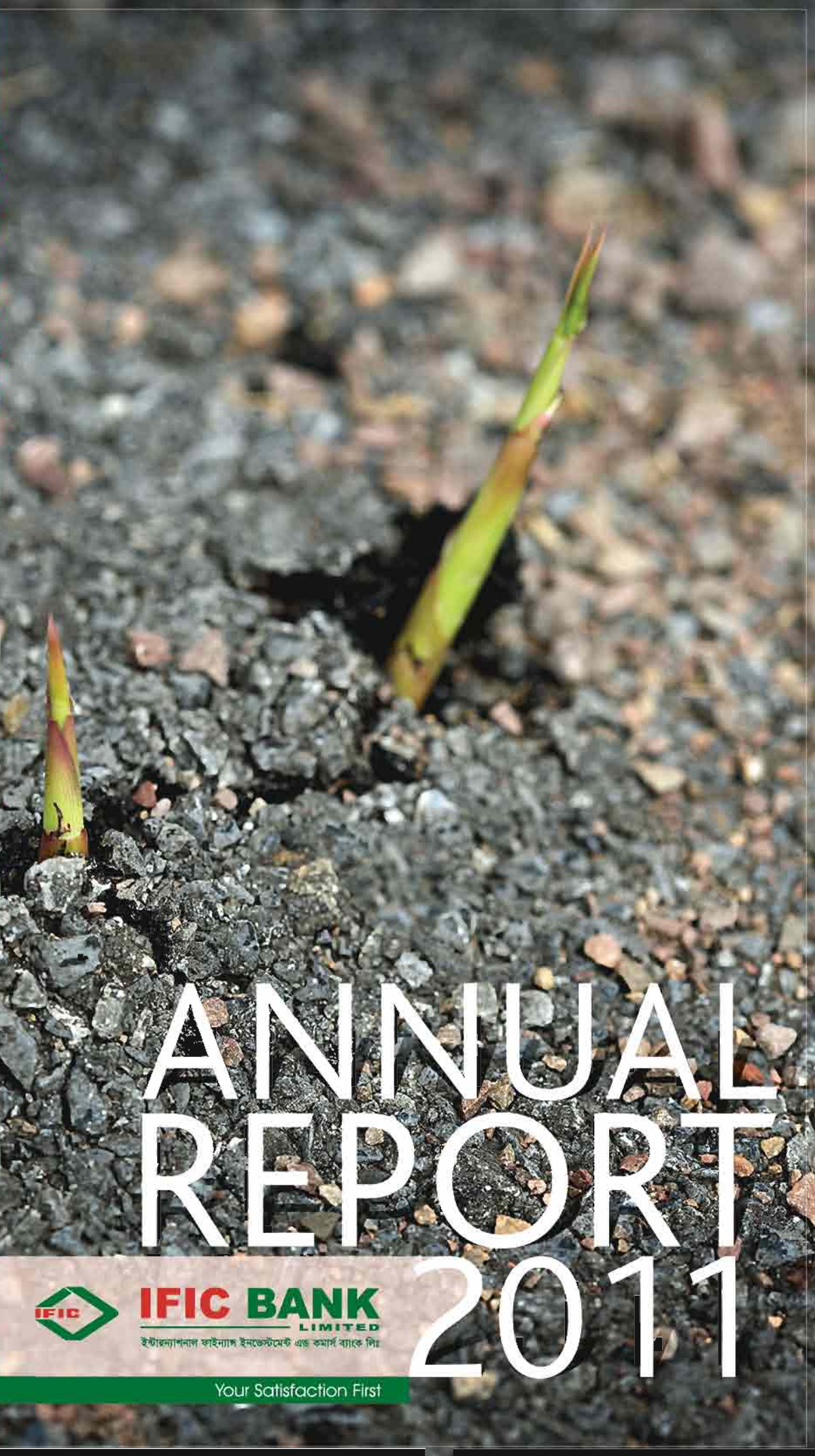


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ANNUAL REPORT 2011



IFIC BANK
LIMITED

ইন্টারন্যাশনাল রাইন্যান্ড ইন্ডেন্টমেন্ট এন্ড কমার্শিয়াল ব্যাংক লিমিটেড



IFIC BANK LIMITED

ইন্টারন্যাশনাল ফাইন্যান্স ইনভেস্টমেন্ট এন্ড কমার্স ব্যাংক লিঃ

Registered Office

BDBL Bhaban, 8 Rajuk Avenue
Dhaka-1000, Bangladesh.

GPO Box No. 2229

Phone: PABX: 7162992, 7162994-6, 9563020
9562060, 9562062, 9562068

Fax : 880-2-9562015

880-2-9560349 (Dealing Room)

Swift: IFIC BD DH

Web: www.ificbankbd.com

E-mail: info@ificbankbd.com





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Letter of Transmittal

To
All Valued Shareholders
IFIC Bank Limited

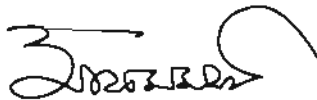
Sub: Annual Report for the year ended December 31, 2011

Dear Sir (s)

We are pleased to forward the Annual Report of International Finance Investment and Commerce Bank Limited (IFIC Bank Ltd.) containing the Audited Financial Statements for the year ended December 31, 2011 for your kind information and record.

Thanking you,

Yours faithfully,



(A.K.M. Mozharul Hoque)
SEVP & Company Secretary

Our Mission

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

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

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



Our Core Values

- I**ntegrity: Upholding integrity in all that we do, always, everywhere.
- F**airness: Striving to offer the best to our customers equitably with transparency.
- I**nnovation: Encouraging and nurturing creativity.
- C**ommitment: Committed to excellence in customer service and maximization of stakeholders' value through teamwork.



Ethical Principles

IFIC Bank's Ethical Principles/Code of Conduct sets forth the guiding principles by which we operate our Bank and conduct our daily business with our customers, vendors, competitors, regulators and other agencies, the media and anyone else with whom we have contact. We recognize that honesty, integrity and sound judgment of our employees is essential to our reputation and success. These principles apply to all of the employees of IFIC Bank and all of its wholly owned subsidiaries. These principles are delineated below:

Legal Compliance

All business activities of IFIC Bank Limited at all times conform to all applicable national and international legal requirements. All employees of the Bank are expected to understand, respect and comply with all the laws, rules, regulations, policies and procedures related to Bank's business during their employment with the Bank.

Fair Dealing

IFIC Bank Limited seeks to outperform its competition fairly and honestly through superior performance and never through unethical or illegal business practices. Stealing proprietary information, possessing or utilizing trade secret information that was obtained without the owners consent or inducing such disclosures by past or present employees of other companies is prohibited in the Bank.

Prohibition of Discrimination and Harassment

IFIC Bank Limited, in the course of its operations, does not engage in any discriminatory practices. Discrimination means any distinction, exclusion or preference limiting equality or opportunity of treatment in employment or occupation, which may be based on colour, sex, religion, political opinion, age, national, social or ethnic origins, family obligations or any other considerations in this matter. IFIC Bank Limited is also committed to a workplace free from any kind of harassment.

Conflicts of Interest

All the employees of IFIC Bank Limited are expected to avoid all situations that might lead to a real or apparent material conflict between their interests and their duties and responsibilities during their currency as employees of the Bank. Employees of the Bank are prohibited to represent the Bank in any transactions with respect to which they have material connections/substantial financial interests.

Confidentiality

Non-public information regarding the Bank or its businesses, employees, customers and suppliers is confidential. Employees of the Bank are trusted with confidential information and are required to maintain the confidentiality of the same, except when disclosure is specifically authorized by the Board of Directors and/or Managing Director or required by laws, regulations or legal proceedings.

Corporate Opportunities

Employees owe a duty to the Bank to advance its legitimate interests when the opportunity to do so arises. Employees of the Bank are prohibited from taking for themselves personally opportunities that properly belong to the Bank or are discovered through the use of corporate property, information or position. They are also prohibited from soliciting, demanding, accepting or agreeing to accept anything of value from any person in conjunction with the performance of their employment or duties at the Bank and also acting on behalf of the Bank in any



transaction in which they or their immediate family members have significant direct or indirect financial interests.

Insider Trading

Employees of the Bank are required not to buy, sell, trade or otherwise participate in transactions involving the Bank's common stock or other security while in possession of material information concerning the Bank that has not been released to the general public, but which when released may have an impact on the market price of the Bank's common stock or other security.

Extension of Credit

Employees of the Bank are required to refrain from sanctioning credit facilities to their wives, children, parents and other relations or to individuals, firms or companies in which they themselves or their relations have interest as proprietor, partner, director or guarantor without prior approval of the Board of Directors of the Bank in individual cases.

Outside Business Relationships

Before agreeing to act as a director, officer, consultant or adviser for any other business organization, employees of the Bank are required to report in writing to and receive approval in writing by the Managing Director of the Bank in order to avoid any conflicts of interest and to maintain independence. The Bank however, encourages civic, charitable and educational activities as long as they do not interfere with the performance of the duties of the employees at the Bank.

Coping with Money Laundering

Within the framework of international and national regulations, employees of the Bank are required to take appropriate preventive measures against fraud and money laundering and co-operate with other Banks and relevant institutions, establishments and government agencies for this purpose.



Strategic Priority

1. To strive for sound business growth by ensuring customer satisfaction through quality and timely services.
2. To manage and operate the Bank in the most efficient manner to ensure achievement of goal.
3. To maintain adequate capital flow to support further growth.
4. To ensure effective and efficient risk management for sustainable business growth.
5. To diversify loan portfolio through structured finance and expansion of Corporate, SME, Agri and Retail businesses.
6. To acquire state-of-the-art technologies and adopt innovative ideas for financial inclusion.
7. To groom human resources for serving customers efficiently.
8. To increase brand visibility by creating positive image of the Bank.
9. To be a trend-setter in serving the society and remain responsive to the environment.
10. To ensure sound corporate governance.
11. To add value for all stakeholders.



Statement Regarding Forward Looking Approach

The material in the Annual Report includes certain forward looking statements concerning current goals of the Bank and its future plans, strategies and policies. Statements that are not historical including statements about IFIC Bank's beliefs and expectations are forward looking statements. Words such as believe, anticipates, estimates, expects, intends, aims, potential etc. and variations of these words and other conditional expressions are forward looking statements. These statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the statements as a result of various factors as mentioned below:

- ⇒ The possibility of adverse economic and business condition that may increase default and delinquency risk in loan portfolio;
- ⇒ Changes in policies and actions of the Government or Regulatory Authorities;
- ⇒ Increase in rate of Tax and VAT on corporate and Bank's services;
- ⇒ Increase in regulatory capital requirement, CRR and SLR of the banks;
- ⇒ Increase in competition within the financial industry;
- ⇒ Changes in technology and evolving banking of dependable industry standards;
- ⇒ Unfavorable movement of foreign exchange rates and or interest rates;
- ⇒ Rise in price of essential products in the local and international markets;
- ⇒ Effect on remittance flow due to unrest in the Middle-Eastern countries and recession in Europe and the USA;
- ⇒ Volatility in the Capital Market and Money Market;
- ⇒ Increase in inflationary pressure;
- ⇒ Constraints in access to external funding to meet liquidity requirement;
- ⇒ Changing demographic developments including changing consumer spending, saving and borrowing habits;
- ⇒ Natural and other disasters, adverse weather and similar contingencies;
- ⇒ Changes in accounting standards or practices;
- ⇒ Under utilization & change of different Risk Management tools;

Corporate Profile

Name of the Company

International Finance Investment and Commerce Bank Limited (IFIC)

Legal Form

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

Company Registration Number

4967, Dated October 08, 1976

Authorized Capital

Tk. 5,350 million

Paid up Capital

Tk. 2,768 million

Listing Status

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

Market Category

'A' Category

Tax Payer Identification Number(TIN)

210-200-0537, LTU, Dhaka.

