Asset Value (NAV)	BDT	22,116,234,218	20,539,120,654
22	Net Asset Value (NAV) per share	BDT	16.52	17.18
23	Net Operating Cash Flow Per Share (NOCFPS)	BDT	1.70	0.99
24	Price earning ratio	Times	9.29	8.92

Disclosure of Restructured Loan

as at and for the year ended 31 December 2018

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 2018		Present status	Outstanding as at 31 December 2017
				Required	Realized		At the time of taking NOC from BB	New/fresh disbursement amount after NOC	Outstanding as at 31 December 2018	Required	Maintained		
1	Power Pac - Mutiara KPP Plant Ltd.	TL (O)	07.12.2015	16.90	16.90	07.04.2018 (interest Portion)	1,833.20	Nil	1,827.10	36.50	36.50	SMA(RST)	1,787.51
2	M/s R&R Holdings	TL (O)-1	07.12.2015	8.20	8.20	07.04.2018 (interest Portion)	936.20	Nil	933.20	18.70	18.70	SMA(RST)	913.12
3	M/s R&R Holdings	TL (O)-2	07.12.2015	7.70	7.70	07.04.2018(interest Portion)	803.90	Nil	800.90	16.00	16.00	SMA(RST)	783.67
Total				32.80	32.80		3,573.30		3,561.20	71.20	71.20		3,484.30

* Installment size have been re-fixed after obtaining NOC from Bangladesh Bank vide letter no.BRPD(P-1)/661/13(Cha)/2018-2244 dated 01 April 2018.

Statement of Tax position

As at 31 December 2018

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 Y2014 (except Y2005 & Y2010)		1,558,802,950	-	1,516,199,547	-	Assessments up to Y2014 (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
2015	2016-2017	950,000,000	1,016,553,670	(66,553,670)	957,876,970	Bank has received the order from Taxes Appellate Tribunal which are under review of the Management for next course of action.
2016	2017-2018	700,000,000	1,038,305,623	(338,305,623)	914,266,201	Bank has received the order from Deputy Commissioner of Taxes which are under review of the Management for next course of action.
2017	2018-2019	750,000,000	-	-	1,236,812,392	Assessment yet to be completed by the Tax authority
2018	2019-20120	1,080,000,000	-	-	368,547,613	Not yet due

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Off-shore Banking Unit
Balance Sheet
as at 31 December 2018

Particulars	Note	31 December 2018		31 December 2017	
		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	26,208,776	2,198,916,289	33,295,515	2,753,539,110
Loans, cash credits, overdrafts etc.	3.1	19,825,357	1,663,347,472	6,762,333	559,244,903
Bills purchased and discounted	3.2	6,383,419	535,568,817	26,533,182	2,194,294,207
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	4	2,233,499	187,390,570	1,947,650	161,070,610
Non banking assets		-	-	-	-
Total assets		28,442,275	2,386,306,859	35,243,165	2,914,609,720
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from other banks, financial Institutions and agents	5	27,799,237	2,332,355,956	34,028,915	2,814,191,232
Deposit and other accounts		-	-	-	-
Current deposits and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed Deposits		-	-	-	-
Other liabilities	6	459,314	38,536,475	558,920	46,222,673
Total liabilities		28,258,551	2,370,892,431	34,587,834	2,860,413,905
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	183,724	15,414,428	655,330	54,195,815
Total shareholders' equity		183,724	15,414,428	655,330	54,195,815
Total liabilities and shareholders' equity		28,442,275	2,386,306,859	35,243,165	2,914,609,720

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 2018

Particulars	Note	31 December 2018		31 December 2017	
		USD	Taka	USD	Taka
Interest income	8	1,334,953	112,002,533	1,801,879	149,015,399
Interest paid on deposits, borrowings etc.	9	1,138,396	95,511,429	1,138,054	94,117,062
Net interest income		196,557	16,491,104	663,825	54,898,337
Investment Income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		4,009	336,343	4,035	333,694
Total operating income		200,566	16,827,447	667,860	55,232,031
Salaries and allowances		16,842	1,413,019	12,530	1,036,216
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamp, telecommunication etc.		-	-	-	-
Stationery, printing, advertisement etc.		-	-	-	-
Managing Director's salary		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Charges on loan loss		-	-	-	-
Depreciation and repair of bank's assets		-	-	-	-
Other expenses		-	-	-	-
Total operating expenses		16,842	1,413,019	12,530	1,036,216
Profit/(Loss) before provision		183,724	15,414,428	655,330	54,195,815
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		183,724	15,414,428	655,330	54,195,815

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 2018

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, International 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 IAS 21: *The Effects of Changes in Foreign Exchange Rates*.

Particulars	Note	31 December 2018		31 December 2017	
		USD	Taka	USD	Taka
3 Loans and advances					
3.1 Loans, cash credits, overdrafts etc.					
Term loan		19,825,357	1,663,347,472	6,762,333	559,244,903
		19,825,357	1,663,347,472	6,762,333	559,244,903
3.2 Bills purchased and discounted					
Inside Bangladesh		6,383,419	535,568,817	26,533,182	2,194,294,207
		6,383,419	535,568,817	26,533,182	2,194,294,207
		26,208,776	2,198,916,289	33,295,515	2,753,539,110
4 Other assets					
Interest receivable on term loan		2,104,460	176,564,209	1,533,898	126,853,397
Interest receivable on bills discount		129,039	10,826,361	413,752	34,217,213
		2,233,499	187,390,570	1,947,650	161,070,610
5 Borrowing from other banks, financial Institutions and its agents					
In Bangladesh:					
IFIC Bank Limited		27,799,237	2,332,355,956	33,004,812	2,729,497,927
		27,799,237	2,332,355,956	33,004,812	2,729,497,927
Outside Bangladesh					
		-	-	1,024,103	84,693,305
		27,799,237	2,332,355,956	34,028,915	2,814,191,232
6 Other liabilities					
Interest on borrowing from abroad		-	-	3,862	319,349
Due to Head Office		459,314	38,536,475	555,058	45,903,324
		459,314	38,536,475	558,920	46,222,673
7 Surplus in profit and loss account					
Opening balance		655,330	54,195,815	157,585	12,402,256
Less: Adjustment/ payment for the year		(655,330)	(54,195,815)	(157,585)	(12,402,256)
Add: Addition during the year		183,724	15,414,428	655,330	54,195,815
		183,724	15,414,428	655,330	54,195,815

Particulars	Note	2018		2017	
		USD	Taka	USD	Taka
8 Interest income					
Term Loan		736,441	61,787,366	1,011,120	83,619,631
Bills discount		598,512	50,215,167	790,759	65,395,768
Interest on loans and advances		1,334,953	112,002,533	1,801,879	149,015,399
9 Interest paid on deposits, borrowings etc.					
Interest paid on IFIC Bank Limited		1,138,396	95,511,429	1,138,054	94,117,062
		1,138,396	95,511,429	1,138,054	94,117,062