



Directors' Report

Respected Shareholders

As-salamu Alaikum,

Welcome to the 49th Annual General Meeting (AGM) of the Bank. The Board of Directors of IFIC Bank PLC is delighted to deliver the Annual Report and the Audited Financial Accounts for the year ended 31 December 2025 to you. The Annual Report has been prepared following Section 184 of the Companies Act of 1994, the Bank Company Act of 1991 (Amended up to date), and the Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), including the latest notification, rules and regulations of all concerned regulatory authorities. This report includes a summary of the global and Bangladesh economies, the bank's performance, general strength, growth trends, and other key issues. The Board of Directors believes that the Report will provide all stakeholders with fascinating insights into the bank's performance throughout the fiscal year under review.

1. Global Economy

Geopolitical instability, characterized by conflicts such as the Israel-Gaza situation and the Russia-Ukraine war, alongside trade disputes, high interest rates, debt crises, and weak investment, poses significant risks to the global economy. The United Nations' "World Economic Situation and Prospects 2025" report, published on January 9, 2025, illustrates a fragile global economic landscape, predicting a slowdown in economic growth to 2.4 percent in 2025, down from 2.9 percent in 2024. This downturn is expected across both developed and developing nations. The World Bank's Global Economic Prospects report from June 2025 warns that growth could decline to 2.3 percent, marking the weakest global economic performance in 17 years, outside of explicit global recessions. Projections show growth may stabilize slightly at 2.4 percent in 2026 and 2.6 percent in 2027, yet the average GDP growth for the decade may remain around 2.5 percent, the slowest rate since the 1960s.

The forecasts indicate a decline in advanced economies' growth from 1.7 percent in 2024 to 1.2 percent in 2025, with modest increases thereafter. Similarly, Emerging Markets and Developing Economies (EMDEs) are projected to decline from 4.2 percent in 2024 to 3.8 percent in both 2025 and 2026 before seeing slight growth to 3.9 percent in 2027. The International

Monetary Fund (IMF) offers a somewhat optimistic outlook, projecting a global growth of 3.0 percent in 2025 and 3.1 percent in 2026, with advanced economies growing by 1.5 percent and then 1.6 percent.

The slow growth trajectory is attributed to rising trade tensions, global policy uncertainty, high tariffs, and geopolitical tensions, which are disrupting supply

growth is projected to collapse from 4.3 percent in 2024 to a mere 0.9 percent in 2025. Overall, while advanced economies remain sluggish, emerging and developing Asia could maintain a stronger growth rate of 5.1 percent in the coming year, as per report insights.

Detailed projections of global economic growth are shown in Table 1.

Table 1: Overview of the World Economic Growth Projections

(Percent Changes)

Region/country	Actual	Projection		Difference from April 2025 WEO Projections	
		2024	2025	2026	2025
World Output	3.3	3.0	3.1	0.2	0.1
Advanced Economies	1.8	1.5	1.6	0.1	0.1
United States of America	2.8	1.9	2.0	0.1	0.3
Euro Area	0.9	1.0	1.2	0.2	0.0
United Kingdom	1.1	1.2	1.4	0.1	0.0
Germany	-0.2	0.1	0.9	0.1	0.0
France	1.1	0.6	1.0	0.0	0.0
Italy	0.7	0.5	0.8	0.1	0.0
Russia	4.3	0.9	1.0	-0.6	0.1
Japan	0.2	0.7	0.5	0.1	-0.1
Canada	1.6	1.6	1.9	0.2	0.3
Emerging Market and Developing Economies	4.3	4.1	4.0	0.4	0.1
Emerging and Developing Asia	5.3	5.1	4.7	0.6	0.1
China	5.0	4.8	4.2	0.8	0.2
India	6.5	6.4	6.4	0.2	0.1
ASEAN-5*	4.6	4.1	4.1	0.1	0.2

Source: World Economic Outlook, July 2025, IMF.

Note: ASEAN-5: Malaysia, Philippines, Singapore and Thailand.

chains and eroding trust long-term. The economic environment appears increasingly slow, uncertain, and risky due to escalating pressures on production and investment. According to the July 2025 World Economic Outlook (WEO) update, the United States is expected to grow by 1.9 percent, with other countries, such as the United Kingdom (1.2 percent), Germany (0.1 percent), France (0.6 percent), Japan (0.7 percent), Italy (0.5 percent), and Canada (1.6 percent), showing modest growth. EMDEs are anticipated to see a growth of 4.1 percent in 2025, notably lower than the previous year's 0.2 percentage point decline, with India expected to lead growth at 6.4 percent and China at 4.8 percent. The Asian developing economies' growth is estimated to decrease from 5.3 percent in 2024 to 5.1 percent in 2025, while Russia's

2. Bangladesh Economy

Bangladesh is undergoing a significant transition toward a commercialized agricultural landscape, supported by substantial credit disbursement and nearly full utilization of fertilizer subsidies. In FY 2024-25, food grain production rose to 503.54 lakh metric tonnes, complemented by self-sufficiency in meat and eggs and a massive five-fold increase in milk production since 2011. This productivity extends to the fisheries sector, which expects over 52 lakh metric tonnes of harvest, primarily from inland sources.

The industrial and manufacturing sectors are showing steady growth, with the production index rising by 5.49 percent. Government focus remains on the CMSME sector, which has seen over

Tk. 3,10,000 crore in financing, and the expansion of Export Processing Zones (EPZs) that now employ over half a million people, the majority of whom are women. Investment remains robust, with hundreds of new projects and joint ventures registered through the streamlined One-Stop Service.

Infrastructure and energy sectors have reached critical milestones, with electricity generation capacity exceeding 30,000 MW and a power distribution network serving nearly 5 crore consumers. While transportation networks, including 22,719 km of roadways and extensive rail and waterways, continue to expand, the energy sector faces a dwindling natural gas reserve, now estimated at 7.96 trillion cubic feet. Digital infrastructure has also improved, with bandwidth prices dropping significantly to under Tk. 140 per Mbps.

Social and environmental indicators show a complex picture of progress and challenges. While the poverty rate has dropped to 18.7 percent and health initiatives have improved life expectancy, income inequality is on the rise as reflected in a higher Gini Coefficient. The government has dedicated over 13 percent of its budget to social safety nets and is actively addressing the existential threat of climate change through the National Adaptation Plan and specialized gender-responsive climate strategies.

3. Banking Industry in 2025

The banking industry of Bangladesh in 2025 faced significant structural challenges despite ongoing reform efforts. The most critical issue was the sharp rise in non-performing loans (NPLs), which reached about 35.7% of total loans by September 2025, the highest level in the country's history. This surge reflects years of weak governance, poor loan classification practices, and political interference, with stricter monitoring in recent years revealing the true scale of distressed assets.

High NPLs have severely weakened banks' balance sheets, creating large provision deficits and eroding capital bases. According to international assessments such as those by the International Monetary Fund, undercapitalization and poor asset quality are limiting banks' ability to extend credit to productive sectors, thereby constraining private investment and overall economic growth.

Liquidity pressure and declining depositor confidence have also been key concerns. In some cases, deposit withdrawals shifted funds from weaker banks to

relatively stronger ones, increasing concentration in the sector. State-owned banks were particularly affected, with very high default rates, while foreign banks remained comparatively stable with much lower NPL ratios.

Despite these stability challenges, the sector has seen a robust surge in digital integration and external inflows. Inward remittances reached a record high of over USD 30 billion for the FY 2024-25 period, bolstered by a 2.5% government incentive and a more market-driven exchange rate. This influx has been critical in stabilizing foreign exchange reserves at approximately USD 31.72 billion. Simultaneously, the landscape is shifting toward a "cashless" future with the operational rollout of the country's first digital banks and the widespread adoption of QR-based payment systems. While the industry remains under significant stress, the dual approach of strict governance and digital modernization marks 2025 as a pivotal year for the long-term health of Bangladesh's financial architecture.

3.1 Highlights of the Monetary Policy of Bangladesh Bank

Bangladesh Bank maintained a tight monetary policy stance throughout 2025 to address persistent inflationary pressures and ensure macroeconomic stability. The policy framework was centered on price control, exchange rate stability, and strengthening of the financial sector.

Inflation remained elevated, averaging around 9–10%, prompting the central bank to target a gradual reduction to 7–8% through disciplined liquidity management, higher policy interest rates, and support for essential supply chains. Accordingly, key policy rates were kept at relatively high levels, with the repo rate at around 10%, reinforcing a contractionary policy environment.

Monetary aggregates were managed conservatively, with broad money (M2) growth limited to approximately 8.4% and domestic credit growth programmed at around 11.5%. Private sector credit growth remained subdued due to tighter financial conditions, reflecting the intended moderation in demand.

A major structural reform during the period was the transition to a market-based interest rate regime, following the removal of the lending rate cap. This enhanced the efficiency of credit allocation and improved the transmission of monetary policy signals across the banking system.

In the external sector, the introduction of a crawling peg exchange rate mechanism

contributed to improved exchange rate management and reduced volatility. Supported by steady remittance inflows and export recovery, foreign exchange reserves rose to over USD 21 billion, strengthening external resilience.

The banking sector remained a priority area, with measures undertaken to address elevated non-performing loans (NPLs). Initiatives such as asset quality reviews, enhanced supervision, and strengthened loan recovery frameworks were implemented to improve financial discipline and sectoral stability.

Liquidity conditions were tightly managed through open market operations and standing facilities, while credit flows were directed toward productive sectors, including agriculture, SMEs, and export-oriented industries, to support inclusive economic activity.

Economic growth moderated during the year, with GDP projected at 4–5% for FY2025, reflecting the impact of policy tightening and global uncertainties. However, despite the sluggish growth in advanced economy the GDP growth of Bangladesh is expected to be 5% in FY2026, supported by improved macroeconomic conditions and ongoing reforms.

Despite these efforts, key challenges persisted, including high inflation, exchange rate pressures, rising NPLs, and slower private sector credit growth, alongside external risks from global economic volatility.

Overall, Bangladesh Bank's monetary policy in 2025 was geared toward restoring macroeconomic stability, strengthening financial sector resilience, and laying the foundation for sustainable economic growth.

4. IFIC in the Banking Sector of Bangladesh

IFIC Bank PLC was set up at the instance of the Government in 1976 as a joint-venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint-venture banks/financial institutions abroad. In 1983 when the Government allowed banks in the private sector, IFIC was converted into a full-fledged commercial bank. At present, the government of Bangladesh owns 32.75% of the Bank's share capital, while the remaining share capital is owned by the bank's sponsors/directors, local and foreign institutions, and general public shareholders.

A total of 189 branches and 1224 Upshakhas of IFIC are dedicated to fulfilling the Mission of providing services to the clients with the help of a skilled and dedicated workforce. The wellbeing and economic development of the people and the community, as well as financial inclusion, are important to IFIC since it is one of the top Banks in the nation's Banking industry.

4.1 Client as Trusted & Development Partner

IFIC Bank recognizes customers as partners and aims to provide high-quality products and services at a very competitive price. The Bank focuses on Customer Service Excellence (CSE) while providing those products and services with the optimum desire to gain total customer satisfaction and confidence. The Bank hopes to build reliability, trust and friendship through honesty and integrity for a healthy long-term alliance.

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

4.2 Cluster Management

Cluster Management is considered a new and highly efficient form of innovative support providers that provides and channelizes specialized and customized business support services to the enterprises. The high-quality cluster management team works relentlessly to ensure cluster excellence in the Bank, where the efficient cluster Managers act as a driving force for the clusters. Their performance is very much linked to the professional expertise and the capability

of the cluster managers who dispose of good cluster insight necessary for efficient support to the cluster members.

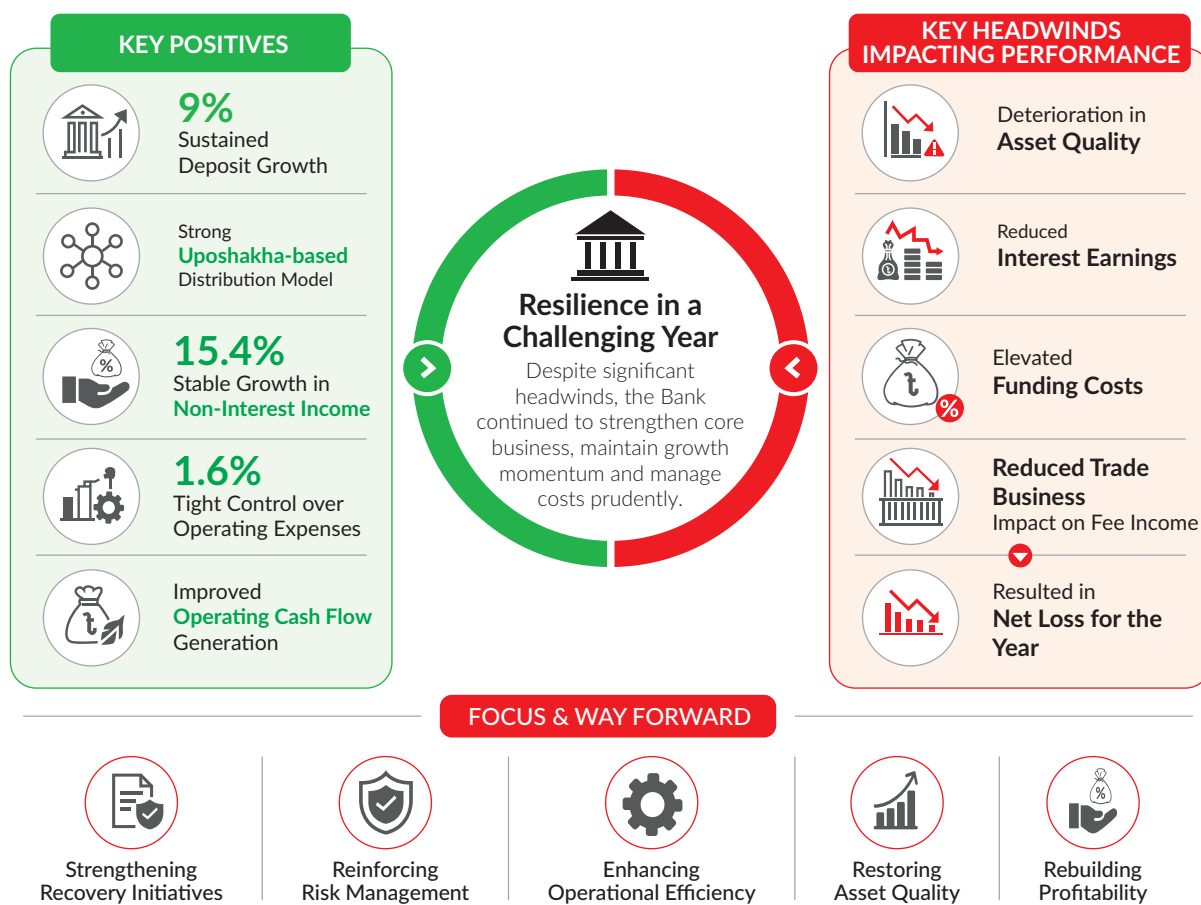
5. Financial Performance of IFIC Bank PLC

5.1 Financial Review

During 2025, IFIC Bank operated in a challenging banking environment characterized by heightened credit risk, liquidity pressure, elevated funding costs pressures resulting margin compressions. Despite these constraints, the Bank demonstrated operational resilience by maintaining steady deposit growth, preserving liquidity strength, and sustaining core franchise momentum through its diversified distribution network and disciplined cost management.

Financial Overview 2025

Operating in a Challenging Environment, Delivering Resilience



Total deposits registered a healthy growth of 9% during the year, reflecting continued customer confidence in the Bank and the growing contribution of the low cost Uposhakha-based banking model, which remained a key driver of deposit mobilization and customer outreach. Non-interest income also recorded a robust growth of 15.4%, supported by growth in investment activities, and fee-based financial services. At the same time, the Bank maintained prudent expense discipline, limiting operating expense growth to 1.6% despite inflationary pressures and expansion of service infrastructure.

However, the financial performance of the Bank was materially impacted by deterioration in quality of lending portfolio, reduced interest earnings, elevated cost of funds, and the impact

of fee-based income from reduced trade business. These factors exerted significant pressure on net interest margin and overall profitability of the bank during the year 2025. Consequently, the Bank reported a net loss for 2025.

5.2 Financial Position

IFIC Bank maintained its nationwide presence through an extensive network of branches and sub-branches covering all divisions and districts of the country, supported by more than 1,400 service locations. Leveraging this well-established distribution network, the Bank's total assets increased to BDT 586,402 million at the end of 2025 from BDT 565,694 million in 2024, registering a growth of 3.7%.

During the year, due to several negative publicity, the Bank experienced

temporary pressure on deposit growth amid sector-wise liquidity stress and elevated withdrawal trends following the changing political environment last year. Despite these challenges, strategic liquidity management initiatives and continued customer engagement helped restore depositor confidence and stabilize business momentum.

Consequently, total deposits stood at BDT 517,162 million at the end of 2025 compared to BDT 474,592 million in 2024, reflecting a growth of 8.97% with a net addition of BDT 42,570 million over the previous year. Additionally, the newly inaugurated Islamic Banking Branch, launched on 25 July 2024, mobilized deposits of BDT 1,464 million by the end of 2025, demonstrating positive growth in Shariah-based banking operations.