VAT Registration Number

9021077014

Registered Office

BDBL Bhaban (8th-10th & 16th-19th floor)
8 Rajuk Avenue, Dhaka-1000
Tel: 9563020-29, Fax:9562015
Telex: 632404IFICH BJ
Swift: IFIC BD DH
E-mail: info@ificbankbd.com
Web: www.ificbankbd.com

Subsidiary Company

IFIC Securities Limited
IFIC Money Transfer (UK) Limited

Off-shore Banking Unit (OBU)

IFIC Bank Ltd.- OBU
Federation Branch, FBCCI Building,
60 Motijheel C/A, Dhaka.

Auditors

M. J. Abedin & Co.
Chartered Accountants

Legal Advisors

Mr. Ahsanul Karim

Tax Consultants

Adil & Associates

Credit Rating Agency

Credit Rating Agency of
Bangladesh (CRAB) Limited

Name of Chairman

Salman F Rahman

Name of Managing Director

Mohammad Abdullah

Name of CFO

S. M. Abdul Hamid

Name of Company Secretary

A.K.M. Mozharul Hoque

No. of the Employees

2,383

No. of Branches

99

No. of SME Service Center

02

No. of Shareholders

38,007

Investor Relations

BDBL Bhaban (10th floor)
8 Rajuk Avenue, Dhaka-1000
Hotline Number: 9563020



Milestones in the Development of IFIC Bank

1976:

Established as an Investment & Finance Company under arrangement of joint venture with the Govt. of Bangladesh.

Commenced operation in Foreign Exchange Business in a limited scale.

1982:

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

1983:

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

1985:

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

1987:

Set up its first overseas branch in Pakistan at Karachi.

1993:

Set up its second overseas branch in Pakistan at Lahore.

1994:

Set up its first joint venture in Nepal for banking operation, titled Nepal Bangladesh Bank Ltd.

1999:

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

2003:

Set up a new bank in Pakistan, NDLC-IFIC Bank Ltd. (Subsequently renamed as NIB Bank Ltd.) and the overseas branches of IFIC and a local leasing company, NDLC were amalgamated with and into it.

2005:

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

2007:

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

2010:

Set up Offshore Banking Unit (OBU).

2011:

Established a fully owned subsidiary exchange company named IFIC Money Transfer (UK) Ltd. in the United Kingdom.

Board of Directors

Chairman

Salman F Rahman

Directors

Mohammad Lutfar Rahman

Aminur Rahman

Syed Anisul Huq

(Representing M/s. Art International Ltd.)

Mohammed Nayem Syed

(Representing M/s. Red-Sea International Ltd.)

Anwaruzzaman Chowdhury

Monirul Islam

(Independent Director)

Mahmudul Huq Bhuiyan

(Govt. Nominated Director)

Arastoo Khan

(Govt. Nominated Director)

Syed Monjurul Islam

(Govt. Nominated Director)

Dr. Mohammad Ali Khan, ndc.

(Govt. Nominated Director)

Managing Director

Mohammad Abdullah





Executive Committee of the Board



Chairman : Mohammad Lutfar Rahman

Directors : Aminur Rahman
Syed Anisul Huq
Mohammed Nayem Syed
Monirul Islam
Arastoo Khan
Dr. Mohammad Ali Khan, ndc.

Managing Director : Mohammad Abdullah



Audit Committee of the Board

Convenor : Mahmudul Huq Bhuiyan

Members : Syed Monjurul Islam
Anwaruzzaman Chowdhury
Monirul Islam

Secretary : A.K.M. Mozharul Hoque

Senior Management

Managing Director

Mohammad Abdullah

Deputy Managing Director

Mati-Ul-Hasan

Zaitun Sayef

Wakar Hasan

Senior Executive Vice President

A.K.M Mozharul Hoque

Syed Zahidul Islam

S.M Abdul Hamid

Narayan Chandra Roy

Fariduddin Al Mahmud

Executive Vice President

Shaikh Rashid Ahmed

Md. Sharifur Rahman

Md. Abul Hossain

Khondkar Rafiq-Uz-Zaman

Md. Bader Kamal

Harun-Ar-Rashid

Senior Vice President

A.K.M Shafiqul Alam

Gopal Chandra Guha Roy

Shah Md. Moinuddin

Shamsul Alam

Kazi Saifuddin Ahmed

Md. Shahjahan Miah

Sajjad Zabir

Abu Nasser Al-Razi

Mohammad Shahed Shah Munnah

Md. Mohidur Rahman

Md. Rafiqul Bari Chowdhury

Shahjahan Kabir

Md. Badrul Alam

First Vice President

Syed Fazle Ahmed

Mir. Golam Mowla (Pinto)

Parimal Roy

A.K.M Jeur Rahman

A.F.M. Asaduzzaman

Shahab Rashid Khan

Nurul Basher Abdul Mamun

Ataus Samad

Md. Manirul Islam

Raihan Uddin Ahmed

M. Mozibar Rahman

Chowdhury Akhtar Asif

Vice President

Md. Nazrul Islam

Wasima Akhter

Khan Asaduzzaman

S.M Shafiqul Haider

Zulfiquar Ali Khan

Shafaiat Ahmed Chowdhury

Mustafizur Rahaman

Md. Habibur Rahman

Ahmed Jaffer Imam

Moklesur Rahman

Mra Sha Thun

Shaikh Rebeka Rahman

Arzoo Mand Parveen Banu

Md. Bahauddin

Jesmin Akhter

Ahmed Sayeed

Shah Md. Humayun Kabir

Mir Iqbal Hossain

A.M.Mahmud Hossain

Navedul Islam

Md. Abdullah Al Masum

Md. Selim Talukder

Ekram Elahi

Helal Ahmed

Major M. Kamran Hamid

Kazi Nowshaduzzaman

5 Years at a Glance

Figs in Million Taka

	2007	2008	2009	2010	2011
Authorized Capital	1,600	1,600	5,350	5,350	5,350
Paid-up Capital	671	1,341	1,744	2,179	2,768
Reserve Fund	1,943	1,856	2,454	3,569	3,800
Deposits	29,900	36,092	50,018	54,660	73,106
Loans & Advances	28,361	33,018	37,794	47,563	63,558
Investments	3,856	5,230	9,083	8,835	12,199
Gross Income	5,197	5,527	6,494	8,921	10,202
Gross Expenditure	3,694	3,905	4,535	5,094	7,517
Net Profit before taxation	1,465	1,317	1,650	3,167	1,828
Import Business	44,353	50,337	43,717	62,467	71,517
Export Business	54,866	66,557	54,244	55,981	83,846
Foreign Remittance	6,777	12,277	13,145	13,455	12,724
Number of Employees	1,997	2,110	2,193	2,315	2,383
Number of Branches	69	74	82	95	99
Number of Shareholders	9,286	31,915	34,152	37,773	38,007





Chairman's Message

Dear Shareholders,

Assalamualikum

I, on behalf of the members of the Board of Directors of the Bank, have the pleasure to welcome you all to the 35th Annual General Meeting of IFIC Bank Limited. I would like to take the opportunity to express my heartiest gratitude and thanks for your continued support and co-operation throughout the year which has always been a great source of our inspiration.


The year 2011 was a very significant year for the national and international economy. During the year, some advanced economies like Japan, the United States and the U.K. experienced slowdown in their economic activities. The sovereign debt pressure in the Euro Zone was also remarkable. The emerging and developing countries experienced the bite of rising inflation throughout the year due to increase in the prices of food and energy goods. The Bangladesh Economy however, moved on a path of rapid and sustained growth in 2011. Export earnings of the country recorded a high 41.7% growth during the year. As a consequence of high and volatile food and non-food commodity prices in global markets, point to point CPI inflation marked sharp rise during 2011 and edged upto 10.63% in December, 2011.

The Banking Industry of Bangladesh passed through many challenges throughout the year 2011. Stiff competition among the banks in procuring Deposits for maintaining comfortable liquidity position and LD Ratio within permissible ceiling, slow growth in inward remittance, volatility in the capital market, decline in Foreign Exchange Business, contractionary monetary policy adopted by the regulator to tame inflation were some of the remarkable challenges. Amid these challenges, the Banking Sector, however, performed relatively well in 2011.

In the backdrop of the above national and global economic scenario, IFIC Bank Ltd. succeeded in achieving enviable growth in some of its business areas, like Deposits and Loans and Advances mainly due to intense focus on its business activities and prudent decision making by the Board and the Management. The Bank registered a growth of 34.00% in Deposits over the preceding year which stood at Tk.7,304 crore as of December 31, 2011. Total outstanding Loans and Advances of the Bank also stood at Tk.6,543 crore as on December 31, 2011, marking an increase of 34.00% over the previous year. The Bank earned an Operating Profit of Tk.317.80 crore in 2011. Bank's Classified Loan Ratio also stood at 4.06% of total Loans and Advance at the end of the year. Capital Adequacy Ratio (CAR) of the Bank as per Basel-II framework was 10.13% as against required minimum of 10.00%. Consolidated Earnings Per Share of the Bank stood at Tk.3.00 against face value of Tk.10.00 as on 31.12.2011.

In the year 2011, IFIC Bank made direct contribution of Tk.64.27crore to government exchequer by paying Income Tax on its earnings and through deduction of Income Tax, VAT and Excise Duty at source from various payments and services.

To cater to the needs of the customers, IFIC Bank introduced 03 (three) Retail Banking Deposit Products namely, More Money, School Savings Plan-A plus and Millionaire Dream Plan (MDP) in 2011. Customers' response to these new products was really encouraging for the Bank. The Bank has undertaken very big plans for strengthening its Retail Banking Business Division in the coming year to penetrate in the Retail Banking financial market. The Bank has also plan to introduce Mobile Banking Services with the approval of Bangladesh Bank to bring un-banked people of the country within the Banking Network as part of its Financial Inclusion. IFIC Bank shall also open some



new branches in the year 2012 to offer its financial services in different geographical locations of the country.

You will be happy to learn that IFIC Bank carried out a number of CSR activities in the year 2011. The Bank donated a Hino Bus worth Tk.66.00 lac to the Dhaka University Authority, a Dialysis Machine of Tk.12.50 lac to BIRDEM Hospital, an Ambulance of Tk.18.95 lac to Anjuman-e-Mofidul Islam, Tk.10.00 lac to National Shooting Federation, Tk.6.00 lac to International Rice Research Institute (IRRI), Tk.2.00 lac to Asian Tourism Fair-2011 as title Sponsor, Tk.1.10 lac to noted artistie Dhali Al-Mamun and Freedom Fighter Md. Abdul Wadud for treatment, Tk.2.50 lac to National Debating Club, Tk.74,920/- for distribution of books and Tk.4.73 lac for distribution of blankets among the distressed people in the year 2011 as part of its Corporate Social Responsibility.

Last but not the least, I, on behalf of the Board, would like to express my sincere thanks to the employees of the Bank for the Business Performance in 2011. I also acknowledge the confidence that the shareholders and customers has reposed on us throughout the year. I am also grateful to all the Regulatory Authorities including the Ministry of Finance as well as the Bangladesh Bank, Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange for their support and patronage extended to the Bank from time to time.

I firmly believe that IFIC Bank has the capability to face the new challenges of its business environment with its dedicated workforce and the year 2012 will be a successful year for the Bank.

Allah Hafez.



Salman F. Rahman
Chairman



Managing Director's Review

Overview

It gives me immense pleasure to present before the valued shareholders an outline of major performance of the Bank for the year 2011.

The year 2011 experienced adverse market situation and turmoil and volatility in the capital market. As a result, unpredictability and uncertainty prevailed throughout the year. However, despite the continuation of the global economic recession, Bangladesh economy fared comparatively well in 2011 with a GDP growth of 6.7 percent.

Higher Business & Profit growth despite competitive market condition

For IFIC Bank, the year 2011 was eventful. We have successfully managed liquidity risk and interest rate risk through prudent asset-liability management. To improve the overall performance of the Bank, we focused on capacity building in organizational structure, introduction of simplified business process and human resource development.

There was a marked growth in business area of the Bank during the year, which is reflected in the business performance indicators. The deposit of the Bank reached at Tk.7,304 crore in 2011 against Tk. 5,466 crore in 2010, showing a growth of 34%, loans & advances increased to Tk. 6,543 crore from Tk. 4,883 crore, registering a growth of 34% and foreign trade & remittance grew by 27.43% from Tk.13,190 crore to Tk.16,808 crore.

There was a 19% growth in Profit of the Bank in the year 2011, ignoring recovery from written off loan and income from CMD of the preceding year. Balance sheet of the Bank stood at Tk. 91.80 Billion in 2011 from Tk. 70.08 Billion in 2010.

Strong recovery drives throughout the year contributed significantly in recovery of classified loans of the past, which stood at a level of 4.06% at the end of the year compared to 4.76% of 2010. Our Capital Adequacy Ratio (CAR) under Basel II guidelines was 10.13% which is above the requirement set by Bangladesh Bank (10.00%). This solid performance is the testament to the strength of Bank's core business and its prudent management.

Growth initiatives undertaken in 2011

- Strengthened and focused on SME as a Business Driver.
- Centralized Corporate Banking and Retail Banking system of the Bank.
- Introduced simplified Business Process based on robust Misys Core Banking technology platform.
- Established Disaster Recovery (DR) Centre to support uninterrupted online banking facility.
- Undertaken different IT based initiatives, viz. Data Centre up-gradation for capacity building including separate Data Centre for ADC Department, development of centralized reporting system, automated emailing of customer statement, inter-branch transaction on Saturday for all branches, SMS alert on payment of cheque amounting more than Taka 1 Lac etc.
- Launched subsidiary company of the Bank in the name of "IFIC Money Transfer UK Ltd." to attract inward foreign remittance from the United Kingdom.
- Opened 4 new branches in the country, making a total network of 99 branches.
- Initiative taken to expand ATM network of the Bank and installed 12 new ATMs. Installation of further 38 ATMs are in pipeline.
- Real time transaction data transfer to different corporate houses
- Expanded CSR activities including introduction of IFIC Bank Literary Awards.

CSR Activities / Social Cause

Inspired by the interest and initiative of the Governor of Bangladesh Bank, Dr. Atiur Rahman in promotion of CSR activities, IFIC Bank undertook diversified programs to make a positive and meaningful contribution to the Society. The Bank donated a Student Bus to Dhaka University, a Dialysis Machine to BIRDEM and an Ambulance to Anjuman Mufidul Islam. Besides we have sponsored the Fourth National Air-Gun Championship organized by Shooting Federation of Bangladesh. The Bank also donated good amount of money to International Rice Research Institute

(IRRI), National Debating Club, Asian Tourism Fair-2011 (as title sponsor). The Bank also distributed winter clothes to poor people in various parts of the country. We are also working in the area of skill development for the migrant workers who are major foreign currency earners for the country. The Bank undertook another important initiative in the field of literature & culture by declaring "IFIC Bank Literary Award-2011".

Human Resources Management

People are the most important resource and key to the success of any organization. To hire and attract talents, we have put in place a transparent and merit based recruitment system for entry-level officers ensuring their proper training. We want to develop a cadre of professional bankers who will provide necessary leadership in the institution. We continue to invest in the skills and the future development of our employee base. The Bank's Training Academy is one of the best equipped institutions in the industry.

Our strategies for 2012

- Strengthen and maintain capital base above regulatory requirement;
- Intensify and expand our deposit base with more stress on growth of low-cost deposits;
- Maintain high standard for asset quality through disciplined credit risk management and risk monitoring;
- Introduce "Mobile Banking" to bring the unbanked population in the formal banking channel.
- Establish "Contact Centre" and introduce "Internet Banking".
- Undertake business driven HR reforms and make best use of human skills and acumen through proper grooming and motivation;
- Initiate more CSR activities including continuation of IFIC Bank Literary Award.
- Continue to operate in our niche market and conduct business that we do well;

Acknowledgement:

I would like to express my deepest appreciation and profound gratitude to the regulatory authorities especially Bangladesh Bank, Securities and Exchange Commission, Dhaka Stock Exchange and Chittagong Stock Exchange for their continuous support and cooperation. My humble gratitude goes to our distinguished Chairman and honorable members of the Board of Directors for their continuous support, guidance and thoughtful leadership. Thanks are due to our valued customers, shareholders, patrons and well wishers who remained loyal through thick and thin. And finally thanks to all our employees for their dedication and commitment, which made us stand at this position.



Mohammad Abdullah
Managing Director

Directors' Report on Financial Statements and Internal Control

The Board of Directors are required to present the Annual Report containing the Directors' Report and the Financial Statements in accordance with the Companies Act 1994, Rules and Regulations of the Institute of Chartered Accountants of Bangladesh (ICAB), Rules and Regulations of Bangladesh, Securities and Exchange Commission (SEC) Rules, 1987 and the Listing Rules of the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. The financial statements are required to be prepared in accordance with International Accounting Standards as adopted by ICAB and must present fairly the financial position of the Company and the performance for the accounting period. In preparing the financial statements, the followings are required to be done:

- Selection of suitable accounting policies and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Ensuring that the financial statements have been prepared in accordance with International Accounting Standards as adopted by ICAB;
- Preparing the financial statements as a going concern basis unless it is appropriate to presume that the company will not be able to continue in business

Proper accounting records are required to be kept in order to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1994 and the Bank Company Act 1991.

In compliance with the requirements of the SEC's Notification dated 20th february, 2006, the Directors are also required to declare certain matters in their report which, inter alia, includes as under:

- 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;
- Proper books of account of the issuer company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of financial statements with appropriate disclosures;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons there should be disclosed;
- Significant deviations from last year in operating results of the issuer company should be highlighted and reasons thereof should be explained;
- Key operating and financial data of at least preceding three years should be summarized;
- If the issuer company has not declared dividend (Cash or Stock) for the year, the reason thereof should be given.

The Directors confirm that Annual Report containing the Directors' Report and the Financial Statements have been prepared in compliance with laws, rules and regulatory guidelines and Compliance of SEC Notification No. SEC/CMRRCD/2006-158/Admn/02-08 dated 20th February 2006.

The top of the page features a decorative graphic consisting of several overlapping lines in shades of orange, green, and grey, creating a stylized, abstract pattern.

Meetings

The Board of Directors meets regularly to review policies, procedures, risk management and business plan of the Bank and appoints CEO and Senior Management. During the year 2011, a total of 24 meetings of the Board were held.

The report should be read in conjunction with the Auditors' Report to the Shareholders of IFIC Bank Limited. Other compliances of SEC Notification NO. SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 have been furnished separately.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Salman F Rahman".

Salman F Rahman
Chairman

Report of the Executive Committee of the Board

The Executive Committee of the Board of Directors of IFIC Bank Ltd. was lastly re-constituted by the Board of Directors of the Bank in its 566th Meeting held on 18.09.2011 with the following 07 (seven) Members:

Mr. Mohammad Lutfar Rahman	Chairman
Mr. Aminur Rahman	Member
Mr. Syed Anisul Huq	Member
Mr. Mohammed Nayem Syed	Member
Mr. Monirul Islam	Member
Mr. Arastoo Khan	Member
Dr. Mohammad Ali Khan, ndc.	Member

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

The above mentioned Executive Committee of the Board was formed in line with BRPD Circular No. 06 dated 04.02.2010 and BRPD Circular Letter No. 02 dated 15.02.2010.

The Terms of Reference of the Executive Committee as approved by the Board are as under:

- a. All business proposals other than large loans are placed before the Executive Committee for consideration and approval.
- b. Proposals relating to hiring of new premises, renewal of lease agreement with enhancement of the bank premises and renovation/refurbishment of branch premises are approved by the Committee.
- c. Purchase of electric/electronic equipment, computer and its accessories, air conditioners, generators and vehicles are also considered and approved by the Committee.

However, the decision of the Executive Committee as recorded in the Minutes of the Meetings are placed before the Board after confirmation in subsequent Meetings for perusal and information.

During the year 2011, a total of 09 (nine) Meetings of the Executive Committee were held where a total of 124 Nos. proposals/issues were considered/decided by the Committee.

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

Name of the Director	Position	Total number of meetings held during 2011	Total attendance	Remarks
Mr. Mohammad Lutfar Rahman	Chairman	09	09	The Directors who could not attend the Meeting were granted leave of absence.
Mr. Aminur Rahman	Member	09	07	
Mr. Syed Anisul Huq	Member	09	06	
Mr. Mohammed Nayem Syed	Member	09	04	
Mr. Monirul Islam	Member (since 18.09.2011)	04	04	
Mr. Arastoo Khan	Member	09	05	
Dr. Mohammad Ali Khan, ndc	Member	09	08	

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



 Mohammad Lutfar Rahman
 Chairman, Executive Committee

Report of the Audit Committee of the Board

The Audit Committee of IFIC Bank Limited was lastly reconstituted by the Board of Directors in accordance with the BRPD Circular Letter Number 08 dated June 19, 2011 issued by Bangladesh Bank and the notifications of Securities and Exchange Commission vide Notification No. SEC/CMRRCD/2006-158/admin/02-8 dated February 20, 2006.

The Audit Committee of IFIC Bank Limited is comprised of 04 (four) members from the Board of Directors including 01 (one) Independent Director. The composition of the present Board Audit Committee is as follows:

Mr. Mahmudul Huq Bhuiyan	Director	Convenor
Mr. Syed Monjurul Islam	Director	Member
Mr. Anwaruzzaman Chowdhury	Director	Member
Mr. Monirul Islam	Independent Director	Member

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

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

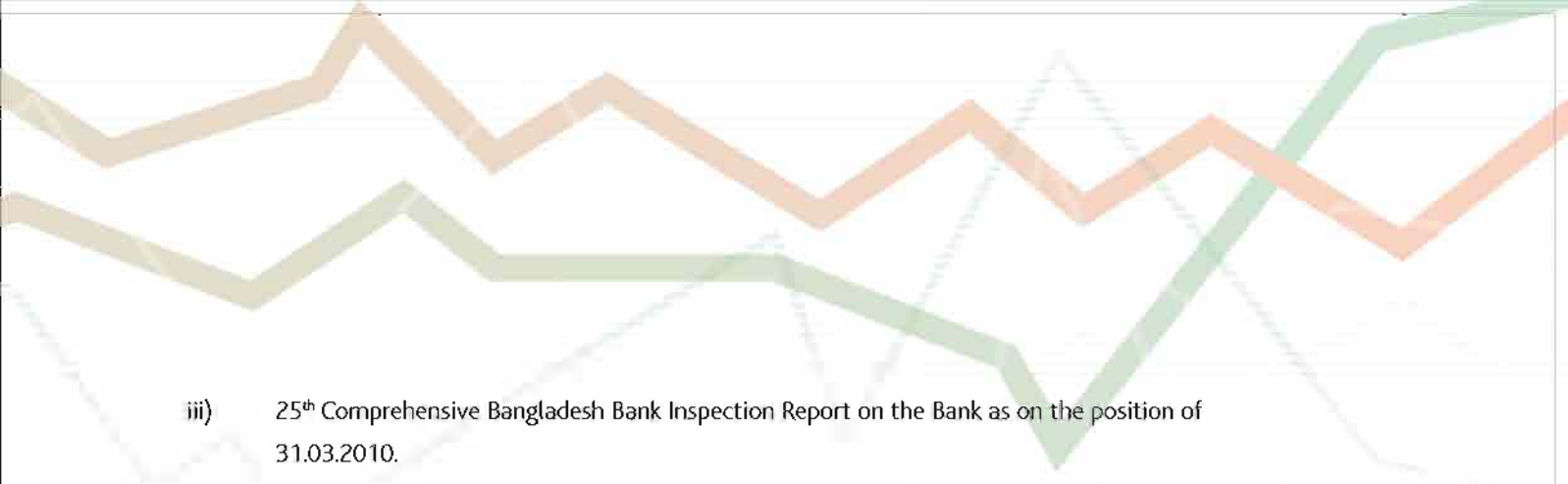
The Audit Committee of the bank usually sits once in every month. A total of 09 (nine) Audit Committee Meetings were held during the year 2011.