Table 2: Summary of Financial Position

Particulars	BDT in Million				
	Y2025	Y2024	Hold (%)	Growth	Growth (%)
Cash & Bank balance	55,239	53,420	9.4%	1,819	3.4%
Investment	66,843	43,560	11.4%	23,284	53.5%
Loan & Advances	443,295	447,266	75.6%	(3,971)	-0.9%
Fixed Assets	9,580	9,978	1.6%	(399)	-4.0%
Non-Banking and other Assets	11,445	11,469	2.0%	(24)	-0.2%
Total Assets	586,402	565,694	100.0%	20,708	3.7%
Borrowing from other banks & FIs	3,274	5,326	0.6%	(2,052)	-38.5%
Subordinated debt	7,000	9,000	1.2%	(2,000)	-22.2%
Deposits	517,162	474,592	88.2%	42,570	9.0%
Other liabilities	53,308	45,730	9.1%	7,578	16.6%
Shareholders' equity	5,658	31,045	1.0%	(25,387)	-81.8%
Total liabilities and shareholders' equity	586,402	565,694	100.0%	20,708	3.7%

Loans and advances of the Bank stood at BDT 443,295 million at the end of 2025 compared to BDT 447,266 million in 2024, reflecting a marginal decline of 0.9%. Considering the prevailing economic challenges and stress in the banking sector during the year, the Bank adopted a cautious lending approach with greater emphasis on recovery initiatives, regularization of non-performing loans, and strengthening overall asset quality rather than pursuing aggressive new credit expansion.

The lower growth in the lending portfolio was also impacted by the write-off of loans amounting to BDT

8,126 million during the year as part of the Bank's balance sheet clean-up and recovery management initiatives.

5.3 Asset Quality

The amount of non-performing loans (NPLs) of the Bank increased to BDT 272,505 million at the end of 2025 from BDT 245,856 million in 2024, primarily due to the deterioration of several large exposures amid the changing political and economic landscape. In response, the Bank has undertaken a comprehensive recovery and asset quality management initiative with heightened focus on recovery, regularization, and monitoring of

classified accounts. The Bank has restructured and strengthened its recovery team, initiated necessary legal actions against defaulting borrowers, and intensified collection efforts in line with regulatory guidelines. In addition, the Bank is evaluating the effectiveness of appointing Recovery Agents and utilizing Alternative Dispute Resolution (ADR) mechanisms within the applicable regulatory framework to accelerate recovery of non-performing loans.

5.4 Financial Performance

A summary of the financial performance on a standalone basis of the Bank for the year 2025 are as follows:

Table 3: Summary of Financial Performance

Particulars	BDT in Million			
	Y2025	Y2024	Var	Var(%)
Net interest income (NII)	(22,095)	2,734	(24,828)	-908%
Non-interest income	10,182	8,824	1,359	15%
Operating Revenue	(11,912)	11,557	(23,469)	-203%
Operating expenses	11,742	11,563	180	2%
Operating Profit	(23,655)	(5)	(23,649)	472,980%
Provision	-	2,533	(2,533)	-100%
Profit before tax	(23,655)	(2,539)	(21,116)	832%
Tax	1,962	(1,514)	3,477	-230%
Profit after tax	(25,617)	(1,025)	(24,592)	2,400%
Earnings per share (EPS)	(13.33)	(0.53)	(12.79)	

- The weighted average Return on Advance (RoAdv) of the Bank has declined significantly to 4.79% at the end of Y2025 vis-à-vis 9.17% in Y2024. RoAdv decreased by 4.37% compared to the prior year, primarily due to a sharp deterioration in asset quality, increase in non-performing loans (NPLs), poor repayments from rescheduled accounts, and transfer of interest income to interest suspense as per regulatory guidelines. Similarly, the weighted average Cost of Fund (CoF) increased to 8.38% in Y2025 vis-à-vis 7.34% in Y2024, reflecting an increase of 1.04%. The rise in CoF was driven by higher cost of deposits amid liquidity pressure and competitive deposit mobilization requirements. As a result, Net Interest Income (NII) spread turned negative at -3.59% in Y2025 compared to +1.83% in Y2024, indicating severe margin compression.
- In the year 2025, the Bank reported a Net Interest Loss (NII) of BDT 22,095 million vis-à-vis BDT 2,734 million in Y2024. NII deteriorated by 908% compared to the prior year, mainly due to sharp decline in interest income (driven by reduced performing advances and higher NPL ratio of 61.47%) and an increase in interest expenses arising from higher deposit volumes and elevated funding costs.
- At the end of Y2025 under review, the Bank earned total non-interest income of BDT 10,182

million compared to BDT 8,824 million in Y2024. Non-interest income increased by 15.4% over the prior year, mainly driven by higher investment income from government securities. However, commission and exchange income declined due to contraction in trade-related business activity.

- The Bank reported total operating revenue of BDT -11,912 million in Y2025 vis-à-vis BDT 11,557 million in Y2024 which is sharply decreased by 203% over the prior year, primarily due to the negative NII position.
- During the year 2025, the Bank incurred operating expenses of BDT 11,742 million compared to BDT 11,563 million in Y2024. Operating expenses increased marginally by 1.6% compared to the prior year, reflecting strict cost containment measures despite slight growth in staff cost and depreciation due to ERP-related asset reclassification.
- At the end of Y2025, the Bank reported an operating loss of BDT 23,655 million compared to BDT 5 million loss in Y2024. The operating result deteriorated significantly due to sharp contraction in core earnings (NII), while operating expenses remained largely stable.
- During the year 2025, the Bank did not charge any additional provision in the Profit & Loss account due to the absence of operating profit.

- At the end of Y2025, current tax expenses of the Bank stood at BDT 320 million vis-à-vis BDT 300 million in Y2024, reflecting minimum tax obligation under applicable tax law. The Bank also recognized deferred tax expense of BDT 1,642 million compared to deferred tax income of BDT 1,814 million in Y2024, primarily due to changes in provisioning and write-off adjustments. As a result, net tax expense stood at BDT 1,962 million in Y2025 compared to negative BDT 1,514 million in Y2024.
- At the end of Y2025, the Bank reported a net loss of BDT 25,617 million vis-à-vis BDT 1,025 million loss in Y2024, primarily due to negative Net Interest Income as explained in earlier paragraph.

5.5 Quarterly Financial Performance

The Audit Committee of the Board and the Board of Directors (BoD) review the quarterly financial performance of the Bank on both standalone and consolidated basis as part of its established governance, oversight, and compliance framework. These reviews encompass continuous monitoring and evaluation of both financial and non-financial performance of the Bank and its Group entities.

During the year 2025, the Board Audit Committee reviewed the quarterly financial statements of the Bank, and the BoD duly approved the same prior to publication for stakeholders. The quarterly performance summary is as follows:

Table 4: Summary of Quarterly Financial Performance

Particulars	BDT in Million				
	Q1	Q2	Q3	Q4	Y2025
Net interest income (NII)	(4,025)	(5,666)	(6,325)	(6,078)	(22,095)
Non-interest income	1,913	2,355	2,553	3,362	10,182
Operating income	(2,112)	(3,312)	(3,771)	(2,717)	(11,912)
Operating expenses	2,876	2,959	2,916	2,991	11,742
Operating Profit	(4,989)	(6,271)	(6,688)	(5,708)	(23,655)
Provision	-	-	-	-	-
Profit before tax	(4,989)	(6,271)	(6,688)	(5,708)	(23,655)
Tax	14	11	102	1,835	1,962
Profit after tax	(5,003)	(6,282)	(6,790)	(7,542)	(25,617)
Earnings per share (EPS)	(2.60)	(3.27)	(3.53)	(3.92)	(13.33)

Financial performance of the Bank over the quarter deteriorated due to the downgrade of the number of exposures during the quarters.

5.6 Capital Overview

At the end of the year 2025, the Bank maintained total capital of BDT 10,643 million against the requirement of BDT 58,632 million and Capital to Risk Weighted Ratio [CRAR] stood at 1.82% opposed to the minimum regulatory threshold of 10.00%. The CRAR remained significantly below the

regulatory threshold primarily due to the substantial net loss incurred during the year and deterioration in asset quality, which led to a sharp increase in Risk Weighted Assets (RWA) along with erosion of the capital base. The continued expansion of non-performing loans further exacerbated the pressure on capital adequacy.

To address the capital shortfall, the Bank is undertaking focused initiatives including strengthening recovery efforts, improving asset quality through

enhanced credit monitoring and resolution of classified exposures, improving interest spread through pricing discipline, and rationalizing operating expenses. In parallel, the Bank is also actively evaluating strategic options to augment regulatory capital through potential capital injection, balance sheet restructuring, and other permissible capital enhancement measures to restore compliance with regulatory requirements.

Table 5: Regulatory Capital

Particulars	BDT in Million		
	Y2025	Y2024	Growth
Total RWA	586,315	503,832	82,484
Paid-up Capital	19,221	19,221	-
Reserve & Surplus	(16,775)	7,110	(23,885)
Tier 1 Capital	2,446	26,331	(23,885)
Tier 2 Capital	8,198	10,291	(2,093)
Total Capital	10,643	36,622	(25,978)
Required Capital	58,632	50,383	8,248
Surplus/(Shortfall)	(47,988)	(13,761)	(34,227)
Tier 1 to RWA	0.42%	5.23%	-4.81%
Tier 2 to RWA	1.40%	2.04%	-0.64%
Maintained CRAR	1.82%	7.27%	-5.45%
Required CRAR	10.00%	10.00%	-
Surplus/(Shortfall)	-8.18%	-2.73%	-5.45%

5.7 Credit Rating

Particulars	31-Dec-24	31-Dec-23
Rating Company	ECRL	ECRL
Long Term	BBB+	AA
Short Term	ST-3	ST-2
Outlook	Stable	Stable
Date of Rating	July 30, 2025	June 24, 2024
Validity	June 30, 2026	June 30, 2025

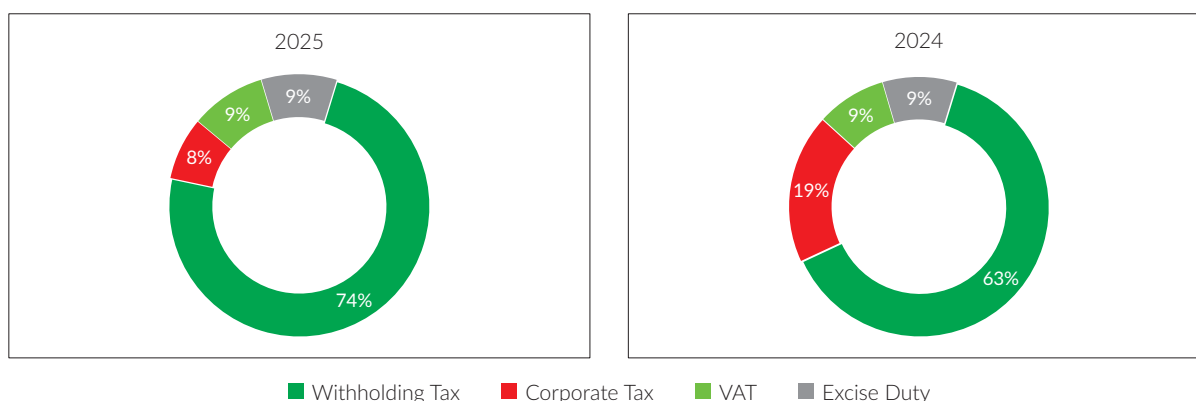
As per Bangladesh Bank's guidelines and the notifications of the Bangladesh Securities and Exchange Commission (BSEC), IFIC Bank conducts annual credit rating assessments with appropriate disclosure requirements. For the year

ended 31 December 2024, the Bank was rated by Emerging Credit Rating Limited (ECRL) and assigned a long-term rating of BBB+ and a short-term rating of ST-3, with a stable outlook.

Currently, the Bank is in the process of undergoing a fresh credit rating exercise based on the financial statements for the year ended 2025.

5.8 Contribution to National Exchequer

Year	Direct Tax		Indirect Tax		Total
	Withholding Tax	Corporate Tax	VAT	Excise Duty	
2025	6,253	658	792	794	8,497
2024	5,702	1,682	783	834	9,001



In compliance with the prevailing laws and regulations of the country, IFIC Bank remains committed to contributing to the national economy through timely collection and payment of government revenues. The Bank ensures appropriate deduction, collection, and deposit of withholding tax, VAT, excise duty, corporate tax, and other statutory levies to the government exchequer within the prescribed timelines and in accordance with applicable regulatory requirements.

During the year 2025, the Bank deposited a total of BDT 8,497 million to the government exchequer in the form of corporate tax, withholding tax, VAT, excise duty, and other levies, compared to BDT 9,001 million deposited during the year 2024. The decrease due to lower corporate tax which was mainly attributable to lower profitability and reduced business volume during the year under review.

5.9 Related party Disclosure

In the normal course of business, Bank entered few transactions with related parties during the year 2025 which details are furnished in Annexure - F of the financial statements. These transactions have been executed on an arm's length basis.

5.10 Preparation of Financial Statements and the Annual Report

- All relevant books and accounts were preserved as per regulation;
- Financial Statements have been prepared according to the appropriate accounting policies and procedures;
- All hypothesis and assumptions were made within these financial statements and are made on reasonable ground and prudent judgement;
- Preparation of Financial Statements (FS) of IFIC were according to the International Financial Reporting Standards (IFRS) as adopted by Financial Reporting Council (FRC) in Bangladesh and the instructions of Bangladesh Bank. Any departures from such requirements have been duly disclosed;
- Sincere efforts were put to ensure the integrity and legal compliance of IFIC's financial statements. The priority of the annual report is to portray a true and fair representation of the bank's activities and transactions as per prevailing laws of the land;

- There is no significant doubt upon the Bank's ability to continue as Going Concern. IFIC has neither intention nor the need to liquidate or curtail materially the scale of its operation. Hence, the Financial Statements of the Bank have been prepared on the going concern basis and will continue in operation for the foreseeable future.

The declaration on Financial Statements for the year ended on 31 December 2025 made by the Managing Director and the Chief Financial Officer (CFO) to the Board of Directors of the Bank and has been disclosed in this Annual Report.

5.11 Protection to minority shareholders

Through various strategies including multi-faceted internal control system including independent and internal audits as well as the establishment of independent management team, IFIC has fostered a professional environment where protection of minority shareholders is ensured. Any opportunity for controlling shareholders to apply aggressive or abusive strategies either directly or indirectly has been effectively rendered ineffective. Nevertheless, if

any issue arises at the Banks's AGM or elsewhere, a thorough investigation is conducted.

5.12 Dividend

As the Bank posted net loss in year 2025 and no distributable profit, the Board of Directors has not recommended any dividend for the year 2025.

5.13 Five Years Performance

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

5.14 Management's Discussion and Analysis

A Management's Discussion and Analysis signed by the Managing Director of the Bank has been presented with detailed analysis of the Bank's Financial Positions and Operations in this Annual Report.

6. Overseas Operations

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

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

6.1 Nabil Bank Limited, Nepal

Nepal Bangladesh Bank Limited, a joint venture commercial bank between IFIC Bank Limited and the Nepali Nationals, started its operation with effect from 06 June 1994 in Nepal with 50% equity from IFIC Bank Limited. IFIC Bank held 40.90% shares of Nepal Bangladesh Bank Limited prior to merger with Nabil Bank Limited.

On 11th July 2022, Nepal Bangladesh bank has been acquired by the Nabil Bank Limited with Swap Ratio of 100:43 and started operation in the name of Nabil Bank Limited. IFIC Bank presently holds 7.77% shares in Nabil Bank Limited and represents a Director on the Board of Nabil Bank Limited as promoter shareholder. The Bank has a network of 268 Branches at the different important locations in Nepal.

The profitability of Nabil Bank Limited is in increasing trend and recently, it has

declared 12.50% Cash Dividend for the FY 2024/2025.

6.2 Oman Exchange, LLC

Oman Exchange LLC Oman Exchange LLC, a joint venture between IFIC Bank Limited and the Omani Nationals, was established in 1985 to facilitate remittance by the Bangladeshi wage earners from the Sultanate of Oman. IFIC Bank holds 49% shares in the Exchange Company and the balance 51% is held by the Omani Sponsors. The operations of the branches are fully computerized and have online system. The Exchange Company has a network of 11 (eleven) branches covering all the major cities/towns of Oman. In the meantime, the company has established direct remittance services with 9 (nine) countries such as Bangladesh, India, Indonesia, Nepal, Pakistan, Philippines, Qatar, Sri Lanka and U.A.E.

6.3 MCB Bank Ltd., Pakistan

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

To meet the Minimum Capital Requirement of the State Bank of Pakistan, the overseas branches of IFIC in Pakistan was merged with a reputed leasing company named National Development Leasing Corporation Ltd. (NDLC) and emerged as NDLC-IFIC Bank Limited with effect from 02 October 2003 and it was subsequently renamed as the NIB Bank Limited with effect from 28 November 2005. In 2017 NIB Bank Limited again merged with MCB Bank Limited and IFIC Bank now holds 175,508 shares of MCB Bank Limited.

6.4 IFIC Money Transfer (UK) Limited

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

6.5 Correspondent Banking Relationship

Correspondent Banking Relationship IFIC Bank Limited has a wide range of correspondent networks across the world to facilitate smooth foreign trade transactions. The Bank maintains 25 (twenty-five) Standard Settlement Instructions (Nostro Accounts) involving 7 (seven) currencies, e.g. AUD, ACU-D, EUR, GBP, JPY, CNY and USD at important financial centers. Total correspondents of IFIC Bank stand at 355 (both local & foreign) as on 31 December 2025.

7. Retail Products

7.1 (a) Deposit Product

(1) IFIC Aamar Account

Launched in 2016, the IFIC Aamar Account is a pioneering banking solution designed for all customer segments. Combining attractive interest rates with versatile banking features, it serves as a single, convenient account to manage your financial needs.

- Interest-bearing current account with slab-wise interest on daily balance
- Suitable for all customer segments
- Easy access to overdraft facility within the same account
- Cross-currency debit card for international use

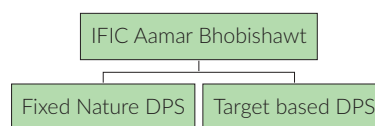
(2) IFIC Shohoj Account

The IFIC Shohoj Account extends IFIC Bank's commitment to financial inclusion, offering an affordable and accessible banking solution that brings the unbanked population into the formal financial system.