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

Name of the Director	Position	Total number of meetings held during 2011	Total attendance	Remarks
Mr. Mahmudul Huq Bhuiyan	Convenor	09	09	The Directors who could not attend any meeting were granted leave of absence.
Mr. Syed Monjurul Islam	Member	09	08	
Mr. Anwaruzzaman Chowdhury	Member (Since 19.06.2011)	04	Nil	
Mr. Monirul Islam	Member (Since 19.06.2011)	04	04	

The Audit Committee, in the above 09 (nine) meetings, discussed many issues, some of which are :

- i) Compliance Report on observations, recommendations and decisions of the Audit Committee Meetings.
- ii) Proposed Agenda for Meeting of the Audit Committee to be held during the months from January to December, 2011.

- 
- iii) 25th Comprehensive Bangladesh Bank Inspection Report on the Bank as on the position of 31.03.2010.
 - iv) Highlights from the Bangladesh Bank Comprehensive Inspection Reports on various Branches of the Bank.
 - v) Risk Based Internal Audit & Inspection Plan for 2011.
 - vi) Brief Highlights on Audit & Inspection Reports of various Branches of the Bank conducted by Internal Control & Compliance Division.
 - vii) Statement of Fraud & Forgeries occurred in the Bank upto 31.12.2010.
 - viii) Draft Auditors' Report and Audited Financial Statements of the Bank for the year ended 31st December, 2010.
 - ix) Draft Management Report on the Financial Statements of the Bank for the year 2010.
 - x) Highlights from the Bangladesh Bank Inspection Report on Foreign Exchange Business & Transaction of Gulshan, Agrabad and Khatunganj Branches.
 - xi) Brief Highlights on Audit & Inspection Report of various Divisions/Departments of Head Office conducted by Internal Control & Compliance Division.
 - xii) Fraud/Forgery of MICR encoded cheques occurred at Motijheel, Kawran Bazar and Dhanmondi Branches.
 - xiii) Status of Compliance on irregularities & lapses/errors & omissions observed in Internal Audit & Inspection Reports of 17 (seventeen) Branches conducted for the Quarter ended as on 31.12.2010.
 - xiv) Up to date position of the pending Court Cases filed against the defaulting borrowers for the quarter ended 31st December, 2010.
 - xv) Directors' Report – 2010.
 - xvi) Un-audited Accounts of the Bank for the first quarter ended on 31.03.2011.
 - xvii) Summary report on findings of Audit & Inspection of the Branches of the Bank conducted by Audit & Inspection Department of ICC during the year 2010.
 - xviii) Recommendations of Bangladesh Bank Inspection Report on: i) Asset Liability Management ii) Small Enterprise Financing & iii) Internal Control & Compliance.
 - xix) Status of training on Anti-Money Laundering.
 - xx) Annual report on the Health/Overall status of IFIC Bank Ltd. for the year-2010.
 - xxi) Branch-wise Recovery Position of Non-Performing Loans (NPL) upto March 2011.
 - xxii) Overall Progress of year-wise filing and disposal position of the Court Cases (Artha Rin Mamla / Execution Case/Criminal/Writ Petition) for the year from 2008 to 2010.
 - xxiii) Up to date position of the Pending Court Cases filed against the defaulting borrowers for the quarter ended 31st March, 2011.
 - xxiv) Status of Compliance on irregularities & lapses/errors & omissions observed in Internal Audit & Inspection Reports on 28 (twenty eight) Branches conducted for the Quarter ended as on 31.03.2011.

- xxv) Recommendations of Bangladesh Bank Special Inspection Report on:
 - i) ICT Security on Head Office and ii) ICT Security on Federation Branch.
- xxvi) Highlights from the Bangladesh Bank Inspection Report on Foreign Exchange Business & Transaction of our Narayanganj, Moulvibazar, Federation, Gulshan & Khatunganj Branches.
- xxvii) Un-Audited Accounts of the Bank for the half-year ending on 30.06.2011.
- xxviii) Highlights from the Bangladesh Bank Inspection Report on Foreign Exchange Business & Transaction of Motijheel Branch.
- xxix) Statement of Fraud & Forgeries occurred in the Bank upto 30.06.2011.
- xxx) Latest position of non-complied issues of the Bangladesh Bank Inspection Report on Foreign Exchange Business & Transaction of Narayanganj, Moulvi Bazar (Dhaka), Federation, Gulshan & Khatunganj Branches.
- xxxi) Report on Misappropriation of Tk.5.19 lac by Mr. Kazi Azmal Bari, Vice President during his incumbency (from 23.11.2009 to 26.01.2011) as Manager at Lalmatia Branch, Dhaka.
- xxxii) Report on Defalcation of Tk.17.01 lac by Mr. Kazi Azmal Bari, Vice President during his incumbency (from 23.11.2009 to 26.01.2011) as Manager at Lalmatia Branch, Dhaka.
- xxxiii) Un-audited Accounts of the Bank for the third quarter ended on 30.09.2011.
- xxxiv) Statement of Fraud & Forgeries occurred in the Bank upto 30.09.2011.
- xxxv) Statement of long outstanding irregularities/lapses of 8 (eight) Branches namely Lalmatia, Narsingdi, Banani, Rangpur, Rajshahi, Takerhat, Moulvibazar (Dist.) and Bogra.
- xxxvi) Branch-wise Recovery Position of Non-Performing Loans (NPL) upto October, 2011.
- xxxvii) Status of Compliance on irregularities & lapses/errors & omissions observed in Internal Audit & Inspection Report of 24 (Twenty Four) Branches conducted for the Quarter ended on 30.09.2011.

From our assessment of the various internal audit reports, it appears that IFIC Bank Limited maintained effective Internal Control on its overall activities during the year 2011.



Mahmudul Huq Bhuiyan
Convenor, Audit Committee

Compliance Report on SEC Notification

The Securities and Exchange Commission vide its Notification No.SEC/CMRRCD/2006- 158/Admin/02-08 dated February 20, 2006 directed all the companies listed with the stock exchanges to comply with some conditions in order to improve corporate governance. Providing a format in this regard, the SEC has asked the companies to incorporate compliance status in the Directors' Report.

In fulfillment of the requirement, the following status report is furnished:

Status Report under condition No.5.00 of SEC Circular No. SEC/CMRRCD/2006-158/Admin/02-08 dated. 20.02.06

Condition No.	Title	Compliance Status		Explanation for non-compliance with the condition
		Complied	Non complied	
1.00	Board of Directors			
1.1	Board Size	✓		
1.2(i)	Independent non-share-holders Directors	✓		
1.2(ii)	Independent non-share-holders Directors – Appointment	✓		
1.3	Chairman of the Board and Chief Executive	✓		
1.4	The Directors' Report to Shareholders	✓		
1.4(a)	Fairness of state of the affairs	✓		
1.4(b)	Keeping proper books of accounts	✓		
1.4(c)	Consistent application of Accounting Policies in preparation of Financial Statements	✓		
1.4(d)	Observance of Bangladesh Accounting Standard (BAS)	✓		
1.4(e)	Soundness and efficiency of Internal Control	✓		
1.4(f)	Ability of IFIC Bank Limited to continue as going concern	✓		
1.4(g)	Significant deviations from last year in operating result	✓		
1.4(h)	Presentation of key operating and financial data for last three years	✓		
1.4(i)	Declaration of dividend	✓		
1.4(j)	Number of Board meeting held during the year and attendance by each Director	✓		
1.4(k)	Shareholding pattern	✓		
2.00	Chief Financial Officer, Head of Internal Audit and Company Secretary			
2.1	Appointment of- Chief Financial Officer (CFO)	✓		
	- Head of Internal Audit	✓		
	- Company Secretary	✓		
2.2	Requirements to Attend Board Meetings	✓		
	- Chief Financial Officer (CFO)	✓		
	- Company Secretary	✓		

Condition No.	Title	Compliance Status		Explanation for non-compliance with the condition
		Complied	Non complied	
3.0	Audit Committee			
3.1(i)	Number of members of Audit Committee	✓		
3.1(ii)	Inclusion of Independent Director in the Audit Committee	✓		
3.1(iii)	Fill the casual vacancy in Audit Committee	✓		
3.2(i)	Selection of the Chairman of Audit Committee	✓		
3.2(ii)	Qualification of Chairman of Audit Committee	✓		
3.3	Reporting of the Audit Committee			
3.3.1(i)	Reporting its activities to the Board of Directors	✓		
3.3.1(ii)	Report to the Board by the Audit Committee on	✓		
3.3.1(ii) (a)	Conflicts of interest	✓		
3.3.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	✓		
3.3.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations	✓		
3.3.1(ii)(d)	Any other matter disclosed of the Bank.	✓		
3.3.2	Reporting to the Authorities	✓		
3.4	Reporting to the shareholders and general investors	✓		
4.0	External/Statutory Auditors			
4.0(i)	Appraisal or valuation services or fairness opinions	✓		
4.0(ii)	Financial information systems design and implementation	✓		
4.0(iii)	Book keeping or other services related to Financial Statements	✓		
4.0(iv)	Broker-dealer services	✓		
4.0(v)	Actuarial services	✓		
4.0(vi)	Internal audit services; and	✓		
4.0(vii)	Any other services that the Audit Committee determines	✓		

Compliance of Section 1.4 (j) : Board Meetings held during the year 2011 and attendance by each Director:

Sl. No.	Name of the Directors	No. of Meetings held	No. of Meetings attended	Remarks
01.	Mr. Salman F Rahman	24	22	
02.	Mr. Mohammad Lutfar Rahman	24	20	
03.	Mr. Abu Tahir Mohammad Golam Maruf	13	06	Retired in the 34 th AGM held on 24.07.2011
04.	Mr. Aminur Rahman	24	18	
05.	Mr. Syed Anisul Huq	24	18	
06.	Mr. Mohammed Nayem Syed	24	03	
07.	Mr. Anwaruzzaman Chowdhury	24	03	
08.	Mr. Monirul Islam	23	22	
09.	Mr. Tanim Noman Sattar	13	12	Resigned from the Board on 19.07.2011
10.	Mr. Mahmudul Huq Bhuiyan	24	24	
11.	Mr. Arastoo Khan	24	16	
12.	Mr. Syed Monjurul Islam	24	22	
13.	Dr. Mohammad Ali Khan, ndc	24	22	
14.	Mr. Mohammad Abdullah, Managing Director	24	24	

Note: Directors who could not attend the meetings were granted leave of absence by the Board.

Compliance of Section 1.4 (k) : The pattern of Shareholding as on 31.12.2011
Parent/Subsidiary/Associated companies and other related parties : Nil
Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer,
Head of Internal Audit.

Sl.	Name of the Directors	Shares held	Name of the Spouses	Shares held
01.	Mr. Salman F Rahman	* 5,513,320	Mrs. Syeda Rubaba Rahman	* 1,906,150
02.	Mr. Mohammad Lutfar Rahman	7,833,980	Mrs. Shoma Alam Rahman	2,401,300
03.	Mr. Aminur Rahman	6,800	Mrs. Bilkis Mansoor	Nil
04.	Mr. Syed Anisul Huq Representing M/s. Art International Ltd.	Nil 1,580	Mrs. Nasreen Huq	Nil
05.	Mr. Mohammed Nayem Syed Representing M/s. Red-Sea International Ltd.	Nil 1,580	Mrs. Fatima Syed	Nil
06.	Mr. Anwaruzzaman Chowdhury	1,270	Mrs. Holi Begum Chowdhury	Nil
07.	Mr. Monirul Islam	Nil	Mrs. Rifat Sultana	Nil
08.	Mr. Mahmudul Huq Bhuiyan**	Nil	Mrs. Farhana Islam Mahmud	Nil
09.	Mr. Arastoo Khan**	Nil	Dr. Humaira Islam Khan	Nil
10.	Mr. Syed Monjurul Islam**	Nil	Mrs. Kulsum Pervin	Nil
11.	Dr. Mohammad Ali Khan, ndc**	Nil	Mrs. Khurshid Solaiman	Nil

*The ownership of 5,500,620 nos. shares of Mr. Salman F Rahman and 1,906,150 nos. Shares of Mrs Syeda Rubaba Rahman lying pending with the Appellate Division of the Supreme Court of Bangladesh in Civil Misc. Petition No.417 of 2009.

** Directors nominated by the Govt. of the People's Republic of Bangladesh.

Managing Director (Chief Executive Officer)	Mr. Mohammad Abdullah	Nil
Company Secretary	Mr. A. K. M. Mozharul Hoque	Nil
Chief Financial Officer	Mr. S. M. Abdul Hamid	Nil
Head of Internal Audit	Mr. Narayan Chandra Roy	Nil

Executives (Top five salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit).