- Simple account opening with minimal documentation
- Interest-bearing account with attractive slab-wise rates
- Daily interest calculation, paid monthly
- Available in single or joint names; minors can also open an account
- Free enrollment in digital banking

(3) IFIC Aamar Bhobishawt

The IFIC Aamar Bhobishawt is a DPS-style savings solution designed for all customer segments. It has been redesigned into two variants:



Fixed Nature DPS allows customers to systematically save toward their goals while enjoying attractive interest rates and future credit benefits

- Deposit now and avail future loans with attractive discounts
- Deposit any amount in multiples of BDT 500, with no upper limit
- Flexible tenor from 1 to 10 years
- Savings can start from a minor's age
- Facility to avail target-based savings

Target based DPS allows customers to fix up a target amount that he/she wants to achieve within a specific tenor and fix up his/her affordable installment amount.

This DPS requires an initial deposit which will help customers to earn higher interest than savings account and reduce the installment size thereby making it easier to achieve the target amount

- Customers can set the target amount which they want to save in future and fix up a feasible installment amount
- Minors are also eligible to open Target Based DPS
- Flexible tenor for 3 & 5 years
- Required minimum BDT 20,000 for initial deposit and minimum target amount is BDT 1,00,000
- Yearly interest capitalization
- No Maturity Schedule for Target Based DPS

7.1 (b) Loan Product

(1) IFIC Amar Rin

IFIC Amar Rin is a bundle of secured and unsecured products for financing against personal requirements.

- Both secured and unsecured loan facilities
- **Flexiloan** for any personal financial requirement
- **Auto loan** for purchase of new or reconditioned or used vehicles for personal use only
- **Aamar Account OD** to meet the emergency cash needs & miscellaneous personal exigency.
- Financial Security backed **Easy Loan**
- **Salary Loan** for payroll customers and other salaried/self-employed person

(2) IFIC Amar Bari

IFIC Amar Bari is a significant flagship product of the Bank. IFIC revolutionized home financing with a streamlined process flow, offering tailored solutions for urban, semi-urban, and rural customers. The loan also includes special segment tailored for the Young Generation, making home ownership more accessible and convenient.

- Loan available for the purpose of flat/building purchase, renovation, construction, modification, extension, finishing, and takeover
- Financing available for semi-pucca structures
- Fastest loan approval through Primary Application Assessment
- Special segmentation for young customers

- No processing fee for loan takeovers
- No hidden charges
- Overdraft facility available

7.2 SME Products

7.2 (a) Loan Product

(1) IFIC Shohoj Rin

A bundle loan product designed to support diverse customer segments with flexible, collateral-free financing solutions. It caters to Agriculture, CMSME, Income-Generating Activities, and Retail segments, providing easy access to funds for business expansion, rural development, and income generation

- Collateral-Free Loan: Borrow up to BDT 5 lakh without requiring collateral.
- Agriculture Financing: Support for grains & crops, livestock, fisheries, seed production, grain warehouses, marketing, agricultural machinery, and other rural activities.
- CMSME Segment Financing: Tailored for trading, manufacturing, and service sectors.
- Flexible Loan Types: Term Loan, Overdraft, and Demand Loan facilities available.
- Multi-Sector Support: Designed for Agriculture, CMSME, Income-Generating Activities, and Retail segments.

(2) IFIC Amar Subornogram

Aamar Subornogram is a comprehensive bundle loan product tailored for both the agriculture and CMSME sectors. Designed to support growth and productivity, it offers flexible financing options with collateral and collateral-free facilities. This product empowers farmers, entrepreneurs, and small businesses to invest in key areas such as crops, livestock, fisheries, machinery, and trading activities, fostering sustainable development and business expansion.

- Bundled financing for Agriculture and CMSME sectors.
- Collateral and collateral-free loan facilities for eligible borrowers.
- Supports a wide range of agricultural activities: grains & crops, livestock, fisheries, seed production, grain warehouses, marketing, agricultural machinery, and rural activities.

- Financing for CMSME segment across trading, manufacturing, and service sectors, up to Bangladesh Bank-prescribed loan limits.
- Offers multiple loan types: Term Loan, Overdraft, and Demand Loan.
- Flexible loan amounts tailored to business and farming requirements.
- Designed to promote growth, productivity, and financial inclusion in rural and urban areas.

7.3 Digital Products and Services

(1) IFIC Amar Bank

IFIC Bank's mobile app "IFIC Amar Bank" is a comprehensive digital banking platform that enables customers to manage their finances anytime, anywhere. It offers a wide range of services including balance checking, fund transfers, bill payments, card management, and account monitoring within a single, user-friendly interface. The app ensures secure transactions through advanced authentication and provides real-time updates, personalized features, and easy self-registration. Overall, it enhances customer convenience by delivering fast, secure, and all-in-one banking services on mobile devices

(2) IFIC One Stop Service

IFIC Bank introduced the 'One Stop Service' model in 2017 to ensure efficient, seamless, and uniform customer service across all branches and Uposhakhas. This approach allows customers to access all banking services—from transactions to loan inquiries—at a single counter, eliminating the need for multiple service desks. By simplifying service delivery and enhancing convenience, the model strengthens customer relationships and provides a more integrated banking experience compared to traditional systems.

(3) IFIC Amar Protibeshi

To support the achievement of the Sustainable Development Goals (SDGs) and promote financial inclusion, IFIC Bank has expanded its services across the country in line with Bangladesh Bank's initiatives. Under the "Neighborhood Banking Project," launched in June 2019, the Bank has established 1,225 Uposhakhas to extend banking services to remote and underserved areas. These outlets provide branch-like services at lower cost, ensuring convenience, saving

time and expenses for customers, and enhancing access to formal banking. This initiative has strengthened customer satisfaction while bringing more people into the formal financial system.

8. Alternative Delivery Services

IFIC Bank has reinforced the reliability and accessibility of its digital channels, ensuring uninterrupted service and faster transaction processing through continuous innovation and process optimization.

The Card & ATM Service Management contributes to the areas of processing debit/credit card request, card personalization, issuing card PIN, card endorsement services. In addition, the following initiatives have been taken for the improvement of business requirements:

- IFIC Bank started in-house card personalization from 10th February 2025 to focus on customer satisfaction through quick issuance and delivery of 145,711 debit cards in 2025, reducing operational Turn Around Time.
- IFIC Bank has been achieving PCI-DSS certification consecutively from the year 2022 to maintain the compliant card services. In 2025, IFIC Bank successfully completed the PCI-DSS certification.
- IFIC Bank has taken new business initiatives and started implementation of ATM and CRM from 2025 which opens the gateway of increasing customer satisfaction as well as the cost optimization for the Bank.

A Strong Settlement & Dispute Management team under Alternative Delivery Services played key roles for the settlement of card and digital transactions.

In 2025, the total settlement amount for card and digital transactions using different networks is BDT 35,085 Crore which is 10% higher compared to 2024. Total 98,297 numbers of disputes have been efficiently settled in 2025 to improve customer satisfaction.

IFIC Bank focuses on strengthening its Digital Operations & Services to expand the coverage of various bill collection and transaction services. The Bank collaborated with multiple service providers and corporate entities with the following services:

- Facilitate the collection of corporate and utility bill payment through the IFIC OTC Portal and digital channels.

- Collection of Tuition Fees through OTC channel from any branch/ Uposhakha of IFIC during business hours. Also Subscribers can conveniently pay their tuition fees 24/7 at their convenience.
- Under the Digital Operations and Services, Bangla QR project successfully renders in onboarding 6,000+ QR merchants of IFIC in 2025.

In 2025, IFIC Bank's Customer Care Center handled a significant volume of customer interactions, reflecting strong engagement and service demand. During the year, the team successfully received 960,106 inbound calls, addressing a wide range of customer inquiries, service requests, and issue resolutions. In addition, Customer Care proactively reached out to customers through 119,923 outbound calls, supporting follow-ups, service updates, and customer assistance initiatives. These interactions underscore IFIC Bank's continued commitment to responsive 24/7 customer service, effective communication, and enhanced customer experience across its service channels.

Collectively, these efforts underscore IFIC Bank's commitment to digital transformation, operational excellence, and delivering a superior banking experience in an increasingly technology-driven financial landscape.

9. Risk Management

The primary objective of risk management within the banking sector is to ensure prudent management of risk exposures while safeguarding the Bank's assets, capital, reputation, and long-term sustainability. The Board of Directors of IFIC Bank PLC recognizes that effective risk management is fundamental to preserving stakeholder confidence and supporting sustainable business growth.

The Board plays a critical role in overseeing the Bank's risk-taking activities and ensuring that such activities remain aligned with the Bank's strategic objectives, risk appetite, and corporate values. The Board remains fully aware of the nature and extent of risks inherent across the Bank's business operations and continuously monitors changes in the evolving risk landscape. Through strategic guidance and clearly defined risk parameters, the Board has established an appropriate risk appetite framework, risk tolerance levels, and exposure limits.

The Board further ensures that

Management takes necessary measures for the effective implementation of approved strategies and for managing material risks in a prudent and timely manner. Risk management is viewed not merely as a compliance obligation or a control mechanism, but as an integral component of the Bank's strategy, decision-making process, and value creation framework.

IFIC Bank remains committed to strengthening an enterprise-wide risk management culture founded on a comprehensive understanding of risk and its implications. The Bank continuously promotes risk awareness across all levels of the organization, emphasizing accountability and ownership through the three lines of defense model. Senior Management supports this framework through effective communication, training initiatives, and enhancement of monitoring and control mechanisms to address emerging risks and changing business environments.

The Board Risk Management Committee (BRMC) continues to play a significant role in strengthening the Bank's risk governance framework through effective oversight of risk policies, periodic review of risk strategies, and ensuring proper implementation of risk management practices across the Bank.

As the banking industry in Bangladesh continues to evolve amidst increasing complexity and competition, the Board recognizes the growing importance of proactive and forward-looking risk oversight. In this evolving environment, IFIC Bank remains steadfast in its commitment to strengthening risk management capabilities through continuous improvement, sound governance, and disciplined risk practices.

The Bank has positioned risk management beyond the traditional concept of a "compliance function," establishing it as a strategic enabler that supports informed decision-making and transforms risks into opportunities for sustainable growth and long-term value creation.

9.1 (a) Credit Risk Management

Credit Risk Management (CRM) at IFIC Bank PLC is one of the most critical functions, responsible for ensuring that the bank's lending activities are safe, compliant, and profitable. It focuses on identifying, measuring, and controlling the risk of borrower default. The said risk should always be guided by prudential banking norms, structured Credit Policies and regulatory compliances to ensure Healthy Asset

and long term sustainable growth of the bank. Over the years, IFIC Bank has developed a structured Credit Risk Management Policy which serves as the Primary and Complete Uniform Document for Lending Practice of the Bank.

Credit Risk Management Division at IFIC Bank PLC is structured into Three different units namely,

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

9.1 (b) Retail Risk Management

The Retail Risk Management Unit of IFIC Bank PLC functions as a specialized division responsible for identifying, assessing, and managing risks within the Bank's retail customer portfolio. The unit plays a critical role in the appraisal and evaluation of proposals for key flagship products, including IFIC Amar Bari, IFIC Amar Rin and Credit Cards. IFIC Amar Bari, the Bank's flagship home financing solution, continues to support customers seeking reliable housing finance in a competitive market. The Retail Risk Management framework is built on a comprehensive assessment methodology that incorporates socio-economic considerations, customer requirements, debt-to-income analysis, and repayment capacity to ensure prudent and responsible lending decisions. Supported by a robust digital infrastructure, the Bank continues to enhance efficiency, consistency, and transparency in the retail credit assessment process. In response to evolving economic and financial challenges, the Bank regularly strengthens and refines its risk evaluation practices at both individual and portfolio levels, reinforcing its commitment to sustainable growth and resilience in the retail lending segment.

9.1 (c) CMSME & Agri Finance

CMSME Sector is fundamental to our national economy for employment, poverty reduction, rural development, driving innovation, creativity, and new technologies and entrepreneurship development for women, youth and vulnerable groups. CMSME finance means loans and financial services provided to business and entrepreneurs having infrastructure as defined by Bangladesh Bank. As per regulatory guideline and industry nature unique feature of finances are simplified documentation, faster processing, light collateral and in unsecured nature [sometime based on cash flow]. However, the CMSME Sector provides some unique challenges at the time of request for banking loan applications such as meeting regulatory requirements, providing accurate and timely data, lack of sufficient collateral and structured financials. This also continues for the Agri Finance. It is a govt. prioritized sector contributing to the economic development of the country. Recognizing the specialized and business specific needs of both the segment, IFIC Bank has a dedicated team for assessment of SME & Agri Credit Risk. IFIC Bank has undertaken a comprehensive and adaptive approach to Credit Risk Management to ensure the bank's financial stability and support for SME and agricultural sectors.

9.1 (d) Corporate Risk Management

Corporate Risk Management at IFIC Bank PLC is a structured function designed to identify, assess, monitor, and control risks arising from corporate (large-scale) lending and business activities. By taking a proactive approach, the uncertainties can be addressed before they develop into significant challenges. It operates within the bank's overall risk governance framework and follows regulatory guidelines of Bangladesh Bank.

Effective Corporate Risk Management integrates people, processes, and systems to ensure risks are not only documented—but actively managed and escalated when necessary. Strong internal controls, clear policies, and structured management practices form the basis of any risk management framework. The Corporate Risk Management is closely associated with compliance functions.

Corporate Risk Management is essential for ensuring long-term business stability, financial health, and strategic growth by proactively identifying, assessing, and mitigating potential threats. It protects assets, ensures regulatory compliance, enhances stakeholder confidence, and enables informed decision-making to minimize unexpected losses.

9.2 Loan Performance Management (LPM)

Non-Performing Loans (NPL) have become a significant concern for the Bank, impacting on its daily operations and profitability.

IFIC Bank PLC is dedicated to recovering from NPL accounts. The Bank is making every effort to address NPL, emphasis to enhance recovery from NPL, and maintain the percentage of classified loans at an acceptable level. The Loan Performance Management Division, Legal Affairs Department, and SAM (HUB) are collaborating to maximize recovery from NPL accounts and prevent new classifications, aligning with the organizational goal.

IFIC Bank PLC has a Recovery Policy to strengthen the recovery of Loans & Advances. To expedite recovery from Regular, Deteriorating, and Non-Performing Loans & Advances, the Bank established the Loan Performance Management Division, which comprises four dedicated departments:

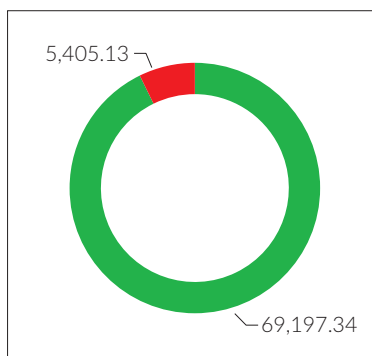
Collection Unit	This unit conducts timely communication through SMS notifications, proactive calling, and issuing notices and reminders to the borrowers.
Deteriorating Asset Management (DAM)	This department directly follows up on deteriorating loans, ensures SOP compliance, approves SOP deviations, detects CL threats, and minimizes threats by engaging branch personnel through meetings and visits, thereby maintaining sound assets.
Special Asset Management (SAM)	This department confirm drives for recovery from NPL accounts, facilitates branches in increasing recovery from NPL accounts, and guides branches to maintain NPL accounts at a minimum level. All activities are conducted in compliance with the recovery operation manual, recovery policy, regulatory circulars, and country laws.
SAM (HUB)	This unit engages in legal proceedings at court, collaborates with lawyers, files suits/cases, and ensures quick disposal of court cases.

To expedite the recovery of Written-off Loans, the Bank formed a dedicated Written-off Loan Recovery Unit. This unit comprises Senior Executives, field-level officers of the Bank and is directly supervised by the MD.

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

1. Sending SMS and making calls to regular IFIC Amar Bari & other retail term loan accounts to repay the Bank's dues as per SOP.
2. Closely monitoring and enhance recovery from Deteriorating Accounts as per the SAM Operational Manual.
3. Ensuring optimum engagement of Branches to recover the Bank's dues and minimize further classification threats.
4. Conducting teleconferences/virtual meetings with Branches and the Legal Affairs Department to expedite recovery.
5. Visiting Branches for direct communication with Branch officials and different borrowers.
6. Monitoring court cases through meetings among Branches and dealing with lawyers to avoid unwanted delays in the legal process.
7. Rescheduling NPL Accounts.
8. Settling NPL Accounts through amicable settlements.
9. Engaging/Entrusting difficult Accounts to Recovery Agents.
10. Reporting to Senior Management from time to time regarding the Bank's asset portfolio and its trend.
11. Diagnosing reasons for non-repayment of loans & advances and ensuring rectification (if any) to prevent further non-performance of loans and advances.

In the year 2025, IFIC Bank PLC, Gives robust effort in recovery. In result total recovery from CL account for the year 2025 is BDT 69,197.34 mn including cash recovery BDT 5,405.13 mn. As recovery from loan accounts is directly connected with Bank's income, Bank Management gives special focus on it.



9.3 Foreign Exchange Risk Management

Foreign exchange risk arises when a bank holds assets or liabilities in foreign currencies, exposing its earnings and capital to fluctuations in exchange rates. Because future exchange rates cannot be predicted with certainty, they may move either upward or downward, regardless of prior forecasts. This uncertainty creates risk for the bank, particularly when exchange rate movements occur in unexpected and unfavorable directions, potentially affecting financial performance and stability.

Commercial banks, which actively engage in foreign currencies by holding assets and liabilities in foreign-denominated currencies, are constantly exposed to foreign exchange risk. This risk arises from both the bank's trade and non-trade services. To offer clear guidance on managing foreign exchange exposure in line with the bank's financial treasury goals, business activities, and operating environment, a "Foreign Exchange Risk Management Policy" is necessary.

The Treasury Division of the bank is responsible for minimizing foreign exchange risk as one of its primary tasks. There is a clear separation of duties among the Treasury Front Office, Mid Office, and Back Office. The Treasury Front Office handles day-to-day trading and fund management activities, ensuring continuous monitoring of the assumed risk levels and taking necessary actions. The Mid Office and Back Office operate in separate locations from the Treasury Front Office. To maintain minimal risk, the reporting lines of these three offices are kept distinct and independent.

The bank has taken several steps to minimize foreign exchange risk. It has established a Treasury Manual and a Foreign Exchange Risk Management Policy in accordance with the directives of Bangladesh Bank. The bank has also

developed various strategies and set limits to control foreign exchange risk, such as the Net Open Position (NOP) limit (set by Bangladesh Bank), overall gross limits for forward transactions, stop-loss limits for each deal and per day, and counterparty limits. The Treasury Division further analyzes potential risks arising from adverse fluctuations in the foreign exchange market and takes appropriate actions to minimize possible losses while maximizing profit.

9.4 Asset Liability Management

Asset Liability Management (ALM) is a strategic approach used by banks to manage risks arising from mismatches between assets and liabilities across different time periods, resulting from liquidity constraints or fluctuations in interest rates. The primary objective of ALM is to minimize these risks by continuously monitoring and forecasting potential pricing gaps between assets and liabilities, ensuring that they remain within acceptable limits and support financial stability.

To manage these various risks, banks establish their own Asset Liability Management (ALM) policies, which are approved by the Board of Directors (BOD). In accordance with these policies, both management and the BOD implement necessary measures as directed by the Central Bank. The ALM process is supervised by the Asset and Liability Management Committee (ALCO), which is composed of the bank's senior management team and is responsible for ensuring effective risk oversight and compliance.

The major responsibilities of ALCO are as follows:

- Ensure that the bank's measurement and reporting system effectively communicates the levels of liquidity and market risk.
- Make decisions regarding key aspects of the balance sheet structure, including the maturity and currency composition of assets and liabilities, the ratio of wholesale to retail funding, deposit composition, and other related factors.
- Review maturity profile and mix of assets and liabilities
- Articulate interest rate views of the bank and decide on balance sheet strategy
- Approve and periodically review the transfer pricing policy of the bank
- Evaluate market risk involved in the launching of new products
- Review deposit-pricing strategy, and

- Review contingency funding plan for the bank

The ALM desk, using its market analysis and intelligence, provides a comprehensive market outlook throughout the year, offering clear insights into market and liquidity risks. This helps in identifying potential market opportunities for investment and fund allocation. The key responsibilities of the ALM desk are as follows:

- To oversee the growth and sustainability of assets and liabilities.
- To manage and oversee the overall activities of Money Market.
- To manage liquidity and market risk of the bank.
- To understand the market dynamics i.e. competition, potential target markets etc. for expansion of the business.
- Provide insights on market trends and recommend appropriate balance sheet adjustments (expansion or contraction) to adapt to changing market or economic conditions.
- Maintain records of ALCO meetings and track the progress of actions decided during those meetings.

The ALM technique assists in managing the volume, composition, maturity, interest rate sensitivity, quality, and liquidity of assets and liabilities collectively, aiming to achieve predetermined acceptable risk limits.

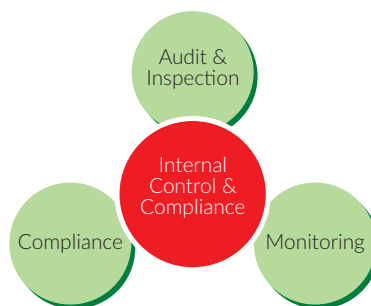
9.5 Internal Control and Compliance

The Internal Control and Compliance (ICC) activities of IFIC Bank PLC are designed to ensure effective governance, risk mitigation, and regulatory adherence in alignment with Bangladesh Bank's Internal Control & Compliance (ICC) Guidelines, the COSO Internal Control-Integrated Framework, and other applicable international standards including Basel III principles and relevant IFRS disclosure requirements.

The Bank's ICC framework emphasizes a robust control environment, risk assessment procedures, control activities, information and communication systems, and continuous monitoring mechanisms consistent with COSO's five interrelated components.

An independent ICCD, segregated from operational management, conducts risk-based internal audits, compliance reviews, and monitoring of internal controls across branches and various divisions at head office to ensure

operational efficiency, reliability of financial reporting, safeguarding of assets, and prevention of fraud and irregularities.



Audit findings are reported to the Audit Committee of the Board on a regular basis, ensuring adequate oversight and accountability at the highest governance level.

Compliance activities focus on adherence to Bangladesh Bank circulars, anti-money laundering (AML) and counter-terrorist financing (CFT) regulations, KYC requirements, and other statutory obligations. The adequacy of internal controls is assessed through periodic self-assessments, internal audit ratings, and follow-up reviews, with corrective action plans tracked to closure.

Disclosures relating to internal control status, audit observations, risk exposures, and compliance posture are incorporated in the Bank's annual report and financial statements to promote transparency and stakeholder confidence.

Overall, IFIC Bank PLC's ICC activities demonstrate a structured and internationally aligned approach to maintaining sound internal control, regulatory compliance, and prudent risk management practices.

9.6. Prevention of Money Laundering

Effective anti-money laundering and anti-terrorist financing program:

IFIC has established a definitive stance against money laundering and terrorist financing, demonstrating a commitment to a Zero Tolerance approach. The Bank's Board of Directors and Management are firmly dedicated to preventing ML/TF and have implemented related policies and procedures to safeguard the bank from being used as a channel for financial crimes.

To build a robust Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) framework, IFIC has implemented a four-tier defensive

structure. This includes Branch Anti-Money Laundering Compliance Officers (BAMLCOs) at the branch level and at the Head Office level: the Deputy Chief Anti-Money Laundering Compliance Officer (DCAMLCO), the Chief Anti-Money Laundering Compliance Officer (CAMLCO) and the Central Compliance Committee (CCC). To strengthen a sound compliance culture in AML and CFT, the Bank has conducted extensive training and awareness programs. In 2025, 2,334 employees (42% of the total employees) across various roles received AML & CFT training. As of December 31, 2025, a total of 5,524 out of 5,565 employees (99.26%) have been trained on AML & CFT. In addition, two separate awareness programs were conducted specifically for Board Members and Senior Management during the year.

Bank has implemented automated Cash Transaction Report (CTR) Management, Sanction Screening, Transaction Monitoring, Suspicious Transaction Report (STR)/Suspicious Activity Report (SAR) Filing, Self-Assessment and Independent Testing Procedures (ITP) software (AML/CFT Compliance Solutions System) to establish an effective compliance and monitoring system. In 2025, IFIC Bank has also introduced system-generated daily auto-alerts for high-value cash transactions and these auto-alerts are sent to concerned Branch Anti-Money Laundering Compliance Officer (BAMLCO)s for their review and raising STR (Suspicious Transactions Report) where deems necessary.

In addition to the Managing Director's annual message for commitment on prevention of money laundering and terrorist financing, employees received continuous guidance throughout the year via circulars, directives, instructions, training programs and webinars to ensure proper regulatory compliance at all stages. Furthermore, in 2025, the Bank reviewed and updated its "Money Laundering & Terrorist Financing Risk Management Guideline (Version 3.0)" to enhance its risk management framework.

10. Information and Communication Technology (ICT)

10.1 Technology Achievements 2025

1. Digital Innovation: PicSign – In-House Digital Signature Verification System

IFIC Bank has developed PicSign, an in-house customer signature capture and management system that enables secure, real-time verification of customer signatures during transactions. The

system displays a customer's stored signature alongside their account image, allowing authorized officers to authenticate instruments before processing — eliminating the risk of unauthorized transactions.

PicSign is fully integrated with the **Core Banking System (CBS)** and the **Bankers' Automated Clearing House (BACH)**. During CBS transactions, a signature window opens automatically for teller verification. In BACH cheque processing, admitting officers cross-check the cheque signature against the stored record before clearing.

Key Benefits

- **Cost Savings:** Developing PicSign in-house significantly reduced costs compared to a third-party solution while giving the bank full control over functionality, maintenance, and future enhancements.
- **Flexibility:** PicSign's architecture allows easy integration with additional internal or external systems and can be extended with new features as the bank's requirements evolve.

2. Innovation on Real-Time System Generated Transaction Alerts

IFIC Bank has implemented a 24/7 SMS Trigger Program, an automated notification system that delivers real-time system-generated SMS alerts to customers the moment a transaction occurs on their account or card. Operating seamlessly within the **Core Banking System (CBS)** and **Card Management System (CMS)**, the program detects every account events — including deposits, withdrawals, fund transfers, purchase— and instantly notifies the customer's registered mobile number without any manual intervention.

Key Benefits

- **Instant Awareness:** Customers receive immediate notification of every account or card activity, keeping them fully informed at all times, eliminating the need to visit a branch or log in to check their balance.
- **Customer Trust:** Consistent, transparent communication builds deeper confidence in the bank, reinforcing the relationship between IFIC Bank and its customers.

3. Virtual Account for Corporate Customers

IFIC Bank has introduced a Virtual Account facility for corporate customers, enabling organizations to assign a unique virtual account number to each

distributor while linking all such accounts to a single main (mother) corporate bank account. Distributors make payments using their assigned virtual account numbers through regular banking channels, such as bank transfers or online banking. Although all funds are ultimately credited to the same corporate account, the virtual account number used in the transaction allows the organization to clearly identify which distributor made the payment. This system improves transparency, enables easy tracking of incoming payments, and significantly simplifies the reconciliation process without the need to open separate bank accounts for each distributor.

Key Benefits

- **Operational Efficiency:** Removes the cost and complexity of maintaining numerous physical bank accounts by centralizing liquidity into one primary account, thereby reducing administrative burden and improving overall financial control.
- **Enhanced Visibility:** Provides the bank's customers with a granular view of transaction history, allowing for immediate identification of each remitter and ensuring complete payment traceability.
- **Streamlined Liquidity:** Consolidates all incoming funds automatically, giving the bank and its corporate customers a clearer, real-time picture of total cash positions.

4. Automation on Trade Incentive

IFIC Bank has developed an application to automate and streamline the processing of Cash Assistance proposals handled by the Trade Service Center for 22 Authorized Dealer (AD) branches. Previously, the entire workflow—including application validation, document checking, Exporter's Declaration Form (EXP) verification, audit coordination, tracking, and fund disbursement—was managed manually through physical records and scattered Excel files. The new system centralizes these activities into a single digital platform, enabling efficient processing, better tracking, improved record management, and stronger compliance control.

Key Benefits

- **Process Automation:** Eliminates manual data entry and physical record-keeping, significantly accelerating the end-to-end processing time for cash assistance proposals.
- **Enhanced Audit and Compliance:** Establishes a transparent, digital audit trail for EXP verification and

validation, strengthening the bank's internal controls.

- **Real-Time Tracking and Visibility:** Provides stakeholders with instantaneous status updates on proposals, allowing the bank to identify bottlenecks and manage workloads more accurately.

5. Enhanced Mobile Accessibility and Navigation

The mobile application underwent significant redesign of its main screen including access points for **Home, QR, Main Menu, More Options, and Logout**. By expanding the primary interface, the application now categorizes core functionalities into a persistent, high-visibility layout that eliminates the need for deeply nested menus and reduces the number of taps required to reach essential features.

Key Benefits

- **Minimized User Friction:** Placement of the **QR** and **Main Menu** functions within the primary navigation layer reduces the "tap depth" required to complete high-value actions, thereby leading to faster task completion.
- **Enhanced Feature Discoverability:** The addition of a "**More**" category provides a scalable home for secondary features, ensuring the interface remains uncluttered while still keeping advanced tools accessible.

6. IFIC Proprietary QR Payments: Secure and Simple

IFIC Bank has launched its own QR code generation and payment solution, enabling seamless fund transfers between IFIC Bank accounts.

Key Benefits

- **Instant Payments:** Transactions conducted within IFIC Bank accounts are processed instantly, ensuring real-time fund transfers.
- **No Extra Fees:** As payments are processed internally without routing through external banking networks, no additional transaction charges are applied, resulting in cost savings for customers.

7. Bangla QR: Pay Anywhere with IFIC

IFIC Bank has joined the **Bangla QR** network, a national QR payment standard that enables customers to make payments at any merchant or online platform displaying a Bangla QR code.

Key Benefits

- **Universal Acceptance:** Customers are no longer limited to bank

specific merchants and can use their IFIC accounts to make payment at any business that accepts Bangla QR, regardless of the merchant's banking relationship.

- **Enhanced Convenience:** Customers no longer need to carry multiple apps or cards, as a single scan within the IFIC Bank mobile app handles payments across a wide range of vendors and platforms.
- **Acceleration of the "Cashless Society" Initiative:** In alignment with the central bank's digital mandate, this implementation encourages a move away from physical currency, promoting a more transparent and efficient digital economy.

10. Easy Login Recovery: Helping You Help Yourself

IFIC Bank has introduced a secure and user-friendly feature within the mobile app that enables customers to recover their Login ID independently.

Key Benefits

- **No More Waiting:** Customers can recover their Login IDs **24/7 from any location**, eliminating the need to wait on calls or make branch visits.
- **Safe and Secure:** The recovery process is protected by robust verification checks, ensuring that Login ID access is granted exclusively to the rightful account holder, maintaining both security and simplicity throughout.

11. ISO Certification: Global Standards for Data Safety

The **ISO/IEC 27001:2022** certification has been successfully achieved and maintained by IFIC Bank which represents the latest international benchmark for information security. To ensure that this standard is fully integrated into the bank, a comprehensive collection of **required policies and guidelines** has been developed, approved and deployed which are designed to ensure data security and protection of sensitive customer information.

Key Benefits

- **Proactive Risk Management:** Instead of waiting for a problem to happen, ISO 27001 requires the bank to continuously identify potential security gaps. By identifying risks early—such as weak spots in mobile apps or server access—threats can be addressed before they impact customer data.
- **Standardized Data Protection:** This certification requires the

bank to follow a strict and unified set of rules. Whether it is an IT specialist managing a server or a staff member handling paper file, all personnel must follow the same documented procedures. This consistency ensures that sensitive financial information is kept private and safe, reducing the chance of human error, which is often the biggest cause of data leaks.

- **International Trust:** Achieving this certification signals to international partners, regulators, and customers that the bank meets the highest security level in the world, which proves that the bank is not just claiming to be secure but has been verified by independent experts. This trust is essential for global banking, ensuring that transactions across borders are handled with integrity and that the bank remains fully aligned with strict government security laws.

12. Centralized Security Testing: Protecting Customer Data

A **Centralized Security Management System** is used by the bank to stay ahead of cyber threats and ensure customer data safety. The system acts as an automated "health check" for the bank's technology system where computers, servers, and applications are proactively scanned so that weak spots can be identified and resolved before they are exploited.

Periodically thorough tests are conducted on all servers, websites and applications. Through this constant cycle of checking and fixing, it is ensured that customer information remains secured and available always.

Key Benefits

- **Problems Found Early:** Any weaknesses within the bank's systems are identified before they can be exploited by attackers.
- **Faster Fixes:** Because vulnerabilities are tracked in one central location, the most important issues are quickly identified and patched by the bank's expert technical teams.

13. Proactive Threat Intelligence: Dark Web Monitoring

To protect against hidden online threats, the bank uses a world-class Dark Web Monitoring tool designed to scan restricted areas of the internet for stolen data or planned attacks. By identifying these threats early, the bank can take preventive action to safeguard customer information.

Key Benefits

- **Data Protection:** Instant alerts are generated if customer passwords, card data, or personal details are found on illegal websites. This ensures that protective action is taken for every account before any harm is done.
- **Scam Prevention:** Fraudulent websites and social media pages impersonating the bank are monitored and taken down, helping protect customers from online fraud and identity theft.

14. PCI DSS Certification: Protecting Customer Card Data

PCI DSS v4.0 (Payment Card Industry Data Security Standard) certification has been successfully achieved by IFIC Bank for the fourth consecutive year, representing the highest global standard for protecting payment card information. Maintaining this certification ensures adaptability in a rapidly evolving financial environment and reinforces the bank's position as a trusted institution.

Key Benefits

- **Enhanced Security:** Strong security controls are implemented to protect sensitive cardholder data, significantly reducing the risk of data breaches and cyber-attacks.
- **Customer Trust:** Assurance is provided that payment card information is handled securely, strengthening customer confidence and loyalty.
- **Regulatory Compliance:** Global security standards are maintained, ensuring continued adherence to legal and regulatory requirements.

11. Corporate Governance

At IFIC Bank PLC, we believe that strong corporate governance is not only a regulatory obligation but also a strategic imperative for delivering sustained value to our shareholders, customers, employees, and society at large. In line with our commitment to transparency, professionalism, and accountability, we strive to implement the highest standards of corporate governance across all aspects of our operations. Our approach ensures long-term growth while aligning with environmental, social, and ethical responsibilities.