Sl.	Designation	Name	Shares held
01.	Deputy Managing Director (Business)	Mr. Mati-ul Hasan	Nil
02.	Deputy Managing Director (Risk Management)	Ms. Zaitun Sayef	Nil
03.	Deputy Managing Director (Operations)	Mr. Wakar Hasan	Nil
04.	Senior Executive Vice President	Mr. Syed Zahidul Islam	Nil
05.	Senior Executive Vice President	Mr. Fariduddin Al-Mahmud	1,340

Shareholders holding ten percent (10%) or more voting interest in the Company : Govt. of the People's Republic of Bangladesh holds 90,660,420 nos. shares which is 32.75 percent of the total shares.

Communication to Shareholders and Stakeholders

IFIC Bank Limited is committed to accurate and timely disclosure of its affairs to all its Shareholders and other Stakeholders. As part of this, communications are made on regular basis with the stakeholders including the shareholders, investors, employees, creditors, depositors and the community at large.

The Board of Directors of IFIC Bank Limited encourages shareholders to attend the Annual/Extra-Ordinary General Meetings of the Company held from time to time. The results of all decisions taken at shareholders meetings are communicated through written Minutes to all shareholders for their kind information. IFIC Bank Limited communicates to its shareholders and stakeholders in the following manners:

- ⇒ Annual Reports are sent to the shareholders every year well ahead of AGM.
- ⇒ Half-Yearly Accounts as on 30th June of every year are sent to the shareholders along with Credit Rating Report of the Bank.
- ⇒ Quarterly Financial Statements of the Bank are published in Bangla and English Daily Newspapers for information of all shareholders and other stakeholders.
- ⇒ Credit Rating Report of the Bank is published in Bangla and English Newspapers for information of all stakeholders.
- ⇒ All 'Price Sensitive Information' are published in Bangla and English National Dailies for information of all stakeholders.

The above Reports/Statements/Information are also made available in Bank's Web-site: www.ificbankbd.com for information of the shareholders and other stakeholders.

In the year 2010, IFIC Bank Limited declared 27% Stock Dividend for its shareholders. The announcement was made at the 34th Annual General Meeting of the Bank held on Sunday, July 24, 2011 at Bashundhara Convention Centre, Baridhara, Dhaka. The meeting was attended by a large number of shareholders of the Bank. Mr. Salman F Rahman, Honourable Chairman of the Bank presided over the Meeting. A good number of shareholders spoke in the AGM and highly appreciated the Board of Directors and the Management of IFIC Bank Limited for their excellent performance, declaration of handsome dividend and publishing of informative Annual Report-2010 of the Bank. They also expressed their optimism that IFIC Bank will continue to perform better in the future years and shall provide lucrative dividends for the shareholders. The Chairman of the Bank expressed his gratitude and thanks to the shareholders in the AGM for their continued support and suggestions for the betterment of the Institution and for enhancing the image and goodwill of the Bank.



Environmental and Social Obligation

Since Bangladesh is one of the most climate change vulnerable countries to mitigate the Environmental and climate change the Bank has taken various steps. A Green Banking Cell has been established at Head Office for continuous monitoring of Green Banking activities of the Bank. A Policy Guideline on Green Banking for the Bank has been formulated in a formal and structured manner to protect Environmental degradation as a part of Corporate Social Responsibility (CSR). Environmental and climate change Risk have also been incorporated as part of the existing Credit Risk. Environmental Risk Rating System has been introduced as per Environmental Risk Management (ERM) Guidelines of Bangladesh Bank. Bank has started setting up of Green branches with the permission of the maximum use of natural light, use of renewable energy, use of energy saving bulbs and other equipments, rendered water and electricity use etc.

Social Obligation

To met-up the social obligation Bank has also taken various steps in line with its commitment to the welfare and economic prosperity of the people and the community. The basic principle of the Bank's Social Obligation is to focus on the triple bottom line (3BL) peoples.

During the year 2011 to met social obligation the Bank undertook the various activities. The Bank donates Dialysis Machine to Birdem Hospital, Donates Hino Bus to the students of Dhaka University. Donates an Ambulance to Anjuman-e Mofidul Islam for its burial servicing to unclaimed dead bodies, IFIC Bank distributes 4000 (four thousand) blankets and winter cloths among the distended and poorest people in about 25 districts besides Bank undertook other social activities for flood affected area, Aila affected area and the Bank is always ready to meet social obligations as and when required.

Employee Benefits and Programs

WE OFFER GREAT PLATFORM TO BUILD CAREER WITH LEARNING AND GROWTH ALONG WITH COMPATIBLE COMPENSATION PACKAGE OF BENEFITS. WE CONTINUALLY EVALUATE AND REVIEW OUR EMPLOYEE BENEFITS TO ENSURE THAT THE BENEFITS ARE COMPETITIVE AND IN LINE WITH OUR EMPLOYEES NEEDS.

Salary Benefits

Market competitive salary package are provided.

Hospitalization Insurance

Hospitalization Insurance facility is available for employees, and their spouse.

Group Life Insurance

All employees are eligible for Group life insurance facility.

Provident Fund (PF)

Employee's contribution to PF is 10% of basic salary and the bank contribute the same amount.

Gratuity

Gratuity benefit is payable to the employee as per gratuity scheme.

Staff House Building Loan (SHBL)

After 5 years confirm service employee's are eligible for SHBL which is calculated based on basic salary.

Maternity Leave

The female employee of the bank gets the maternity leave as per Government rules.

Leave Fare Assistance (LFA)

LFA is applicable for all confirmed employee's.

Car Purchase Finance Scheme

Car Purchase Finance Scheme is applicable for executive positions.

Media Highlights 2011

IFIC Bank donates bus to DU



IFIC Bank MD shares his views on the banking scenario with The Independent

JASIM UDDIN KHAN

DHAKA, JAN 28: International Finance Investment and Commerce Bank Ltd (IFIC Bank), after having over 30 years of banking experience, is now working on introducing innovative banking products and technologies to stay ahead of its peers.

The bank plans to introduce mobile banking with unlimited number of payment facilities, credit cards, debit cards, liability products, and to develop a major ATM network and multiple delivery software.

The bank's managing director, Mohammad Abdullah, tells the story of the bank in an exclusive interview with The Independent, narrating how under his stewardship, a first-generation bank graduated to a sophisticated modern bank.

Abdullah said the country has enormous opportunity for mobile banking, as only 13 per cent, or about two crore of the 15 crore people of the country, have bank accounts.

bank's, IFIC was converted into a full-fledged commercial bank. The government now holds a 32.75 per cent stake in the bank. Directors and sponsors, with vast experiences in trade and commerce, own an 8.82 per cent stake and the rest is held by the public.

Excerpts:

What are the new products or services that your bank plans to introduce?

Mohammad Abdullah: As you know, innovation and marketing of new products is a continuous process for a banking institution.

To meet the changing demands of various segments of customers of our bank, we have introduced various products, both on the liability and asset sides.

Development of new liability products for the small savers and depositors is on the top of the agenda.



IFIC Bank Ltd, speaking at a press conference on IFIC Bank Literature Award. INDEPENDENT PHOTO



Vice Chancellor of Dhaka University AAMS Prof. Dr. M. A. Rahman, IFIC Bank MD, and other officials at the ceremony.



IFIC Bank officials seen in a ceremony to mark handing over a dialysis machine to officials of BIRDEM in the city. Senior Lawyer Dr AR



DHAKA: Former governor of Bangladesh Bank University Dr. Mohammed Farashuddin addressing officers of IFIC Bank at the bank's Academy.

IFIC Bank big Lite

STAFF REPORTER

DHAKA, DEC 31: As part of its social responsibility, IFIC Bank Ltd. has introduced "IFIC Bank Literature Award 2011" aiming to encourage the artistic literature through recognizing the creative writer of Bengali language and literature.

SALMAN RAHMAN

Salman F Rahman, chairman of IFIC Bank, presides over an extraordinary general meeting of the bank at Officers' Club in Dhaka yesterday. The bank reduced the face value of its shares from Tk 100 to Tk 10. Mohammad Abdullah, managing director, was also present.



IFIC BANK

Annual Meeting Over by IFIC Bank in Ramadan Mubarak



Independent

stay ahead: Abdullah

to increase our asset size to remain competitive in the market and secure a respectable position in the industry.

What do you think about extending the banking services to the unbanked?

This is one of the most important and interesting areas where the opportunity is enormous. The Government of Bangladesh Bank has given financial inclusion a top priority in order to bring the unbanked population into the banking network.

Mobile banking can be the most effective tool in reaching out to the unbanked population.

Around 100 crore mobile users, who do not have bank accounts, can be brought under banking through Mobile Wailer with payment instruments, such as, credit cards, debit cards, bank accounts, and SPV, will create a revolution in banking in our country, where most of the population is still out of the reach of financial services. We have an optimistic forecast that in the current year, we will introduce M-banking with skill and competence.

Due to the strong investment share, the bank has reduced its cost and increased its profitability. Another unique feature of the bank is that since its inception, it has focused on social responsibility.

We have established branches in Madhya Pradesh, Bangladesh Bank Limited, IFIC Bank Limited (India), IFIC Bank Limited (Sri Lanka), and International Exchange Ltd.

Please name the CSR activities of your bank?

It is encouraging that the participation of banks, telcos and private houses in CSR activities is increasing day-by-day. We believe that CSR should not be limited only to donation and subscription, but it should be related with the mainstream of banking activities. Bringing the unbanked population within the formal banking network can also be treated as CSR.

Introduction of new products and services for underserved population of the country outside

৬ কালের কণ্ঠ

আইএফআইসি ব্যাংক সাহিত্য পুরস্কার প্রবর্তন

সাহিত্য পুরস্কার প্রবর্তন। আইএফআইসি ব্যাংক সর্বজনীন সাহিত্যিক সচেতনতা সৃষ্টির লক্ষ্যে 'আইএফআইসি ব্যাংক সাহিত্য পুরস্কার' প্রতিষ্ঠা করে।

ব্যাংক-স্বল্পমূল্যে 'আইএফআইসি ব্যাংক সাহিত্য পুরস্কার' প্রতিষ্ঠা করে।

আঞ্জুমান মুফিদুলকে অ্যাংকুলে দিল আইএফআইসি ব্যাংক

আইএফআইসি ব্যাংক সামাজিক কর্মকাণ্ডে অবদানের অংশ হিসাবে আত-মানবতার সেবার নিয়োজিত আঞ্জুমান মুফিদুল ইসলামকে একটি



IC BANK

on course for Probationary Officers

Phammed Farashuddin



and president of the Board of Trustee of East West ... the foundation course for 12th batch probation ... on-Sunday. Chairman of the ...

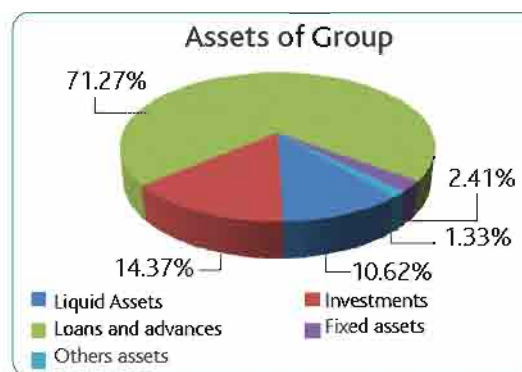
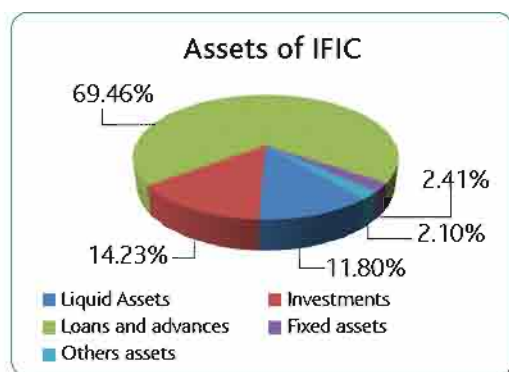
... Muhammad Lutfar Rahman inaugurates the 98th ... Bank's director Monirul ...