In compliance with the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code issued on 03 June 2018 (amended up to 2023), the Board of Directors is pleased to highlight the following key disclosures:

Condition No.	Title	Responses from IFIC Bank PLC
(i)	An industry outlook and possible future developments in the industry.	A brief review has been presented in the Directors' Report 2025.
(ii)	The segment-wise or product-wise performance.	Product-wise performance has been presented in the SME & Retail Products section in the Directors Report 2025
(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any.	A detailed discussion regarding risks and management of the same has been presented in "Risk Management Report" section of this annual report
(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable.	Not Applicable. As a service-oriented banking company, discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin is not relevant.
(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss).	Not Applicable. There is no incident of any extraordinary activities, so there is no question of gain or loss from any extraordinary activities.
(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions.	The basis for related party disclosure has been stated in Annexure- F of the financial statements.
(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments.	Not applicable
(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	Not Applicable. There is no deteriorating financial results till date after the IPO of the Bank.
(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements.	No significant variance was noted.
(x)	A statement of remuneration paid to the directors including independent directors.	Remuneration provided to Directors has been presented in the Notes to the Financial Statements.
(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	The financial statements prepared by the management as at and for the year ended 31 December 2025 present fairly, in all material respects, its state of affairs, the results of its operations, cash flows and changes in equity. The external auditor, M/s. Islam Jahid & Co., Chartered Accountants also provided their opinion on the same by issuing an unqualified audit report.
(xii)	A statement that proper books of account of the issuer company have been maintained.	Proper books of account as required by law have been kept by IFIC. The external auditor, M/s. Islam Jahid & Co., Chartered Accountants also provided their opinion on the same by issuing an unqualified audit report.
(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	Appropriate accounting policies have been consistently applied in preparation of the financial statements of the Bank and the accounting estimates are made on prudent grounds. Estimates and underlying assumptions are reviewed on an ongoing basis and any revision to these are recognized in the period in which the estimate is revised and in any future period affected
(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.	Details description including disclosure of departures has been presented in the Financial Statements 2025

Condition No.	Title	Responses from IFIC Bank PLC
(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored.	A brief description in this regard has been presented in the 'Internal control and Compliance' paragraph under Directors Report 2025
(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	The Bank operates in accordance with the Articles of Association and all applicable laws and regulations of the land to protect the interest of all the shareholders including minority ones. The Bank has a sound governance practice in place based on integrity, openness, fairness, professionalism and accountability which fosters confidence among stakeholders. However, any complaint, received at AGM or throughout the year, from any shareholders, is resolved lawfully in time
(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	N/A
(xviii)	An explanation that significant deviations from last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained.	Significant deviations of operating results in 2025 have been adequately discussed in the Directors' Report 2025 and Management Discussion & Analysis section
(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized.	Presented in the 'Five-years Performance of the Bank' in the section of "Shareholders' Information".
(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year.	As the Bank posted net loss in year 2025 and no distributable profit, the Board of Directors has not recommended any dividend for the year 2025
(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend.	No bonus share or stock dividend was declared as interim dividend in 2025.
(xxii)	The total number of Board meetings held during the year and attendance by each director.	Presented in the 'Board meeting and attendance' section under Compliance Report on BSEC's Notification
(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	Presented in the Directors' Shareholding Status section in the Annual Report.
	(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	Presented in the Global Corporate Structure page of the Annual Report
	(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	The Secretary, Finance Division, Ministry of Finance, Government of Bangladesh holds 32.75% share of the Bank.
(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-	Mentioned in the Directors' Report
	(a) a brief resume of the director;	Mentioned in the Directors' profile
	(b) nature of his / her expertise in specific functional areas;	
(c) names of companies in which the person also holds the directorship and the membership of committees of the board.		
(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	Please review the 'Managing Director's Review' and 'Management Discussion and Analysis' section of this annual report.

Condition No.	Title	Responses from IFIC Bank PLC	
	(a) Accounting policies and estimation for preparation of financial statements.	Please review the financial section of the Directors' Report.	
	(b) Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figures for such changes;		
	(c) Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for the current financial year with immediate preceding five years explaining reasons thereof;		
	(d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;		
	(e) Briefly explain the financial and economic scenario of the country and the globe;		Mentioned in the global and Bangladesh economy part of the Directors' report
	(f) risks and concerns issues related to the financial statements, explaining such risks and concerns mitigation plan of the company; and		Mentioned in Risk Management Report.
	(g) future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;		Please review the 'Management Discussion and Analysis' part.
(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A .	The certification by MD and CFO has been presented at the end of Corporate Governance Practices section of this annual report	
(xxvii)	The report as well as certificate regarding compliance with conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	IFIC's compliance status with those prescribed practices is presented at the end of Corporate Governance Practices section of this annual report.	

12. Parent or Subsidiary or Associated Companies and other related parties (name-wise details)

Entity/Business	Shareholder	Voting Right	Director
IFIC Money Transfer (UK) Limited, United Kingdom (A fully owned subsidiary of IFIC Bank PLC incorporated in UK and commenced its operation on 31 August 2011 to facilitate inward foreign remittance from the United Kingdom)	IFIC Bank PLC, Bangladesh	100% voting right is retained with IFIC Bank PLC, Bangladesh Authorized Capital GBP 300,000 Paid up Capital GBP 300,000	There are five Directors of IFIC Money Transfer (UK) Limited and all of them are nominated by IFIC Bank PLC, Bangladesh
IFIC Securities Limited, Bangladesh (A subsidiary of IFIC Bank PLC)	IFIC Bank PLC, Bangladesh and six other individuals	99% voting right is retained with IFIC Bank PLC, Bangladesh	The number of Directors are three
IFIC Investment Limited, Bangladesh (A subsidiary of IFIC Bank PLC)	IFIC Bank PLC, Bangladesh and six other individuals	99% voting right is retained with IFIC Bank PLC, Bangladesh	The number of Directors are four
Nabil Bank Limited, Nepal (Foreign Affiliate of IFIC Bank PLC)	IFIC Bank PLC, Bangladesh is one of the promoter shareholders	Total shareholding of IFIC Bank is 7.77%	One Director is nominated from IFIC Bank PLC, Bangladesh
Oman Exchange LLC, Oman (Foreign Affiliate of IFIC Bank PLC)	IFIC Bank PLC, Bangladesh is one of the promoter shareholders	Total shareholding of IFIC Bank is 49%	Two Directors are nominated from IFIC Bank PLC, Bangladesh
MCB Bank Limited, Pakistan	IFIC Bank PLC, Bangladesh is a shareholder	Total shareholding of IFIC Bank is 0.01481%	Nil

13. Human Resource Management (HRM)

At IFIC Bank PLC, people are placed at the core of its strategy, recognizing that sustained growth and performance are driven by a capable and committed workforce.

As the largest network bank in Bangladesh, the Bank is firmly committed to nurturing, developing and empowering its employees to enhance their professional competence, performance and career progression, enabling them to achieve excellence in their respective roles.

The Human Resource Management Division plays a pivotal role in aligning the interests of the Bank and its employees. Beyond managing core administrative functions, the Division drives strategic initiatives to foster a positive, inclusive and performance-oriented work environment. This is achieved through the consistent application of fairness, transparency, competitiveness and merit-based practices across the organization.

IFIC Bank strongly believes that innovation and sustained growth are driven by a highly skilled workforce. Its competitive position is reinforced through the delivery of market-leading services, powered by a skilled and motivated workforce. In line with this philosophy, the Bank prioritizes attracting, recruiting and retaining qualified professionals, while encouraging continuous personal development and long-term career advancement. Structured training and development programs are regularly conducted to enhance employee capabilities, improve productivity and prepare the workforce for evolving business and technological requirements.

During the year, although network expansion remained measured, the Bank continued its recruitment initiatives to strengthen human resources across Uposhakhas and Branches. In addition, experienced and skilled professionals were recruited in key areas, particularly to drive business growth, support recovery efforts, enhance control and mitigating risk. These initiatives ensured the availability of the right competencies aligned with the Bank's strategic priorities.

As the country's largest network bank, IFIC Bank continues to contribute to employment generation, supporting improved service delivery and customer experience, while also contributing to national economic development.

Through progressive human resource policies and forward-looking strategies, the Bank fosters a diverse workforce and positions its employees as brand ambassadors.

To maintain agility and operational efficiency, IFIC Bank continuously reviews and realigns its organizational structure, considering business volume, evolving service delivery models, technological advancements, process automation and increasing business complexity. This ensures optimal deployment of talent in the right roles at the right time.

Collectively, these initiatives strengthen the Bank's business drive, organizational capability and operational efficiency, supporting its ongoing efforts toward recovery and long-term stability.

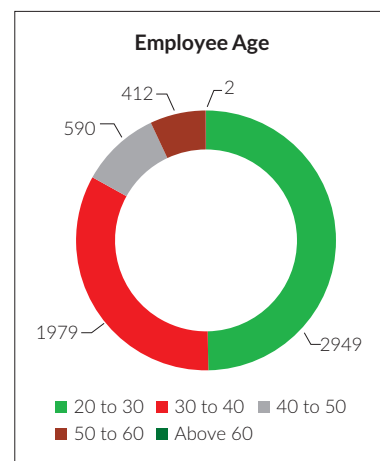
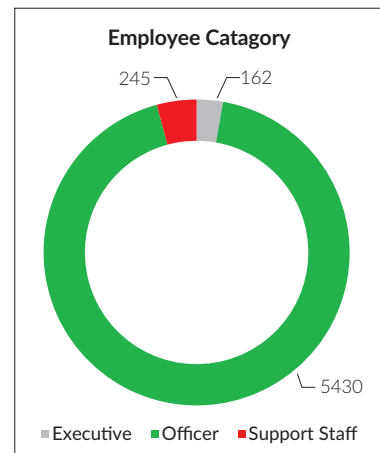
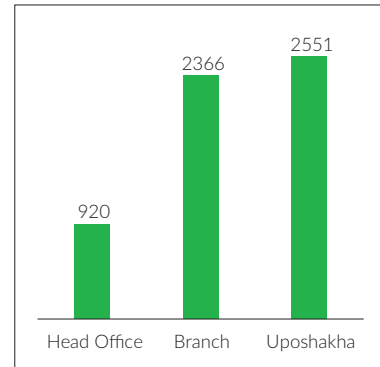
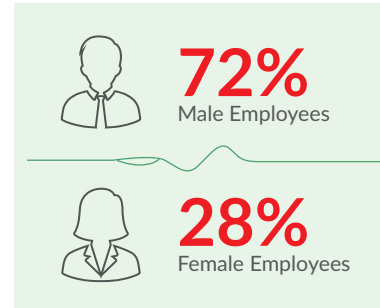


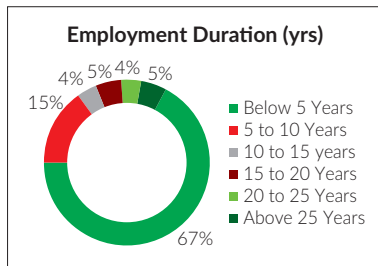
13.1 Employee Profile

To position itself as a preferred employer for fresh graduates and qualified professionals, IFIC Bank is committed to cultivating a dynamic workplace grounded in diversity, equity and inclusion. The Bank embraces individuals from diverse religious, ethnic and socioeconomic backgrounds, recognizing that a holistic approach to workforce diversity strengthens its competitive position. By fostering an environment where employees feel valued and engaged, the Bank encourages diverse perspectives that enhance innovation, creativity and organizational culture.

13.2 Distribution Of Human Resources

The distribution of human resources in the Bank involves allocating staff across Branches, Uposhakhas and Head Office departments to ensure efficient operations and effective customer service.





13.3 Employee Wellbeing and Safety

IFIC Bank places strong emphasis on the wellbeing and safety of its employees, recognizing them as the most vital asset of the organization. The Bank undertakes various initiatives to support employee wellbeing:



The Bank provides life and health insurance coverage to its employees, including their family members. It also offers online health

insurance claim submission facilities and Health Insurance Cards that enable employees to avail discounts on medical services within the partner network. In addition, the Bank has entered into agreements with reputed hospitals and diagnostic centers to ensure preferential rates and seamless access to medical services.



Employees are entitled to avail telemedicine services from qualified doctors on a 24/7 basis for themselves and their eligible family members through the

Guardian Life app provided by Guardian Life Insurance Limited, thereby ensuring accessible, convenient and timely medical support.

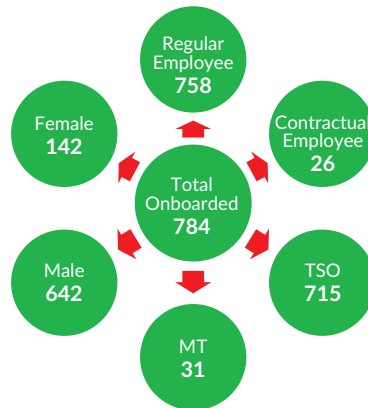


In addition, the Bank continues to emphasize workplace safety and awareness through regular safety initiatives, including fire drills conducted

in collaboration with Fire Service & Civil Defense Authority, as well as the availability of dedicated helpline support for emergency situations.

13.4 Recruitment

IFIC Bank is committed to developing a workforce capable of addressing evolving challenges and consistently prioritizes the professional growth of its employees. In 2025, the Recruitment function focused on strengthening workforce capacity in alignment with the Bank's strategic objectives. This also included targeted hiring of Management Trainees in specialized areas such as IT and Law.

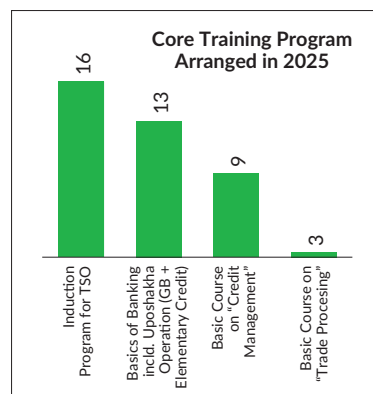


13.5 Learning & Development

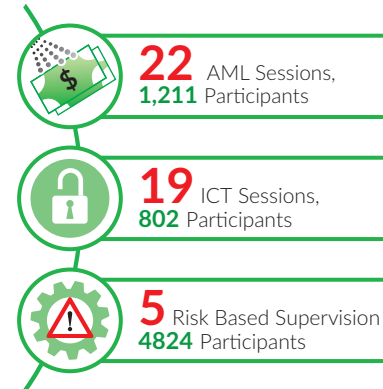


	No. of Trainings	Participants
In-House	140	33,735
Local External	116	3,943
Customized	60	7,310
Foreign Training & Webinar	6	36

IFIC Bank fosters a strong learning culture to enhance employee capabilities and ensure agility in a dynamic business environment. The Bank emphasizes continuous learning to maintain a competitive and adaptive workforce. Through HR and IFIC Bank Training Institute, targeted and structured training programs are delivered to address skill gaps, improve operational efficiency and support overall organizational performance.



IFIC Bank maintains a strong internal training infrastructure, complemented by collaborations with Bangladesh Bank Training Academy (BBTA) and Bangladesh Institute of Bank Management (BIBM). The Bank emphasizes compliance training, particularly in AML and ICT, to ensure adherence to Bangladesh Bank guidelines.



13.6 Employee Performance Management

IFIC Bank's HRM Division is committed to enhancing employee performance through continuous improvement and innovation. The Performance Management System serves as a strategic tool, enabling comprehensive evaluation of employee performance on a quarterly and annual basis. It incorporates a multi-tiered approach, including self-assessment, appraisal by supervisors, review by the supervisor's manager and final evaluation by a designated review committee.



This framework recognizes employee performance, supports their development and aligns individual goals with the Bank's strategic objectives within a transparent process. During the year 2025, the Bank further enhanced its online e-Performance Management System (e-PMS), refined Key Performance Indicators (KPIs) and strengthened deposit-related performance tracking to better align with the Bank's priorities. These evaluations enable Management to monitor performance effectively and support informed decision-making.

13.7 Employee Compensation & Benefits

Compensation and benefits are key drivers of employee satisfaction and performance. IFIC Bank maintains a competitive structure with a balanced focus on short- and long-term benefits, while ensuring full compliance with regulatory guidelines. A performance-based pay framework is in place to encourage improved employee performance.

13.8 Grievance Management

IFIC Bank has an Employee Grievance and Resentment Process that enables employees, regardless of gender, to raise concerns related to harassment or other workplace issues. A Grievance Redressal Committee comprising senior executives addresses reported cases based on their nature and severity. The Bank operates two HR helpline numbers, one of which is managed by a female employee considering the sensitive nature of certain cases. In addition, a dedicated HR email helpline is available to ensure that employees can report concerns at any time from any location.

14. Law & Legal Affairs

14.1 The Strategic Mandate: A Vanguard of Corporate Governance

The fiscal year 2025 marked a definitive shift in the operational viewpoint of the Legal Affairs Department (LAD) of the Bank. In an environment characterized by rapid regulatory recalibration and heightened economic scrutiny, the LAD has transitioned from a traditional advisory function into a strategic vanguard of the Bank's corporate governance framework. Operating as a core partner to the Bank's business units, the Department provides a specialized layer of oversight that balances the drive for aggressive credit growth with the necessity of robust risk mitigation.

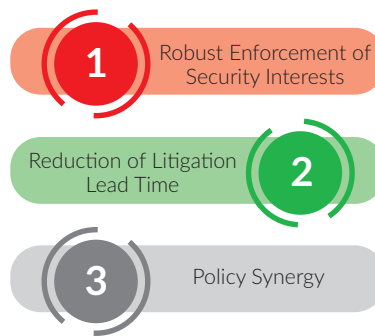
Our mandate remains anchored in the principle that every operational decision must be rooted in statutory compliance and ethical conduct. By fostering a culture of proactive monitoring and disciplined legal oversight, the Department ensures that the Bank's interests are shielded within an increasingly complex financial landscape. This approach is not merely about defensive litigation; it is about results-oriented legal practice—ensuring that legal clarity acts as a catalyst for sustainable business expansion.

14.2 Navigating the Regulatory Perspective: Alignment with the Bangladesh Bank

The financial year 2025 has been a watershed period for the country's

banking sector, largely shaped by the **Monetary Policy Statement (MPS) for FY 2025-26**. The central bank's prioritization of banking reforms and the aggressive recovery of Non-Performing Loans (NPLs) has set a new benchmark for institutional accountability. Bangladesh Bank has correctly identified the elevation of NPL ratios as a systemic risk to national financial stability, necessitating a more rigorous judicial approach to debt recovery.

In alignment with these national objectives, IFIC Bank's Legal Affairs Department has significantly intensified its recovery efforts. Our current strategy is built upon three regulatory pillars:



- 1. Robust Enforcement of Security Interests:** We have strengthened our mechanisms for the execution of collateral to ensure that credit intermediation remains effective and backed by enforceable assets.
- 2. Reduction of Litigation Lead Time:** By establishing closer coordination with the judiciary and specialized tribunals, we aim to reduce the time-lag between filing a suit, achieving a decree and execution of the same.
- 3. Policy Synergy:** We have meticulously aligned our internal legal frameworks with the central bank's latest supervisory guidelines to support asset integrity across all portfolios.

To support these goals, the Bank has strategically expanded its specialized legal workforce. This team is specifically tasked with expediting the attachment of assets belonging to defaulter-borrowers and judgment-debtors, ensuring that court-issued warrants are executed with precision to secure favorable outcomes for the Bank's stakeholders.

14.3 Institutional Evolution and Systemic Reform

- 1. The Pursuit of Stolen Asset Recovery:** Following the political

transition in August 2024, the repatriation of laundered wealth and the recovery of stolen assets became a foundation stone of the national economic recovery plan. The formation of the **Overseas Stolen Asset Recovery Task Force (ARTF)**, chaired by the Governor of Bangladesh Bank, represents a landmark shift in the sector's fight against financial crime.

IFIC Bank PLC has emerged as a proactive participant in this national mission. Our Legal Affairs Department works in line with the mandate of the ARTF to identify, track, and facilitate the recovery of laundered assets. We view this involvement not simply as a regulatory mandate, but as a moral and economic imperative to restore confidence in the financial system.

- 2. Transitioning to Risk-Based Supervision (RBS):** As global financial markets move toward more sophisticated oversight models, traditional compliance-based supervision is being replaced by **Risk-Based Supervision (RBS)**. In compliance with **SPCD Circular No. 02 of 2025**, IFIC Bank has been at the forefront of this transition, which officially became mandatory in January 2026.

The Legal Affairs Department has played a pivotal role in ensuring the accuracy and consistency of all data submissions related to legal risks. This transition ensures that our risk governance is forward-looking and proactive, promoting systemic stability and individual institutional accountability.

14.4 Functional Excellence: A Year in Review

The Department's operational efficiency was significantly enhanced in 2025 through a strategic restructuring into five specialized core areas: **(1) Legal Operations (Loans & Advances-Non Corporate), (2) Litigations (Corporate Cases), (3) Penal Code, Fraud Mitigation & Others, (4) Supreme Court Matters, and (5) Legal Services.**

- 1. Legal Operations (Loans & Advances):** The Loans & Advances Unit remains the engine of our recovery efforts, managing a high-volume workload of **5,849 active cases**. During 2025, the Bank initiated **1,572 new matters**, reflecting our proactive stance toward credit discipline. Through diligent litigation and negotiation, this unit successfully realized **BDT**

3,446.14 million from contested accounts. When combined with broader recovery initiatives, the total impact reached a milestone of **BDT 3,710.30 million** for the year.

2. Litigations (Corporate Cases):

High-Value Exposure: The **Corporate Cases Unit** is tasked with the Bank's most sensitive litigations, specifically those involving claims exceeding **BDT 150.00 million (15.00 Crore)**. The scale of this portfolio is critical to the Bank's capital adequacy:

- a. **CR Cases:** 58 matters valued at approximately **BDT 1,74,726.96 million**.
- b. **Artha Rin Suits:** 8 suits totaling **BDT 10,438.35 million**.

Heightened oversight and strategic monitoring of these high-stakes exposures remain a top priority to protect the Bank's capital base and ensure long-term sustainability.

3. Penal Code, Fraud Mitigation & Others:

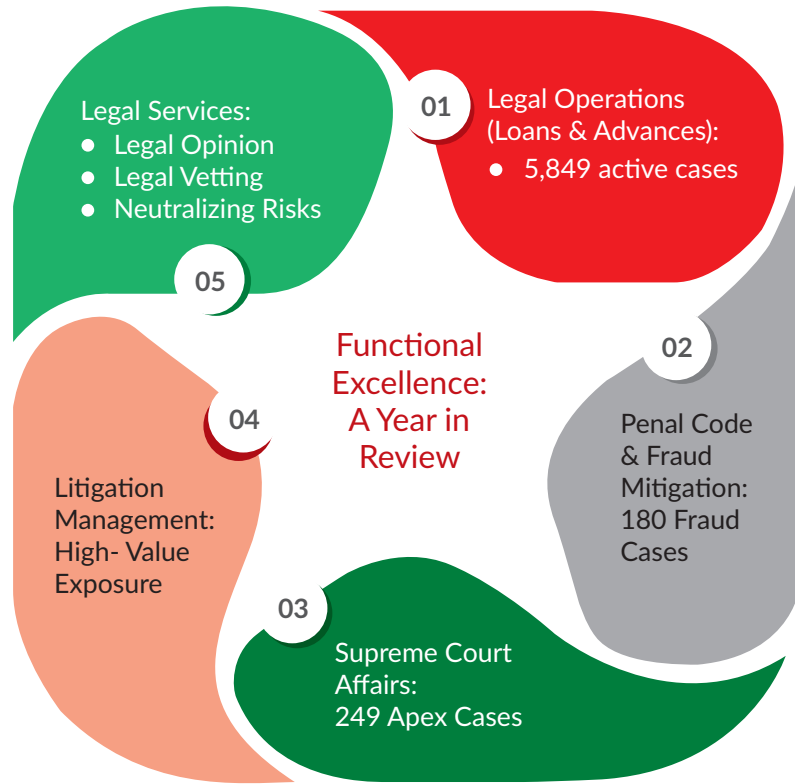
The **Penal Code & Others Unit** has been vital in addressing fraud, forgery, and criminal exploits. Managing **180 fraud cases** and **46 General Diary (GD)-related matters**, this unit works in close coordination with the Anti-Corruption Commission (ACC), the National Board of Revenue (NBR), law enforcement agencies, dealing lawyers and the court officials. Our "zero-tolerance" policy toward "willful defaulters" is enforced through this unit to ensure that criminal attempts to bypass the banking system are met with swift legal consequences.

4. Supreme Court Matters:

At the highest judicial tier, the **Supreme Court Affairs Unit** oversaw **249 apex court cases**. By engaging with senior panel lawyers and maintaining rigorous follow-up protocols, we successfully disposed of **73 cases** in 2025, ensuring that the Bank's interests are vigorously defended against complex constitutional and appellate challenges.

5. Legal Services: Preventative, Risk-based legal strategy and Empowerment:

Beyond the courtroom, the LAD serves as the Bank's internal consultant, focusing on Risk-based legal strategy and mitigation of corporate issues. In 2025, the **Legal Services Team** provided **2,154 formal legal**



opinions regarding property vetting and security documentation. This ensures that mortgage securities are legally sound and enforceable before any credit is extended, thereby neutralizing title risks at the source.

Capacity Building and Human Capital:

- a. **Internal Training:** We trained **3,140 bank officials** on land laws and loan documentation, which has led to a measurable reduction in operational and documentation errors at the branch level.
- b. **Legal Helplines:** Our dedicated hotlines handled **15,896 legal queries** from the branches and the Uposhakhas, providing real-time guidance on urgent recovery, documentation and operational issues.

14.5 The Next Generation

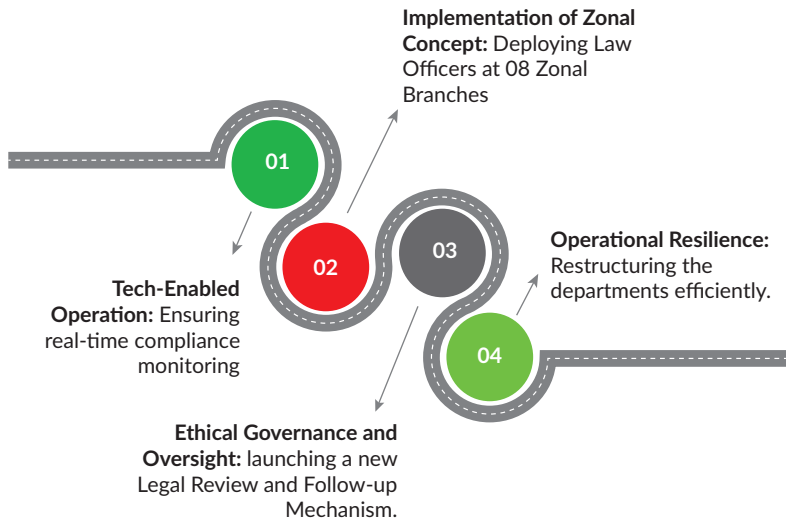
In August 2025, the Bank inducted a new batch of **Management Trainees (Law)**. These young professionals completed their training in November 2025 and are already instrumental in digitizing our legal workflows and bringing fresh, digital-native

perspectives to complex administrative tasks.

14.6 The Roadmap Ahead: 2026 and Beyond

As we look toward 2026, the Legal Affairs Department is committed to a 'Dynamic and Tech-enabled' future. Our strategy for the coming year rests on four key pillars:

- 1. **Tech-Enabled Operations:** We are upgrading the **IFIC Case Management & Library System (CMS)** and integrating it with our Core Banking System to enable seamless, real-time data flow and predictive compliance monitoring.
- 2. **Implementation of the Zonal Concept:** To provide more localized support, we are going to deploy Law Officers at the Bank's **08 Zonal Branches**. These officers will work under the direct supervision of LAD to provide immediate assistance to branches in their respective regions.
- 3. **Ethical Governance and Oversight:** We are launching a new **Legal Review and Follow-up Mechanism**. This unit will be responsible for the continuous monitoring of legal standards and the enforcement of ethical best practices across the organization.



4. Operational Resilience: The restructuring of the Department has created a more coordinated and efficient unit that is better equipped to handle the volatility of the modern financial market.

Conclusion

The Legal Affairs Department remains steadfast in its mission to uphold the rule of law and protect the interests of our stakeholders. Through a combination of rigorous litigation, preventative legal services, and technological innovation, we are ensuring that IFIC Bank PLC remains a resilient and trusted institution. As we navigate the challenges of 2026, our commitment to institutional integrity and sustainable growth remains our guiding principle.

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

Service & Estate Division

The Service & Estate Division comprises the following departments,

- a) Infrastructure Development & Tower Management,
- b) Neighborhood Banking & Estate Management,
- c) Central Procurement,
- d) Logistics & General Administration,
- e) Archiving Management,
- f) Protective Security & Investigation and
- g) Central Surveillance & Monitoring.

15.1 Infrastructure Development (ISD)

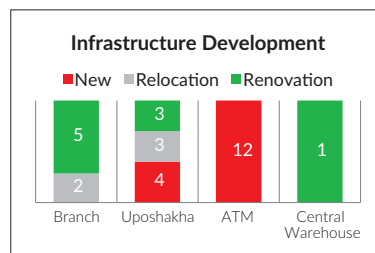
IFIC Bank PLC is dedicated to delivering banking services to the grassroots level. The Bank aims to promote financial

inclusion for all segments of society. It has built the largest banking network in the country. This network consists of 1,456 business points, including 189 branches, 1,224 Uposhakhas, and 43 ATM booths. The Board of Directors has provided prudent guidance for this expansion. Management support and collaboration were also crucial. ISD has ensured seamless and efficient operations of the electro-mechanical systems. This was achieved through structured and proactive facility management and maintenance.

Key Achievements

Network Expansion: In 2025, 04 new Uposhakhas & 12 ATM Booth were added to the network.

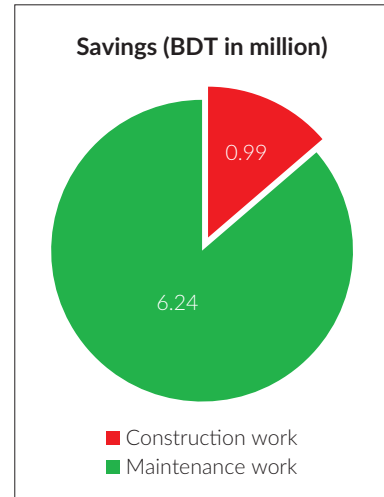
Relocation: 02 Branches and 03 Uposhakhas were relocated in last year ensuring cost optimization



Renovation: To enhance the overall ambience of the premises and optimize space utilization, renovation works were completed at 05 Branches, 03 Uposhakha premises and 01 Central Warehouse ensuring full compliance with all applicable standards and regulatory requirements.

Financial Impact: The total savings achieved by ISD amount to BDT 07.23

million, comprising BDT 6.24 million from maintenance work supervision and BDT 0.99 million from construction work. In addition, ISD generated further savings of BDT 8.11 million from the approved budget through a competitive tendering process.



Additional outcome of Core Responsibilities

- Strategic renovation of the Gulshan-Tejgaon Link Road Warehouse enabled operational consolidation and release of the Lalmatia Godown premises, generating recurring annual rental savings of **BDT 1.80 crore** for the Bank.
- Renovation of Islam Chamber 1st floor maximized space efficiency and reducing rent for Principal Branch.
- Finalization of pending issues of Enterprise Resource Planning (ERP) Inventory Module for establishment of automated inventory management of stationery & IT equipment. The ERP's Inventory module to be introduced for streamline of operations and better control.

Impactful Engagement

- Central Document Archiving: Establishing a dedicated facility at Gulshan-Tejgaon Link Road Warehouse for document storage for better inventory control of furniture and equipment.
- Automation / preventive maintenance in all business points (Air conditioners at 1280 business point and generators at 1349 business points) for better and uninterrupted operation.

15.2 Tower Management

Tower Management ensures uninterrupted, round-the-clock operations at the IFIC Bank Head Office. A dedicated team of technical staff and officers is engaged. The team conducts both reactive and preventive maintenance of critical equipment. Civil, interior, and façade maintenance are also managed. All work is performed in strict compliance with Tower standards.

The Department is responsible for executing Tower events. The team arranges seating and coordinates programs. It manages participants, sets up sound systems, and oversees food services. Every logistical detail is carefully managed. The result is consistently successful events hosted at the Tower.

Key Achievements:

- Seamless Tower Operations:** The IFIC Tower was successfully managed throughout 2025, with a sharp focus on maintaining operational excellence. All essential equipment was consistently monitored and maintained, ensuring zero downtime or failure.
- Renovation Work at Data Center:** Successfully executed renovation work inside the Level 08 Data Center without disrupting ongoing operations.
- Event Management Excellence:** A variety of programs were efficiently coordinated at the Tower's multipurpose hall. This included overseeing seating arrangements, participant management, sound system setups and catering services—ensuring each event ran effortlessly.

- IFIC Tower Beautification:** In addition to daily upkeep, the Tower's environment was further enhanced with seasonal flower plants arrangement at both the main entrance and the VIP Corner, creating an inviting atmosphere for visitors and employees alike.
- Health and Safety Support:** Delivered proactive first aid support to all employees, offering both in-person care and over-the-phone medical consultations. This service extended to several outdoor events, where immediate first aid was provided, ensuring safety and well-being.
- Procurement & Cost Savings:** By adhering to procurement guidelines, successfully acquired necessary supplies and services for IFIC Tower, resulting in significant savings of BDT 0.40 million through expert negotiations with vendors. Additionally, regulatory compliance work concerning IFIC Bank Head Office was efficiently completed, contributing an additional BDT 0.26 million in savings. Moreover, BDT 0.39 million was earned from the sale of disposed items. The total procurement value for IFIC Tower was BDT 58.812 million.

15.3 Neighborhood Banking & Estate Management

Neighborhood Banking & Estate Management implemented several measures to enhance network expansion and lease negotiation skills. These include market analysis, structured training, comprehensive property dossiers, and legal safeguards. All actions were carried out as per

the Board of Directors' directives. The initiatives provide officials with essential skills and tools for secure and efficient lease agreement execution. Effective negotiations resulted in lease agreements with a favorable enhancement rate.

Key Achievements:

Execution of Lease Agreement of New Premises:

In 2025, lease agreements for 04 new Uposhakhas & 12 ATM Booths were executed.

Execution of Lease Agreement of Relocation:

This year, lease agreements were executed for the relocation of 02 branches and 03 Uposhakhas ensuring Bangladesh Bank compliance and cost optimization.

Execution of Renewal Lease Agreement:

The renewal of lease agreements for 19 Branches & 359 Uposhakhas were executed.

Compliance of Bangladesh Bank:

Secured approval from Bangladesh Bank for the execution of lease deed of 23 Uposhakhas and 06 Branches with proper justifications.

Financial Impact: The total savings achieved by Neighborhood Banking & Estate Management amount of BDT 21.45 million rental cost through effective negotiation.

Rationalized Rental Increment: Through extensive and rigorous negotiations, the Neighborhood Banking team successfully reduced the proposed rental increase from 15% to 10%, bringing it within the acceptable limits of regulatory compliance.

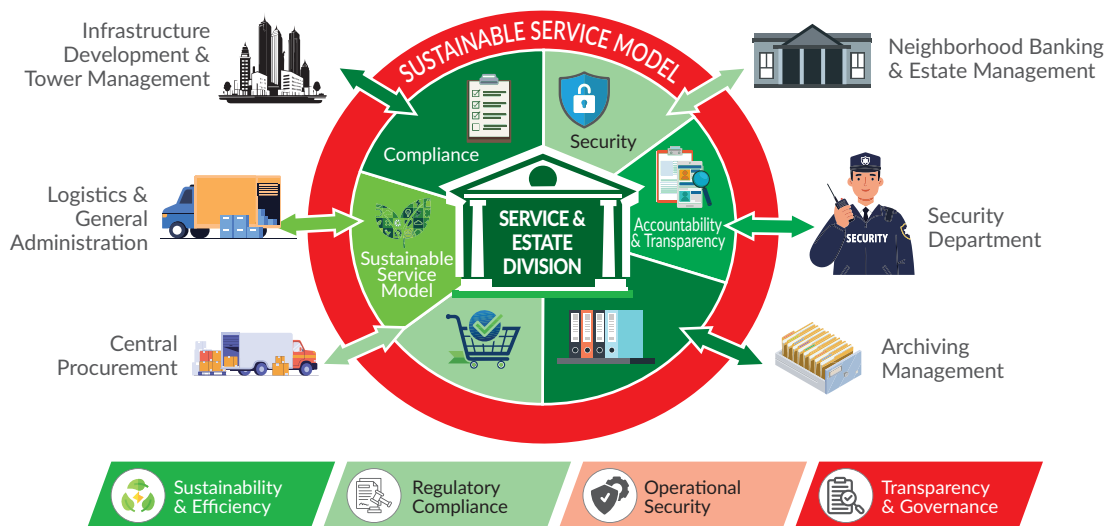


Figure: Departments of Service & Estate Division

Additional outcome of Core Responsibilities:

- In accordance with the policy issued on November 19, 2025, the sale and auction of non-banking assets of IFIC Bank PLC are conducted by the Neighborhood Banking & Estate Management without involving addition manpower.
- The lease agreement and regulatory compliance of Bangladesh Bank for the ATM expansion program were executed using existing manpower.
- Finalization of pending issues of ERP Rental Module for ensuring the accuracy and completeness of site survey and rental agreements data to facilitate the timely processing of advance and monthly rent payments.