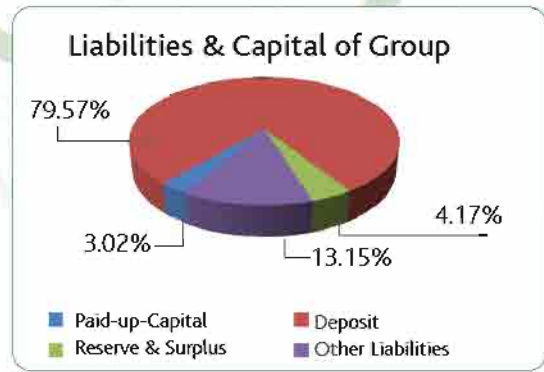
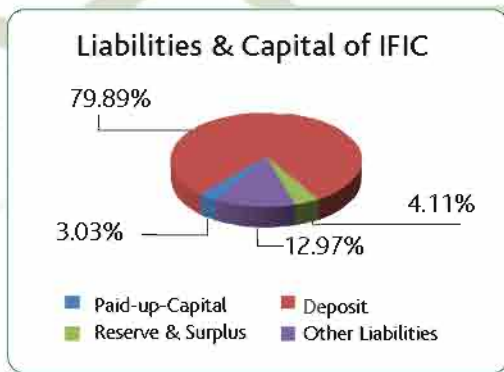
Shareholders' Information

Financial Highlights-Group

Taka In Million

	IFIC Bank Limited			Group		
	2011	2010	Change	2011	2010	Change
Performance during the year						
Interest income	6,655	4,641	43%	6,798	4,667	46%
Profit before provision and tax	2,685	3,827	-30%	2,878	3,844	-25%
Provision for loans and assets	857	660	30%	882	660	34%
Profit after provision before tax	1,828	3,167	-42%	1,996	3,184	-37%
Tax including deferred tax	1,114	1,520	-27%	1,164	1,520	-23%
Profit after tax	715	1,647	-57%	832	1,664	-50%
At the year end						
Total shareholders' equity	6,568	5,748	14%	6,685	5,765	16%
Deposits	73,106	54,660	34%	73,042	54,660	34%
Loans and advances	63,558	47,563	34%	65,428	48,826	34%
Investments	12,199	8,835	38%	12,372	8,835	40%
Property, plant and equipment	2,204	2,061	7%	2,215	2,061	7%
Total assets	91,508	69,565	32%	91,797	70,077	31%
Statutory Ratios (%)						
Capital adequacy ratio	10.01	9.78	2%	10.13	9.78	4%
Share Information						
Earnings Per Share in Taka (Restated for 2010)	2.58	5.95	-57%	3.00	6.01	-50%
Dividend (%) (Recommended for the year 2011)	30	27	11%	30	27	11%
Net Assets Value (NAV) per share (Taka) (Face value of Tk.10 per share considered for every year)	23.72	26.37	-10%	24.15	26.45	-9%





Financial Highlights-IFIC

Taka in Million

	2011	2010
Gross revenue	10,202	8,921
Operating income	5,556	6,356
Profit after tax	715	1,647
Total capital	7,784	6,714
Total deposits	73,106	54,660
Total loans & advances	63,558	47,563
Total assets	91,508	69,565
Return on assets (%)	0.89%	2.37%
Return on equity (%)	11.60%	33.12%
Capital adequacy ratio (%)	10.01%	9.78%
No. of Employees	2,383	2,315
No. of Branches	99	95
No. of SME Centers	2	2
Credit Rating	2010	2009
Long-term	AA ₃	A1
Short-term	ST-2	ST-2



Key Financial Data & Key Ratios

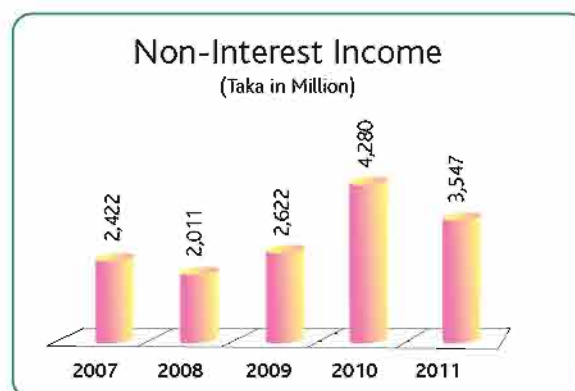
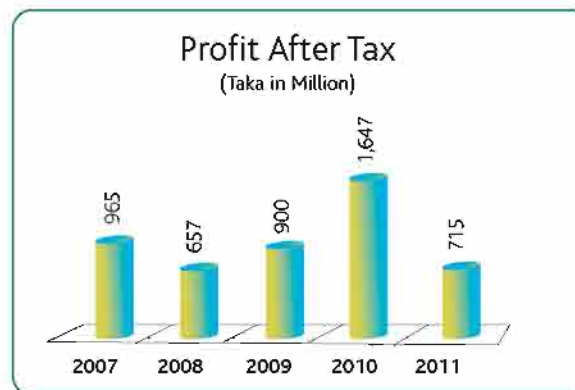
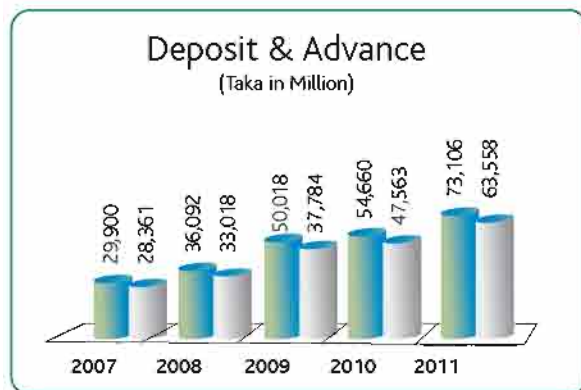
Taka in Million

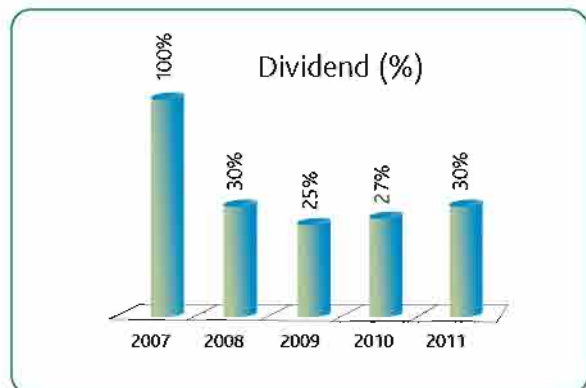
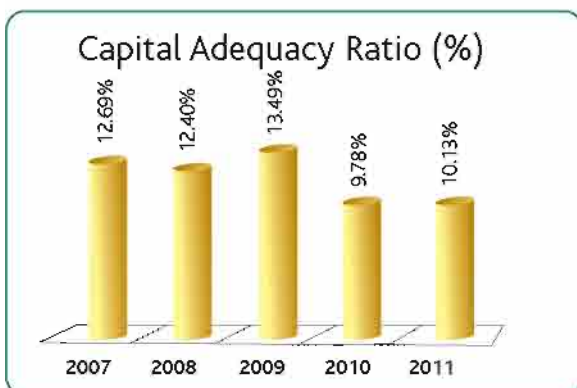
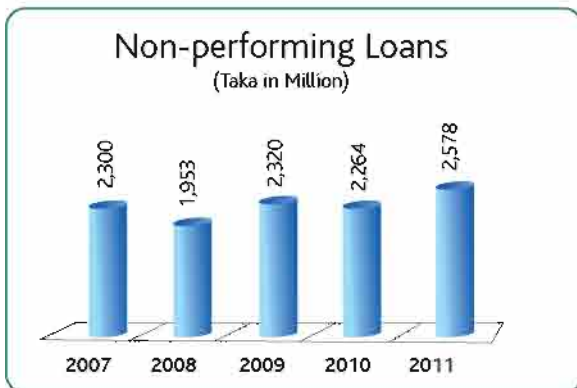
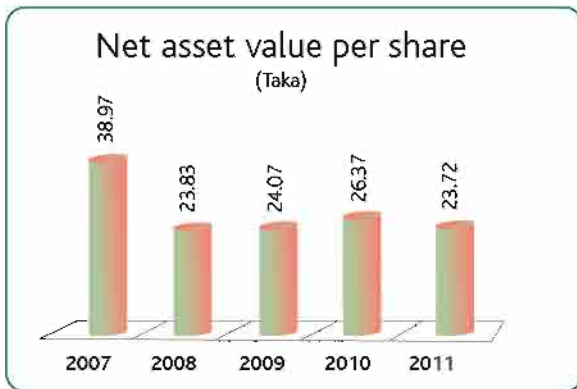
Particulars	2007	2008	2009	2010	2011
Interest income	2,775	3,515	3,872	4,641	6,655
Interest expenses	1,897	2,347	2,770	2,565	4,647
Net interest income	878	1,168	1,102	2,076	2,008
Non-interest income	2,422	2,011	2,622	4,280	3,547
Non-interest expenses	1,797	1,557	1,765	2,529	2,870
Net non-interest income	625	454	857	1,751	677
Profit before provision and tax	1,503	1,622	1,960	3,827	2,685
Provision for loans and assets	38	305	310	660	857
Profit after provision before tax	1,465	1,317	1,650	3,167	1,828
Tax including deferred tax	500	660	750	1,520	1,113
Profit after tax	965	657	900	1,647	715
Balance Sheet					
Authorized capital	1,600	1,600	5,350	5,350	5,350
Paid-up capital	671	1,341	1,744	2,179	2,768
Total shareholders' equity	2,614	3,797	4,197	5,748	6,568
Deposits	29,900	36,092	50,018	54,660	73,106
Loans and advances	28,361	33,018	37,794	47,563	63,558
Investments	3,856	5,230	9,083	8,835	12,199
Property, Plant and Equipment	383	511	616	2,060	2,204
Earning assets	35,520	39,767	54,405	58,896	78,655
Total assets	39,914	45,729	62,902	69,565	91,508
Other Business					
Import	44,353	50,337	43,717	62,467	71,517
Export	54,866	66,557	54,244	55,981	83,846
Remittance	6,777	12,277	13,145	13,455	12,724
Guarantee Business	1,826	2,292	3,683	4,338	4,428
Capital Measures					
Core capital (Tier-I)	2,488	3,145	4,045	5,737	6,569
Supplementary capital (Tier-II)	557	648	884	976	1,215
Total capital	3,045	3,793	4,929	6,714	7,784
Tier-I capital ratio	10.36%	10.28%	11.07%	8.36%	8.55%
Tier-II capital ratio	2.33%	2.12%	2.42%	1.42%	1.58%
Total capital ratio	12.69%	12.40%	13.49%	9.78%	10.13%
Credit Quality					
Non-performing loans (NPLs)	2,300	1,953	2,320	2,264	2,578
NPLs to total loans and advances	8.11%	5.92%	6.14%	4.76%	4.06%
Provision for unclassified loans	431	416	511	614	793
Provision for classified loans	984	652	952	1,323	1,002

Taka in Million

Particulars	2007	2008	2009	2010	2011
Share Information					
Market Price per share (Taka) as on close of the year at DSE					
(Face value of Tk.10 per share considered for every year)	232.10	118.90	92.03	142.08	67.60
No. of shares outstanding (Million)					
(Face value of Tk.10 per share considered for every year)	67.07	134.14	174.39	217.98	276.84
No. of shareholders (Actual)	9,286	31,915	34,152	37,773	38,007
Earnings Per Share (Basic) in Taka					
(Face value of Tk.10 per share considered for every year)	14.38	4.90	5.16	7.63	2.58
Dividend:					
Cash (Recommended for the year 2011)	-	-	-	-	5%
Stock (Recommended for the year 2011)	100%	30%	25%	27%	25%
Dividend Payout Ratio (%)	69.51	61.22	48.45	35.39	116.28
Market Capitalization (At close of the year)	15,567	15,946	16,048	30,970	18,714
Net Asset Value per share (Taka)					
(Face value of Tk.10 per share considered for every year)	38.97	23.83	24.07	26.37	23.72
Price Earnings Ratio (Times)	16.13	24.26	17.84	18.81	26.20