15.4 Central Procurement

The Central Procurement Department of IFIC Bank PLC strengthened governance, improved efficiency, and advanced sustainable procurement during the Bank's rapid growth in 2025. The Department standardized processes, ensured strong committee oversight, ran transparent tenders, and enhanced digital workflows. These measures reinforced compliance, improved accountability, and optimized value across procurement activities.

Procurement Value and Payments:

During the year, the Department facilitated procurement totaling BDT 617.29 million, executed through 227 work orders and 199 Notifications of Award (NOA) engaging multiple suppliers across goods and services. To support business continuity and supplier confidence, payments totaling BDT 763.12 million were processed through 473 local bills, alongside USD 4.7 million settled through 26 foreign bills. These outcomes reflect disciplined financial controls and timely settlement practices despite increased transaction volumes.

Transparent Tendering and Governance:

To uphold fairness and institutional integrity, the Department conducted 143 tendering activities, generating BDT 1.29 million in tender schedule sales income. Procurement decisions were reinforced through structured governance, with 84 IT Procurement Committee meetings and 42 Purchase Committee meetings held during the year to ensure alignment with strategic objectives and regulatory requirements supporting the principles of SDG 16: Peace, Justice and Strong Institutions.

Notable and Strategic Procurements:

Key acquisitions in 2025 supported

technology modernization, security resilience, and service expansion. These included regulatory reporting automation systems, PCI DSS v4.0 compliance, cyber security tools such as dark web monitoring and security scanning solutions, core networking infrastructure, Microsoft products, ATM units, card-related supplies, and the onboarding of Mastercard to enhance customer payment solutions. These initiatives contributed to SDG 9: Industry, Innovation and Infrastructure.

Operational Excellence and Digital Enablement:

The Department reinforced operational discipline through comprehensive archiving of procurement records, including all work orders, supplementary work orders, and NOAs, maintained in both soft and hard copy formats. A robust archiving framework covering procurement, tendering, billing, budgeting, and reporting enhanced audit readiness, transparency, and responsible resource use, aligning with SDG 12: Responsible Consumption and Production.

To manage the growing scale of procurement and payments, 12 dedicated MIS databases were maintained and upgraded, complemented by integrated dashboards for spend analysis, performance monitoring, and forecasting. These enhancements strengthened data-driven decision-making, mitigated operational risks, and supported cost optimization initiatives.

Value Creation and Sustainability Outlook:

The Central Procurement Department's focus on analytics, standardized processes, and digital MIS upgrades enabled improved cost visibility and operational control, contributing to long-term efficiency gains and risk mitigation. Reduced process gaps, improved file management, and disciplined controls supported both financial governance and environmental sustainability.

Looking ahead, the Department remains committed to further strengthening transparency, digitalization, and sustainable procurement practices ensuring procurement continues to act as a strategic enabler of IFIC Bank PLC's growth, resilience, and stakeholder trust.

15.5 Logistics & General Administration

To ensure the uninterrupted continuation of the Bank's administrative, operational, and promotional activities, the Logistics and General Administration Department provides comprehensive support across several key areas. These include retail

procurement and repair & maintenance of office equipment (excluding IT equipment), outsourced manpower management, supply of printed stationery, disposal of fixed assets, cash-in-transit services, billing and management information systems (MIS), as well as central dispatch operations.

During the year 2025, achieved significant improvements in optimizing procurement processes and strengthening operational support across the Bank. An amount of BDT 23.73 million was invested in the procurement of printed and security stationery, ensuring the consistent availability of essential materials required for smooth business operations.

Moreover, a variety of miscellaneous items including rubber stamps, business cards, printer toners and other minor office supplies valued BDT 15.75 million were procured and distributed among all business units. The Billing & MIS Section efficiently processed total bills amounting to BDT 1,336.23 million, including internal bills of BDT 61.96 million and external bills of BDT 576.73 million for DP&TSM, ADS and Security Department. These activities significantly supported routine administrative operations and contributed to maintaining overall organizational efficiency.

Throughout the year 2025, the Central Mail Room maintained efficient handling of document dispatch and receipt operations. During the year, a total of 26,936 documents were dispatched, while 23,498 external documents were received, ensuring the smooth and timely flow of official correspondence across the Bank's network.

The Bank also effectively managed a workforce of more than 2,000 outsourced personnel with an annual service expenditure of BDT 472.42 million. The integration of outsourced manpower management into ERP system has streamlined operations, resulting in higher efficiency and smoother coordination.

This year, the Bank enlisted 77 new vendors through a structured evaluation and selection process, bringing the total number of enlisted vendors to 379. This expansion of the vendor base enhanced procurement efficiency, ensured greater service availability, and contributed to minimizing operational risk through improved vendor diversification and oversight.

To ensure the optimal utilization of existing assets and efficient use of space across business premises, the Bank

regularly undertakes initiatives for the disposal of obsolete and unserviceable fixed assets. In the year 2025, disposal activities were conducted across 46 business locations and the Head Office, including the disposal of 06 (six) outdated vehicles, as part of the Bank's ongoing asset optimization and management efforts.

Furthermore, under Cash-in-Transit operations, BDT 534,385.75 million in cash was securely transported through 72,430 trips across the country with an expenditure of BDT 148.68 million. The successful execution of such a large-scale operation demonstrates a significant operational achievement in maintaining reliability, safety and cost-effective cash logistics nationwide.

To strengthen customer engagement and enhance overall satisfaction, the Bank distributed promotional items, including blankets, wall calendars, desk calendars and other materials across multiple channels.

Moreover, over the year, a total of more than 4,000 maintenance activities were carried out to ensure smooth and continuous banking operations at all business locations nationwide including the Head Office. This encompassed the repair and maintenance of office equipment as well as the installation and refilling of fire extinguishers with an investment exceeding BDT 16.30 million.

Key Achievements:

- Outsourced services were managed within the pre-approved budget, with a focus on cost optimization while maintaining high service standards. Strategic negotiation of agency commissions resulted in savings of approximately 24.2 million.
- Fixed asset disposals during the year produced revenue of BDT 3.17 million, higher than the corresponding book value of BDT 2.91 million.
- By optimizing budget allocation and implementing effective cost management, the bank saved BDT 37.70 million in the Cash-In-Transit operations budget, maintaining security while achieving significant cost reductions.

Challenges

- With a workforce of more than 2,000 outsourced staffs, ensuring productivity, compliance and alignment with bank policies have historically been complex. The integration of Enterprise

Resource Planning (ERP) system has streamlined workforce management and continuous improvement and adaptation of technology.

- Maintaining office equipment & distribution of printed stationery across more than 1,400 branches and Uposhakhas were a complex task. By engaging specialized vendors and strengthening collaboration with effective management for timely repair & maintenance of office equipment and supply of stationery items were ensured for smooth and uninterrupted operations.

15.6 Protective Security & Investigation

During the year, the Protective Security & Investigation Department focused on ensuring robust security coverage, strengthening operational control, and driving cost efficiency through process improvements and optimized resource deployment.

Key Achievements:

- Ensured comprehensive security coverage across 1,465 business points through the coordinated deployment of 2,006 outsourced security guards and 53 permanent security personnel, maintaining uninterrupted protection of the Bank's assets and premises.
- Maintained strict operational oversight of 89 licensed firearms and 945 rounds of ammunition, while successfully inspecting and evaluating 69 security incidents and implementing timely corrective and preventive measures.
- Achieved significant cost savings of BDT 38.98 million through strategic manpower rationalization, optimization of service charges, rationalized Eid duty deployment, and improved management of extended, weekend, and holiday security duties.
- Sustained high operational readiness through the effective functioning of a Rapid Response Team (RRT), ensuring prompt response to emergencies and security-related incidents.
- Strengthened governance and compliance by maintaining verified records of all deployed security personnel and exercising continuous supervision over outsourced service providers.
- Provided comprehensive security support for critical institutional activities, including AGM, EGM,

Board Meetings, and recruitment examinations, while ensuring effective VIP security protocols and secure parking management at IFIC Tower in coordination with law enforcement agencies where required.

15.7 Central Surveillance & Monitoring

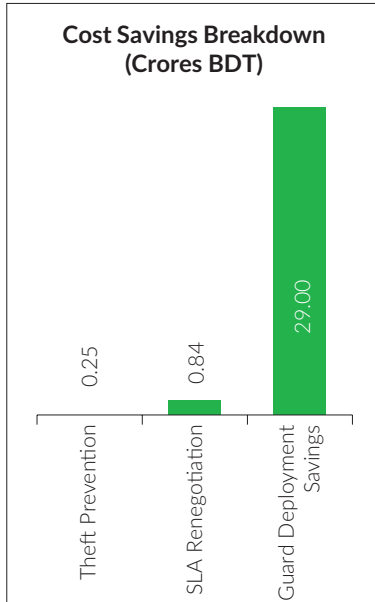
The Central Surveillance & Monitoring Department is a critical pillar of the Bank's overall security and risk management framework. The Department is responsible for ensuring comprehensive protection of all business premises against potential security threats through centralized oversight, real-time monitoring, and prompt incident response. Its operations are anchored on the Central Security Surveillance System (CSSS), which enables continuous surveillance across the Bank's network. These efforts are complemented by a dedicated Security Help Desk for effective incident management and a robust Access Management System to regulate, monitor, and secure authorized access.

By integrating advanced technologies, automation, and structured operational processes, the Department continues to enhance institutional security, operational efficiency, and cost effectiveness.

Key Achievements:

- **Incident Detection and Risk Mitigation:** During 2025, the Central Surveillance & Monitoring Department successfully detected 115 security incidents across all business points through centralized real-time monitoring. Early detection enabled timely intervention, significantly reducing potential operational and financial risks.
- **Theft Prevention:** The Department effectively prevented one (01) direct theft attempt, resulting in an estimated financial safeguard of approximately BDT 25 lac. This achievement highlights the effectiveness of proactive surveillance and rapid response mechanisms.
- **Cost Optimization and Financial Savings:** Substantial cost efficiencies were realized through strategic initiatives undertaken during the year. The Department achieved a direct cost saving of BDT 84 lac through successful renegotiation of Service Level Agreements (SLA) with service providers. Additionally, by

leveraging centralized surveillance coverage and eliminating the need for physical guard deployment at business points, the Bank avoided an estimated expenditure of approximately BDT 29 crore, contributing significantly to overall cost optimization.



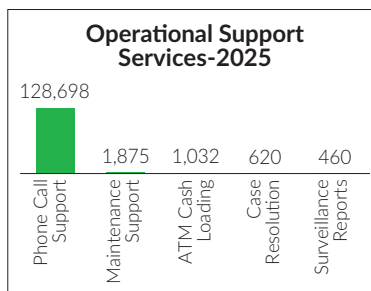
- System Upgradation and Infrastructure Enhancement:** As part of ongoing modernization efforts, ten (10) legacy servers were replaced with seven (07) new high-performance servers, resulting in improved system stability, scalability, and operational reliability.
- Automation of Intruder Detection:** The Department integrated an advanced AJAX-based intruder detection solution, further strengthening the Vault Anti-Theft and Auto Alarm System. This enhancement improved real-time threat detection, automated alert generation, and response effectiveness.
- Operational Efficiency Improvements:** To enhance productivity and reduce manual intervention, the Automated Reporting & Alert System (ARAS) was introduced. This system significantly improved reporting accuracy, reduced turnaround time, and saved substantial operational man-hours.
- Service Improvement and Process Digitization:** A customized requisition portal was developed and deployed to facilitate seamless,

transparent, and timely service delivery to internal users and business points. This initiative improved coordination, reduced service delays, and enhanced user satisfaction.

- Training and Capacity Building:** In line with the Bank's commitment to continuous professional development, the Department successfully organized one (01) international surveillance training program, strengthening technical expertise and global best-practice exposure among surveillance personnel.
- Case Resolution and Investigative Support:** The Department resolved approximately 620 cases during the year by providing and analyzing CCTV footage. These efforts supported internal investigations, regulatory requirements, and law enforcement coordination.
- Operational Support Services:** Through its centralized operations, the Department provided extensive operational support, including:
 - ▶ 128,698 security-related phone call supports
 - ▶ 1,875 maintenance supports
 - ▶ 1,032 ATM cash loading supports

These services ensured uninterrupted business operations and strengthened frontline security support across all business points.

- Business Intelligence and Reporting:** To support informed decision-making, the Department delivered 460 customized surveillance and analytical reports to key stakeholders, contributing to enhanced business intelligence, risk assessment, and operational planning.



- Security Help Desk:** The Security Help Desk continued to operate efficiently, providing reliable and timely security support across all business points and serving

as a central coordination hub for security-related issues.

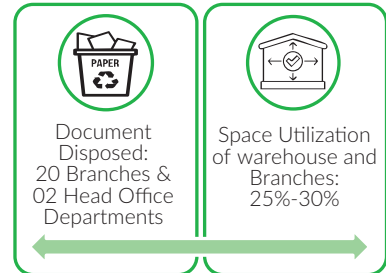
- Visitor and Access Management:** During 2025, the Department successfully managed 18,365 visitor access approvals and 239 permanent access authorizations, ensuring controlled and secure access to Bank premises while maintaining operational convenience.

15.8 Archiving Management

The Archive Management Department facilitates the Head Office, Branches and Uposhakhas with physical storage facilities and supports the disposal of outdated documents in accordance with policy guidelines. In alignment with the Sustainable Development Goals, particularly Responsible Consumption and Production, the Department ensures environmentally friendly disposal of outdated documents through authorized recycling. During the year, key initiatives included clearing document backlogs, optimizing storage space and adopting professional preservation practices. The sale of destroyable documents also contributed to the Bank's income.

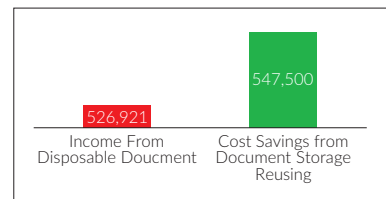
Key Achievement

- Backlog Clearance & Space Utilization of Branches:



- ERP Archive Module** has been live since 5 March 2025. So far, 5 branches and 3 departments have archived 324 boxes of documents at the Central Warehouse through this module. Using the ERP Archive Module users can easily track archived documents which has improved document management and reduced document retrieval costs.

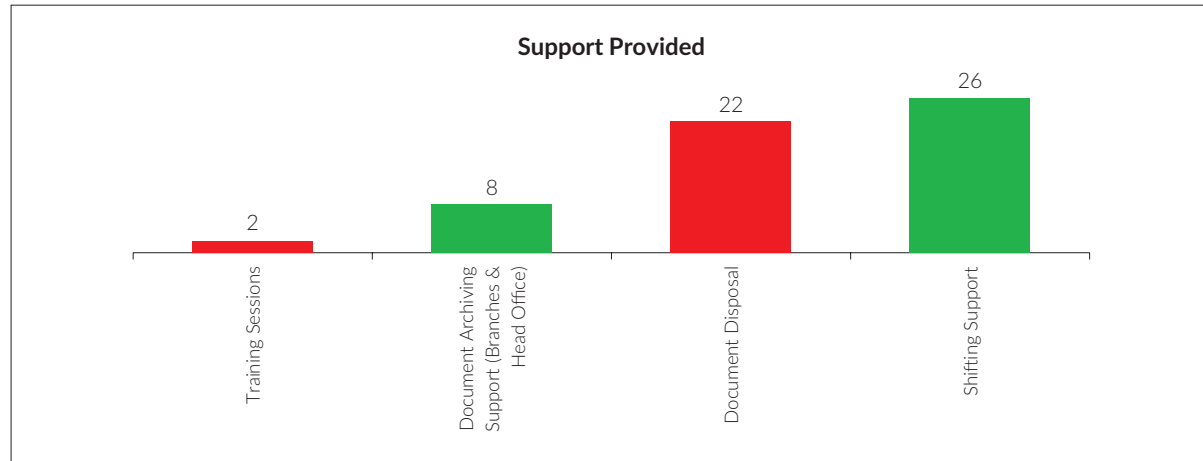
- Financial impact from archiving documents is given below:**



Through the sale of disposable documents and the reuse of storage equipment including 4-drawer steel cabinets, steel racks and almirahs, the

Archiving Management Department has achieved a total financial impact of BDT 1,074,421.

● Support provided by Archiving Department to Branches & Uposhakhas is given below:



16. Subsidiaries of IFIC

There are three subsidiaries of IFIC Bank PLC which are:

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

17. Branding and Promotional Activities

IFIC Bank has successfully reinforced its distinctive identity by blending traditional core values with an immersive, digital-first storytelling framework. Building on nearly five decades of brand loyalty, this strategic shift marks our transition toward a customer-centric model that prioritizes sustainable, experiential engagement.

To cultivate a more vibrant market presence, the Bank executed high-impact, integrated marketing and promotional activities throughout the year. This was achieved through a comprehensive deployment of integrated marketing communications—leveraging targeted publicity, engaging advertising, distinctive branding, and result-oriented digital marketing tools to ensure maximum reach.

Furthermore, the Bank focused on strategic asset development by producing high-quality corporate publications and strategic content development to articulate its unique value proposition. By curating signature events and strategic sponsorships, IFIC Bank has further solidified its

brand positioning within the financial ecosystem.

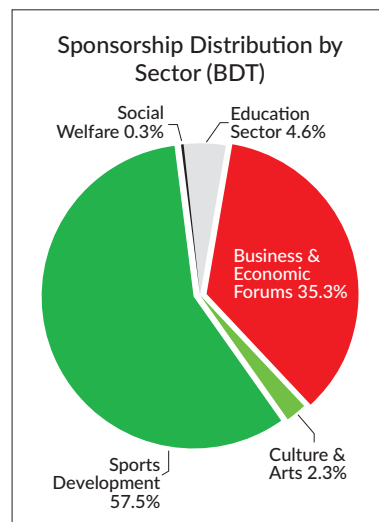
Through the harmonization of these efforts, the Bank has not only enhanced its brand equity but has also ensured a resilient and recognizable presence in an increasingly competitive financial landscape.