Graphical Presentation of IFIC



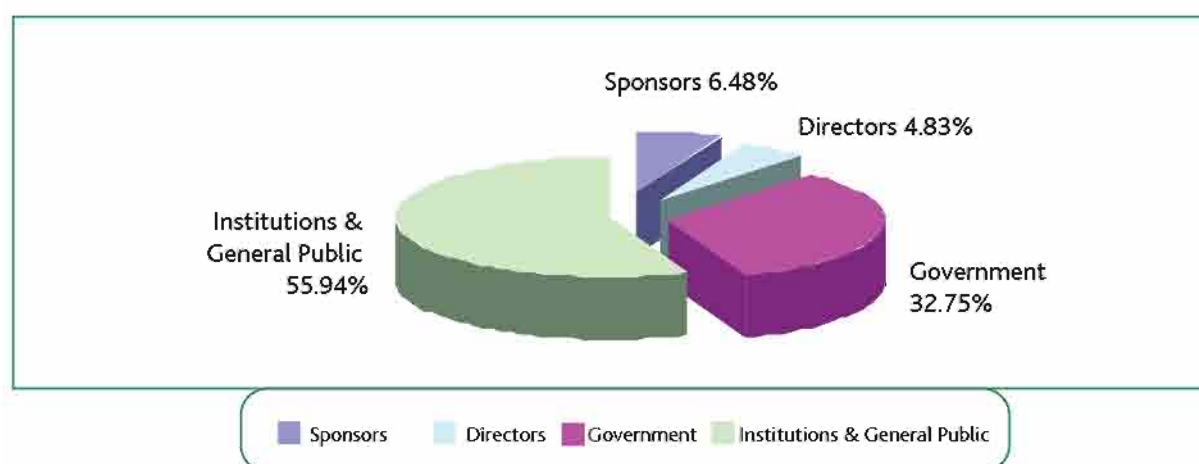


Distribution of Shareholdings

As on December 31, 2011 total holding of shares by the Sponsors and Directors of the Bank is 44.06% which are allowed tradable subject to prior permission from the SEC and the rest 55.94% are in free float.

Particulars	No. of Shares held	% of Shareholding
Sponsors	17,950,600	6.48
Directors	13,358,530	4.83
Government	90,660,420	32.75
Institutions & General Public	154,868,350	55.94
Total	276,837,900	100.00

Distribution of Shareholdings



Market Price Information

Month	DSE				CSE				Total Volume on DSE & CSE
	High Taka	Low Taka	Closing Price Taka	Volume	High Taka	Low Taka	Closing Price Taka	Volume	

Before Split

January'11	1,458.50	1,025.00	1,223.00	7,35,078	1,460.00	1,050.00	1,226.75	98,158	8,33,236
February'11	1,239.00	758.50	758.50	4,40,629	1,226.75	764.75	764.75	32,629	4,73,258
March'11	1,048.25	750.00	880.50	7,89,537	1,050.00	730.00	885.00	43,859	8,33,396
April'11	923.00	775.50	787.00	4,55,703	925.00	797.00	805.25	27,953	4,83,656
May'11	860.00	542.00	630.75	6,74,008	860.00	530.00	627.00	44,336	7,18,344
June'11	823.00	622.25	799.50	11,92,684	824.50	625.25	796.00	1,45,406	13,38,090
July'11	968.00	790.00	851.50	19,25,318	965.00	790.00	847.25	1,25,734	20,51,052
August'11	850.00	755.00	816.25	4,84,913	850.00	770.00	815.50	32,843	5,17,756
September'11	822.25	732.00	762.25	4,05,674	818.00	734.00	763.75	29,258	4,34,932
October'11	775.00	635.25	639.00	4,19,247	778.00	640.00	646.00	26,295	4,45,542
November'11	796.25	615.75	721.75	5,42,234	800.00	613.00	716.00	51,747	5,93,981

After Split

December'11	72.40	64.10	67.60	28,07,588	75.00	62.10	68.10	9,85,110	37,92,698
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Market Discipline-Pillar-III Disclosures Under Basel-II

Capital Adequacy Under Basel-II

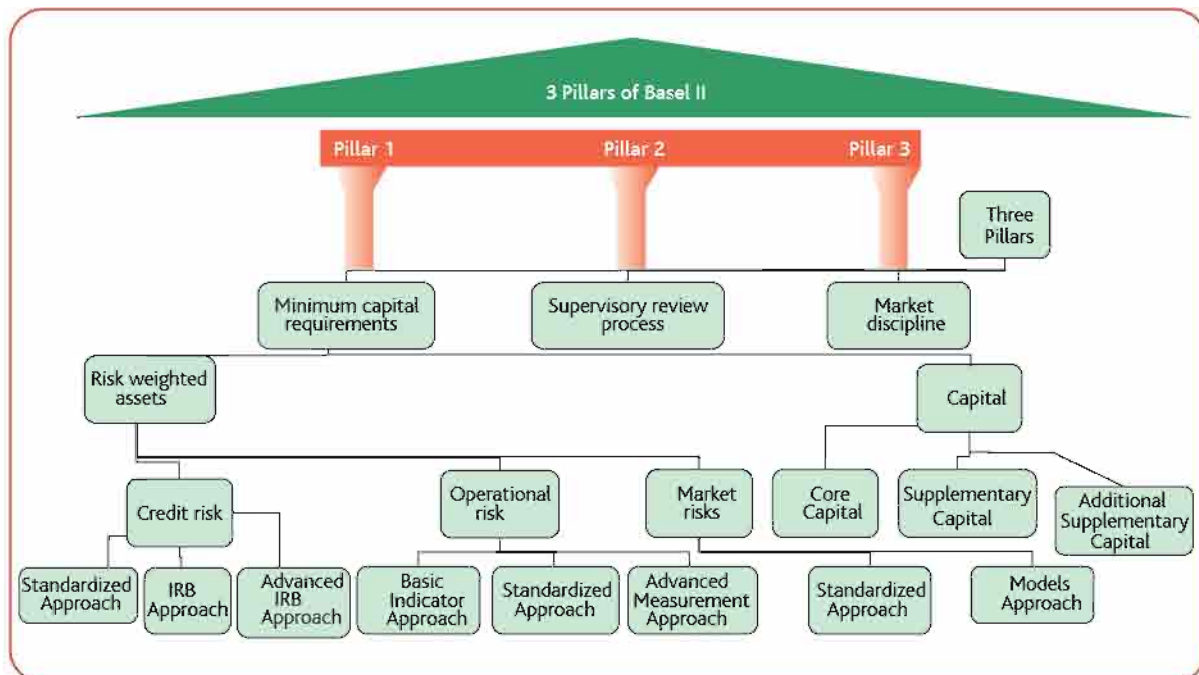
Risk Based Capital Adequacy

Risk-based capital adequacy assessment by scheduled banks in Bangladesh was started in 1996, initially under Basel-I framework. In order to make the banks' capital adequacy assessment more risk sensitive and to abide by the international norms and practices, Bangladesh Bank took the initiative to implement Basel-II framework in Bangladesh. After parallel run of Basel-II framework alongwith Basel-I for one year in 2009, banks in Bangladesh have gone live under Basel-II since 1st January, 2010. In implementing Basel-II Bangladesh Bank prepared a Road Map and issued necessary guidelines on Risk-Based Capital Adequacy (in line with Basel-II) which was revised and updated in December, 2010.

3 Pillars of Basel-II

Bangladesh Bank's guidelines on Basel-II framework is structured around the following three aspects or pillars:-

- Minimum Capital Requirement (MCR) is to be maintained by banks to cover credit, market and operational risk as a regulatory requirement.
- Supervisory Review Process (SRP) for assessing overall capital adequacy in relation to the banks' risk profile and a strategy for maintaining capital at an adequate level is to be internally developed and to be reviewed by Bangladesh Bank.
- Market Discipline - To make public disclosure of information on the bank's risk profiles, capital adequacy and risk management processes.



Pillar 1 - Minimum Capital Requirement

For the purpose of calculating regulatory capital, the capital of the banks are categorized under the following three tiers:-

Tier – 1 Capital

Tier -1 capital, also called 'Core Capital' comprises of highest quality capital elements and include:-

- a. Paid-up capital/ capital deposited with BB;
- b. Non-repayable share premium account;
- c. Statutory Reserve;
- d. General Reserve;
- e. Retained Earnings;
- f. Minority Interest in Subsidiaries;
- g. Non-Cumulative Irredeemable Preference Shares;
- h. Dividend Equalization Account.

Tier – 2 Capital

Tier -2 capital, also called 'Supplementary Capital' represents other elements which fall short of some of the characteristics of the Core Capital but contribute to the overall strength of a bank and include:-

- a. General Provision;
- b. Asset Revaluation Reserves;
- c. All other Preference Shares;
- d. Subordinated Debt over five year maturity;
- e. Exchange Equalization Account;
- f. Revaluation Reserves for Securities;
- g. Revaluation Reserves for Equity Instruments;

Tier – 3 Capital

Tier -3 capital, also called 'Additional Supplementary Capital' is meant solely for the purpose of meeting a proportion of the capital requirements for market risk and consist of :-

- a. Short term Subordinated Debt of 2 to 5 years maturity.

Conditions for maintaining Regulatory Capital

The computation of capital is subject to following conditions:

- The amount of Tier-II is limited to 100 percent of the amount of Tier-I capital;
- Fifty percent (50 percent) of Revaluation Reserves for fixed assets and securities is eligible for Tier-II capital;
- Ten percent (10 percent) of revaluation reserves for equity instruments is eligible for Tier-II capital;
- 10 (ten) percent of revaluation reserve for equity instruments is eligible for Tier-II capital;
- Subordinated debt is limited to a maximum of 30 percent of the amount of Tier-I capital;
- A minimum of about 28.50 percent of market risk needs to be supported by Tier-I capital. Supporting of Market Risk from Tier-III capital is limited up to a maximum of 250 percent of a bank's Tier-I capital that is available after meeting credit risk capital requirement.

Eligible Regulatory Capital

In order to obtain the Eligible Regulatory Capital for the purpose of calculating Minimum Capital Requirements (MCR), banks are required to make following deductions from their Tier-I capital;

- i. Book value of goodwill;
- ii. Shortfall in provisions required against classified assets;
- iii. Remaining deficit on account of revaluation of investments in securities after netting off any other surplus on the securities.

Eligible Tier –II Capital is also derived after deducting components, if any, qualified for deduction and the Eligible Regulatory Capital is derived by adding the Eligible Tier-I, Tier-II and Tier-III capitals i.e.

Total Eligible Regulatory Capital = Eligible (Tier-I + Tier-II + Tier –III) Capital.

Assessment of Minimum Capital Requirement (MCR)

- (a) Banks are to maintain a Minimum Capital Requirement (MCR) of 10% of Risk Weighted Assets (RWA) which is derived as follows:-

$$\text{MCR} = \frac{\text{Eligible Regulatory Capital}}{\text{Total Risk Weighted Assets (RWA)}} \times 100 = 10\%$$

where total RWA is determined by multiplying Capital Charge for Market Risk and Operational Risk by a factor of 10 (reciprocal of MCR of 10%) and adding the result to the sum of RWA for Credit Risk.

i.e. Total RWA = RWA for Credit Risk + 10 x Capital Charge for (Market + Operational) Risks

- (b) Tier – 1 (Core)) Capital must be at least 5% of RWA.

- (c) MCR may be changed from time to time by Bangladesh Bank.

Capital Charge against Credit Risk

As per Bangladesh Bank's guidelines the Assets of the Bank are divided into Banking Book and Trading Book Assets. Credit Risk includes Banking Book Assets both On-Balance Sheet and Off-Balance Sheet.