17.1 Sponsorship

Throughout the fiscal year 2025, IFIC Bank reinforced its institutional identity through a series of strategic sponsorship initiatives designed to catalyze socio-economic advancement and community engagement. The Bank maintains that targeted partnerships within specialized fields are instrumental not only in augmenting brand equity but also in fostering sustainable national development. Governed by a philosophy of long-term value creation and alignment with national priorities, IFIC Bank's engagement strategy ensures optimal resonance with key stakeholder groups across Bangladesh. This commitment is evidenced by the Bank's sustained support for impactful initiatives spanning education, cultural preservation, athletic excellence, healthcare, and economic fortification.

The Bank's sponsorship amount was systematically allocated across the following core sectors:

- Sports Development: 57.5%.
- Business & Economic Forums: 35.3%.
- Education Sector: 4.6%.
- Culture & Arts: 2.3%.
- Social Welfare: 0.3%



This allocation underscores IFIC Bank's commitment to inclusive societal growth. By transitioning from passive financial support to active participation, the Bank has strengthened its institutional credibility and reputation as a socially responsible leader. Moving forward, IFIC Bank remains dedicated to an impact-driven sponsorship model that balances measurable social value with sustainable brand enhancement.

17.2 Publications

IFIC Bank both orchestrated and developed designs and publications for several key institutional assets, including the Annual Report 2024, official wall and desk calendars, and multiple editions of the internal newsletter, Aamader Kotha.

Furthermore, a comprehensive suite of collateral—comprising booklets, leaflets,

as well as a wide range of promotional banners, posters, social media content, and TV commercials—was developed and deployed across business outlets, mass media, and interactive platforms to ensure consistent brand messaging.

17.3 Branding and Advertisement

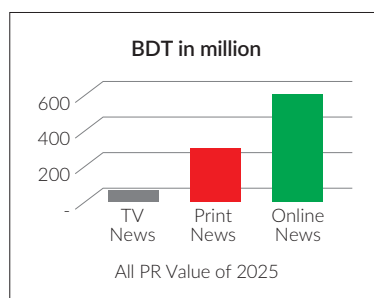
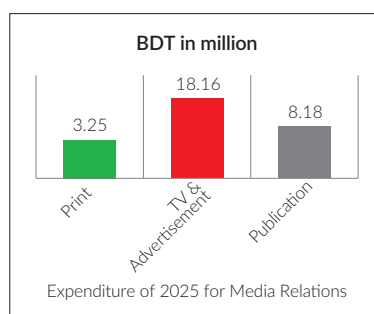
Throughout the fiscal year, IFIC Bank maintained a robust media presence by proactively disseminating a series of strategic press releases and high-quality television content across leading print media, online news portals, and broadcast networks, including prominent digital platforms such as YouTube. This multifaceted outreach was further amplified through comprehensive nationwide newspaper advertising on various occasions, ensuring consistent brand visibility and top-of-mind awareness across regions, while generating significant positive feedback from readers and viewers.

In 2025, IFIC Bank achieved a notable level of efficiency in its communication and branding initiatives, generating an estimated earned media value of BDT 832.54 million across television, print and online platforms. This was realized against a total expenditure of BDT 29.59 million, allocated across Print Media (BDT 3.25 million), TV & Online Media (BDT 18.16 million), and Publications (BDT 8.18 million). The earned media value comprises TV news coverage amounting to BDT 14.69 million, print news coverage of BDT 257.94 million, and online news coverage of BDT 559.91 million—indicating a strong and diversified presence across both conventional and digital media channels (Info source: RYANS Archive).

This substantial conversion of investment into unpaid media exposure underscores the effectiveness of the Bank's strategic communication approach, contributing to enhanced institutional visibility, strengthened stakeholder confidence, and sustained development of brand equity. The breadth of coverage has facilitated the wider dissemination of the Bank's strategic priorities, operational achievements, and customer-centric initiatives.

In an era of instant information, IFIC

Bank remains vigilant in safeguarding its corporate image through a proactive reputation management framework. The Bank continuously monitors media sentiment across print, digital, and social platforms to ensure its values are accurately represented. To mitigate the impact of adverse reports or misinformation, the Branding, Communications & Corporate Affairs (BC&CA) Department is equipped to provide swift, fact-based clarifications—ensuring transparency and maintaining public trust. By prioritizing open dialogue with stakeholders and upholding ethical standards, the Bank effectively neutralizes reputational risks and reinforces its standing as a resilient and credible financial institution.



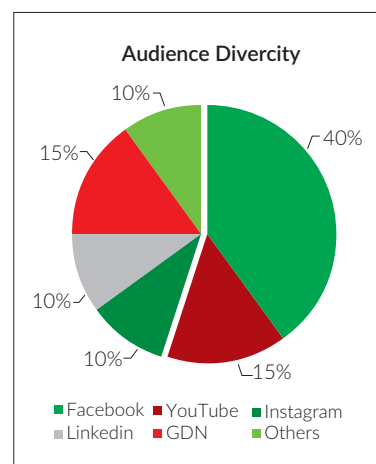
17.4 Digital Marketing

The journey of IFIC Bank's digital transformation began as a strategic initiative under the Branding, Communications & Corporate Affairs (BC&CA) Department, evolving from a traditional communication model into a highly diversified, data-driven digital ecosystem. Recognizing the rapid shift in consumer behavior, the Bank transitioned its core strategy to integrate multi-platform engagement

and programmatic advertising, ensuring alignment with global digital trends. This evolution has enabled the Bank to move beyond static messaging toward an ecosystem of innovative content deployment and real-time interaction.

To maintain a 360-degree brand presence, the Bank sustains an active and robust ecosystem across Facebook, Instagram, LinkedIn, Twitter (X), and, more recently, TikTok—complemented by YouTube for long-form video storytelling. The Bank's strategy emphasizes cutting-edge digital practices, including interactive creatives, responsive display ads, and motion graphics. By deploying diverse digital touchpoints across websites and mobile platforms, the BC&CA Department ensures that IFIC Bank reaches both existing and potential customers in innovative, non-intrusive ways through contextual targeting and audience segmentation.

IFIC Bank's social media performance stands as a testament to strong audience resonance and effective community building. In 2025, the Bank achieved an impressive 716 million+ impressions and approximately 8 million engagements. This extensive reach is supported by a loyal and growing community of 1.8 million followers, demonstrating that IFIC Bank's social platforms function not merely as broadcast channels, but as spaces for meaningful brand-customer engagement.



Year	Followers	Total Impressions	Total Interactions
2022	1.0 M	420.0 M	4.5 M
2023	1.25 M	510.0 M	5.6 M
2024	1.55 M	625.0 M	6.8 M
2025	1.8 M	716.79 M	7.97 M

YouTube has emerged as a primary driver of the Bank's video marketing strategy, focusing on high-impact storytelling and educational content. Over the past year, IFIC Bank's YouTube presence generated more than 54 million views and over 300,000 watch hours. This substantial consumption of long-form content underscores the Bank's success in capturing and sustaining audience attention in an increasingly competitive digital landscape.

To extend its reach beyond social media, the BC&CA Department strategically leveraged the Google Display Network (GDN) to place dynamic advertisements across premium websites. The integration of GDN and web-based placements has significantly enhanced visibility through remarketing and real-time optimization. This programmatic approach enables sophisticated performance tracking, ensuring maximum reach and improved conversion potential by positioning content precisely where target audiences are most active online.

This diversified communication approach ensures that IFIC Bank remains at the forefront of the banking industry, driving higher engagement and delivering sustained value to stakeholders in the digital age.

17.5 Events and Activities

IFIC Bank organized a series of large-scale "Largest Banking Network" Business Conferences and Managers' Meets throughout 2025, covering key business regions including Barisal, Khulna, Chattogram, Sylhet and northern region. These events were designed to align strategic priorities and strengthen coordination across the Bank's extensive network.

To ensure regular performance review and strategic alignment, the Bank centrally conducted key forums such as the Annual Business Conference, Half-Yearly Business Conference, and Uposhakha Business Meets. These platforms effectively bridged communication between the Board of Directors, Senior Management, and employees across the country, encompassing more than 1,400 branches and uposhakhas.

Recognizing the importance of engaging both existing and potential customers, the Bank organized a range of nationwide events throughout the year, including Protibeshi Utshab 2025 and the 49th Founding Anniversary celebration. In addition, IFIC Bank arranged numerous branch and uposhakha inauguration and relocation

events, as well as the 48th Annual General Meeting.

The Bank also implemented targeted, category-based marketing initiatives, including card campaign offers, Festival of Youth campaigns, and Cashless Bangladesh initiatives, supported by various activations. Furthermore, IFIC Bank entered into multiple MoU signings with different institutions, offering exclusive benefits for both customers and employees. Also organized different social awareness events and campaigns i.e. Eco Solve, Her Power, etc. to name a few.

17.6 Corporate Social Responsibility

IFIC Bank PLC remains steadfast in its commitment to inclusive and sustainable development. In 2025, the Bank continued to implement impactful Corporate Social Responsibility (CSR) initiatives across the sectors of Education, Health, Environment & Climate Change Mitigation and Adaptation, and Others. Through these initiatives, the Bank reaffirmed its responsibility toward empowering communities, supporting vulnerable populations and fostering a sustainable future.

17.7 Education

Education remains a cornerstone of IFIC Bank's CSR strategy. In 2025, the Bank extended infrastructural support to 100 underprivileged students of Shandeepon Welfare Society. The initiative aimed to create an improved learning environment by strengthening educational facilities and ensuring access to quality academic resources.

In addition, IFIC Bank donated a student bus to Patuakhali Science and Technology University (PSTU) to improve transportation for the students.

Through these efforts, the Bank has played a meaningful role in expanding educational opportunities for disadvantaged children, helping them build a stronger foundation for future growth and empowerment.

17.8 Health

Healthcare and preventive awareness remained a key focus area in 2025. The Bank partnered with Shakti Foundation to conduct 96 health awareness workshops, benefiting 2,226 individuals. These workshops focused on promoting essential health knowledge, preventive care practices and overall well-being among beneficiaries. Through this initiative, IFIC Bank strengthened community resilience by empowering individuals with the knowledge necessary to make informed health decisions.

In addition, IFIC Bank provided financial assistance for the treatment of three critically ill individuals, enabling them to access urgent and life-saving medical care. This initiative reflects the Bank's humanitarian commitment to ensuring that financial hardship does not prevent access to essential treatment.

17.9 Environment & Climate Change Mitigation and Adaptation

Recognizing the urgent global need to address environmental challenges, IFIC Bank launched a social awareness initiative titled "IFIC Ecosolve", a write-up competition focused on environmental conservation and climate change mitigation.

The competition encouraged participants to share innovative ideas and practical solutions to environmental issues, fostering awareness and youth engagement in sustainable practices. Through this initiative, the Bank aimed to cultivate responsible environmental citizenship and promote dialogue on climate resilience and sustainable development.

17.10 Others: Community Development & Employee Welfare

(1) Child Day Care Center for Employees

As part of its commitment to employee well-being and work-life balance, IFIC Bank arranged a combined Child Day Care Center facility for employees. More than 50 employees benefited from this service in 2025.

The initiative supports working parents by providing a safe and nurturing environment for their children, thereby enhancing productivity, employee satisfaction, and gender inclusivity within the workplace.

2. Support for Women in Sports

IFIC Bank has provided financial support to 33 talented young female footballers from Kalsindur Football Academy. These athletes, many hailing from economically disadvantaged backgrounds, have shown exceptional skill and determination in the sport. Several of them have represented Bangladesh playing for the national team and various age-group teams.

By supporting their training and development, the Bank contributed to empowering young women, promoting gender equality, and encouraging sports as a pathway to confidence, discipline, and national pride.

3. Commitment to Sustainable Progress

Through its CSR initiatives in 2025, IFIC Bank PLC continued to demonstrate that sustainable business growth goes hand-in-hand with social responsibility.

By investing in education, healthcare support and awareness, environmental sustainability, employee welfare, and women's empowerment, the Bank remains dedicated to creating long-term positive impact for communities and the nation.

IFIC Bank will continue to strengthen its CSR efforts in alignment with national development priorities and the Sustainable Development Goals (SDGs), ensuring inclusive growth and a resilient future for all.

18. Business Focus

The principal activities of the Bank are banking and related businesses under the Bank Company Act, 1991 (Amended up to date). The core banking businesses include accepting deposits and granting loans and advances out of those deposits and earning profit through creating value from the gap between interest paid on deposits and interest earned on loans and advances. The depositors supply funds for loans and advances. The Bank collects deposits through deposit mobilization strategy comprising various deposit products. The Bank's central revenue-generating activities encompass all kinds of commercial banking products and services to the customers that include project finance, working capital finance and trade finance for corporate customers, CMSME loans to small traders and businesses, House Building Loan, Car Loan as well as wide range of lifestyle and need based loans for retail customers. The Bank has been able to develop a state-of-the-art IT platform and online banking systems facilitating Any Branch Banking, SMS Banking, Internet Banking and Any Time Banking for 24 hours a day and 7 days a week through ATMs.

2025 has been a year of consolidating growth prospects of the Bank. Cashing on the consistent track record of positive growth, the Bank shall continue to deliver a strong performance, both operationally and financially.

The Bank aims to build a business that is durable in the long run, one that creates value for shareholders and also acts responsibly in the interests of the wider communities in which it operates. The Bank believes that those businesses that achieve sustainable growth have an appetite for change and a commitment to constant renewal in all that they do.

19. Shares of IFIC Bank PLC

The Authorized Capital and the Paid-up Capital of the Bank stood at BDT

40,000.00 million and BDT 19,220.87 million respectively as on 31 December 2025. A total number of 1,922,086,647 shares are recorded with the Central Depository Bangladesh Limited (CDBL), while 15,076,540 shares still remain in scrip form till the Balance Sheet date.

The consolidated Net Asset Value (NAV) per share was BDT 4.96 as on 31 December 2025 which was BDT 18.16 as on 31 December 2024. The consolidated Earnings per Share (EPS) were BDT (13.32) for the year ended on 31 December 2025 as against BDT (0.63) as on 31 December 2024. The Market Capitalization of IFIC was BDT 8,842 million at the end of the year 2025 as against BDT 13,839.00 million at the end of the year 2024. Shareholders holding ten percent (10%) or more voting interest in the Company (name-wise details) are shown on the shareholders information page.

20. Dividend

As the Bank posted a net loss in year 2025 and no distributable profit, the Board of Directors has not recommended any dividend for the year 2025.

21. Appointment of External Auditors

In the 48th Annual General Meeting of the Bank, M/s. Islam Jahid & Co. was appointed as the External Auditors of the Bank for the year 2025 subject to approval of Bangladesh Bank. Subsequently, Bangladesh Bank approved the appointment of the External Auditors, and they have completed their 2nd year of the audit.

With the recommendation of the Audit Committee and the Board of the Bank, the proposal for appointment of the Statutory Auditors of the Bank for the year 2026 will be placed for approval of the Shareholders in the 49th AGM strictly following the terms/conditions of Bangladesh Bank's Guidelines and the Directives of BSEC.

22. Appointment of Compliance Auditors

In the 48th Annual General Meeting of the Bank, M/s. Suraiya Parveen & Associates, Chartered Secretaries were appointed as the Compliance Auditors of the Bank for the year 2025. Meanwhile, M/s. Suraiya Parveen & Associates, Chartered Secretaries have completed their first year of the audit, and in terms of the Directives of BSEC, they are eligible for re-appointment.

23. Rotation of Directors

In order to comply with the provision mentioned under Section 91(2) of the Company Act, 1994 and Clause Nos. 109 & 110 of the Articles of Association of the Bank, at least 1/3 (one third) of the Directors, i.e following Director shall retire from the Office in the 49th Annual General Meeting:

1. Mr. Md. Golam Mostofa

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

24. Dependability for Internal Control and Financial Reporting

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

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

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

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

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

As per directives of Bangladesh Bank, a special meeting of the Board of Directors is arranged annually for reviewing the compliance / implementation status of the

observations / recommendations of Bangladesh Bank's comprehensive inspection report of the Bank.

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

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

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

Through regulatory compliance and responsibilities within a Corporate Governance framework, minority

Shareholders have been protected from abusive action by, or in the interest of, controlling Shareholders acting either directly or indirectly and have effective means of redress.

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

26. Acknowledgement

The Board of Directors of IFIC Bank extends its heartfelt appreciation to all stakeholders whose unwavering support and cooperation have been instrumental in the Bank's continued success. The steady growth achieved in 2025 is a direct result of the sincere dedication and tireless efforts of our Executives, Officers, and Staff Members, whose commitment to excellence remains the cornerstone of our achievements.

The Board expresses its profound gratitude to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange PLC, Chittagong Stock Exchange PLC, and Central Depository Bangladesh Limited for their continued guidance and regulatory support, which have facilitated the Bank's smooth and compliant operations.

We are equally thankful to our valued customers, whose enduring trust has been the driving force behind our journey. The Board deeply appreciates the contributions of our patrons and well-wishers whose confidence has inspired our pursuit of sustainable growth and long-term value creation.

We also extend our sincere thanks to M/s. Islam Jahid & Co., the Bank's External Auditors, for their professionalism and timely completion of the audit of the Financial Statements.

Furthermore, we acknowledge the role of the print and electronic media in promoting the Bank's initiatives and extending valuable coverage throughout the year.

Last but not least, the Board conveys its sincere appreciation to our respected Shareholders for their continued trust and confidence. We remain fully committed to enhancing shareholder value through strategic growth, service excellence, and a strong focus on customer satisfaction.

For and on behalf of the Board of Directors



Md. Mehmood Husain
Chairman