As the banks in Bangladesh are in the primary stage of implementation of Basel -II, Bangladesh Bank has advised the banks to use Standardized Approach for assessment of Risk Weighted Assets for credit risk and other items under banking book. According to the Standardized approach, the risk weight of Corporate clients and institutions based on credit rating by External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank are used. Risk weights based on external rating or a fixed weight that is aligned with the likelihood of counterparty default are used. Bangladesh Bank has mapped its risk grading (ranging from 1 to 6) with that of recognized ECAIs. Where an exposure is secured by eligible guarantee or financial collateral, bank may reduce its capital charge by taking benefit of the risk mitigation techniques including haircut of collaterals and exposures allowed by Bangladesh Bank. However, in the absence of credit rating the Risk Weight against loans and advances of corporates and other institutions will be 125 percent after netting off.

Capital Charge against Market Risk

Market risk is the possibility of loss of assets in the Trading Book both balance sheet and off-balance sheet positions arising out of volatility in market variables i.e. interest rate, exchange rate and equity price.

Allocation of capital is required in respect of the exposure to risks due to changes in interest rates and equity prices in the bank's trading book and in respect of exposure to risks from changes in foreign exchange rates and commodity prices in the overall banking activity. The total capital requirement for banks against market risk shall be the sum of capital charges against –

- i. Interest rate risk;
- ii. Equity position risk;
- iii. Foreign exchange risk;
- iv. Commodity price risk (not applicable in Bangladesh).

Measurement Methodology

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

The capital requirement for various market risks (interest rate risk, price, and foreign exchange risk) is determined separately.

Capital Charge for Interest Rate Risk

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

- a) Capital charge for specific risk against interest related instruments is designed to protect against an adverse movement in the price of an individual security owing to factors related to the issuer.
- b) The capital requirement for general market risk is designed to capture the risk of loss arising from changes in market interest rates. In this regard the capital charge will be calculated on the consideration that the Bank's underlying trading issues may exist in long or both in long and short position (i.e., related to interest rate derivative/hedge).

Capital Charge for Equity Position Risk

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

- a) As with debt securities, the minimum capital standard for equities is expressed in terms of two separately calculated charges the "specific risk" and the "general market risk" for the holdings;
- b) The capital charge, for the specific risk and the general market risk charge will be 10 percent;

Capital Charge for Foreign Exchange Risk

Capital charge for Foreign Exchange Risk = Capital Charge for General Market Risk.

- a) The capital charge for foreign exchange risk is 10 percent of bank's overall foreign exchange exposure. The bank's net open position in each currency is calculated by summing:
 - i. The net spot position (i.e. all asset items less all liability items, including accrued interest, denominated in the currency in question);
 - ii. The net forward position (i.e. all amounts to be received less all amounts to be paid under forward foreign exchange transactions, including currency futures and the principal on currency swaps not included in the

- spot position);
- iii. Guarantees (and similar instruments) that are certain to be called and are likely to be irrecoverable;
- iv. Net future income/expenses not yet accrued but already fully hedged (at the discretion of the reporting bank);
- v. Any other item representing a profit or loss in foreign currencies.

b) The overall foreign exchange exposure is measured by aggregating the sum of the net short positions or the sum of the net long positions, whichever is the greater, regardless of sign. The capital charge will be 10 percent of the overall net open position.

Capital Charge against Operational Risk

Operational Risk is defined as the risk of losses resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputation risk.

Measurement Methodology

Banks operating in Bangladesh compute the capital requirements for operational risk under Basic Indicator Approach (BIA). Under BIA, the capital charge for operational risk is a fixed percentage, denoted by α (alpha) of average positive annual gross income of the bank over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average. The capital charge may be expressed as follows:

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

Where –

K = the capital charge under the Basic Indicator Approach

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

α = 15 percent

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

Pillar 2 – Supervisory Review Process

The Supervisory Review Process intends to assess capital adequacy in relation to bank's overall risk profile and to frame a strategy for maintaining capital at an adequate level which is internally devised but subject to review by Bangladesh Bank under a process known as Supervisory Review & Evaluation Process.

The following types of risks are analyzed under Pillar – 2:

- Risks covered under Pillar -1;
- Risks considered under Pillar -1 but not fully captured;
- Risks not considered under Pillar -1;
- Risks due to external factors.

Banks devise their internal Supervisory Review Process better known as ICAAP (Internal Capital Adequacy Assessment Process) for assessment of additional capital requirement after taking into account all types of risks

besides MCR in relation to overall risk profile. The Central Bank will evaluate how well banks are assessing and fulfilling their capital adequacy requirements through an SRP-SREP Dialogue and may take appropriate actions, if required. The banks are presently in the process of implementing SRP under the guidance of Bangladesh Bank.

Pillar 3 - Market Disclosure As Of 31st December, 2011

1. Scope of Application
Basel-II is applied by the bank on "solo" as well as on "consolidated" basis.
2. Assets
The bank has categorized its assets into the following:-
 - a) Banking book assets;
 - b) Trading book assets.

a) Consolidated Banking Book Assets as on 31.12.2011:

		million Tk.
Cash & Balance with Bangladesh Bank and agents		5,897.10
Cash in hand		
Balance with Bangladesh Bank	1,161.10	
Balance with Sonali Bank as agents bank (including foreign currency)	4,089.33 646.67	
Balance with other Banks and financial institutions		1,827.28
Money at call and short notice		100.00
Investments		7,891.33
Government securities Held to maturity (HTM)		
Other investments	7,451.71	
Loans and advances	439.62	
Staff loan		65,428.38
Loans, cash credits, overdrafts, etc.		
Bills purchased and discounted	1,459.42	
Fixed assets including premises, furniture and fixtures	56,885.96	
Other assets	7,083.00	
Total Banking Book Assets		2,215.13 <u>2,019.70</u> <u>85,378.91</u>

b) Consolidated Trading Book Assets as on 31.12.2011:

		million Tk.
Foreign Currency in Hand		21.85
Foreign Currency held in Bangladesh Bank		716.55
Foreign Currency Balance with banks and financial institutions		1,198.90
Investment (trading)		4,480.54
Held for trading (HFT)		
Shares of listed company	649.83	
Total Trading Book Assets	3,830.71	
Total Banking and Trading Book Assets		<u>6,417.84</u> <u>91,796.76</u>

3. Credit Risk

The Standardized Approach is applied in the Bank for assessment of credit exposure as per directives of Bangladesh Bank. It requires banks to use credit ratings of External Credit Assessment Institutions (ECAIs) to determine the risk weightage applied to rated counterparties. As the bank has recently started ratings of its exposures only some of the counterparties have been rated and others are being pursued.

The Bank follows Bangladesh Bank's guidelines on the acceptability of specific classes of collateral for credit risk mitigation, and determines suitable valuation parameters. Such parameters are quite conservative, reviewed regularly and supported by empirical evidence. The principal eligible collateral types are as follows:

- Cash;
- Guarantee;
- Securities rated by a recognized ECAI;
- Equities those are enlisted and regularly traded in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE);
- Mutual funds etc.

IFIC Bank has a well – established credit risk management structure and a conservative but constructive credit risk culture. This culture is underpinned by the disciplined credit risk control environment which the Bank has put in place to govern and manage credit risk, and which is embodied in the formal policies and procedures adopted by the bank. Formal policies and procedures cover all areas of credit sanction and monitoring such as:

- Evaluation and approval of facilities;
- Credit Risk grading;
- Corporate and retail lending;
- Post disbursement monitoring and credit administration;
- Management of problem exposures;
- Impairments and allowances.

The bank has in place well-established credit approval processes, procedures for ensuring compliance with terms of sanction and post-sanction monitoring processes/ procedures which are reviewed from time to time. It involves taking up independent account-specific reviews of individual credit exposures as per the approved lending guideline. The bank has in place a risk grading system for analyzing the risk associated with credit. The parameters, while risk grading the customers, include financial condition and performance, quality of disclosures and management, facility structure, collateral and country risk assessment where necessary. Maximum counterparty / group exposures are limited to 15 percent (funded) of the bank's capital base as stipulated by Bangladesh Bank and where a higher limit is required for projects of national importance prior approval of Bangladesh Bank is obtained.

Past dues and impaired exposures are defined in accordance with the relevant Bangladesh Bank regulations. Specific and general provisions are computed periodically in accordance with the Bangladesh Bank regulations.

The bank practises credit risk mitigation under the Standardized Approach where considerations are made for cash, equity, bank's own FDR etc. kept as securities against the exposures to calculate net exposure with applicable haircut.

Consolidated Risk Weighted Assets for Credit Risk as on 31.12.2011:-

million Tk.

On-Balance Sheet RWA for Credit Risk	
Claims on Public Sector Entities (other than Government) in Bangladesh	68.00
Claims on Banks and NBFIs	1703.01
Claims on Corporate (excluding equity exposure)	18403.18
Claims under Credit Risk Mitigation	28.77
Claims categorized as retail portfolio & SME (excluding consumer loan).	8003.67
Consumer Loan	738.87
Claims fully secured by residential property	4913.09
Claims fully secured by Commercial real estate	5974.47
Past Due Claims (Risk weights assigned net of specific provision):	2592.40
Capital Market Exposure	2726.00
Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	221.43
Investments in premises, plant and equipment and all other fixed assets	2215.12
Claims on all fixed assets under operating lease	942.85
All other assets	1603.02
Total On-Balance Sheet RWA for Credit Risk	50133.87
Off-Balance Sheet RWA for Credit Risk	
Claims on Public Sector Entities (other than Government) in Bangladesh	8.00
Claims on Corporate (excluding equity exposure)	3929.22
Against retail portfolio & SME (excluding consumer loan)	7905.81
Total Off-Balance Sheet RWA for Credit Risk	11843.03
Total On-Balance Sheet & Off-Balance Sheet RWA for Credit Risk	61976.90

4. Specific Provision

The bank follows Bangladesh Bank guidelines regarding loan classification, provisioning and any other issues related to Non Performing Loan (NPL). While dealing with NPL, the bank's decision is always complied by local rules and regulations as well as bank's guidelines which are generally conservative.

Specific provision on loans and advances are made as follows:-

Specific provision on substandard loans and advances/ investments	: 20%
Specific provision on doubtful loans and advances/ investments	: 50%
Specific provision on bad/loss and advances / investments	: 100%

The specific provisions are accounted for as liabilities under "Provisions for loans and advances".

5. Other Credit Information

Other qualitative and quantitative disclosures are given in the notes to the accounts as a part of this Annual Report.

6. Market Risk

The Bank has a comprehensive Treasury Manual which inter alia covers assessment, monitoring and management of all the market risks. The bank has defined various internal limits to monitor market risk and is computing the

capital requirement as per Standardized (rule based) approach of Basel-II for market risk. Details of various market risks faced by the bank are as follows:-

Interest rate risk in the Trading Book

The capital charge for entire interest risk exposure in the Trading Book is computed under the Standardized Approach using the Maturity Method in accordance with the guidelines of Bangladesh Bank.

Interest rate exposures in the Banking Book

Interest rate risk in the banking book pertains to changes in interest rates which might adversely affect a bank's financial position. The responsibility of interest rate risk management rests with the bank's Asset Liability Management Committee (ALCO). The bank periodically computes the interest rate risk on the banking book that arises due to re-pricing mismatches in interest rate sensitive assets and liabilities. For the purpose of monitoring such interest rate risk, the bank has in place a system that tracks the re-pricing mismatches in interest-bearing assets and liabilities. For computation of the interest rate mismatches the guidelines of Bangladesh Bank are followed. Details relating to re-pricing mismatches and the interest rate risk thereon are placed in the ALCO meetings regularly for discussions and corrective action, if necessary.

Foreign Exchange Risk

Foreign Exchange Risk may be defined as the risk that a bank may suffer losses as a result of adverse exchange rate movements during a period in which it has open position, either spot or forward, or a combination of the two, in an individual foreign currency. The responsibility of management of foreign exchange risk rests with the Treasury Back Office of the bank. The bank has set up internal limit to monitor foreign exchange open positions. Foreign exchange risk is computed on the sum of net short positions or net long positions, whichever is higher of the foreign currency positions held by the bank.

Equity Position Risk

The bank's investment in Equity is adjusted with market price periodically and resulting gain or loss is provided for appropriately as per Bangladesh Bank's guidelines.

Capital Charge for Market Risk

The consolidated Capital charge for various components of market risk is presented below:

	million Tk.
Interest rate risk	5.20
Equity risk	608.80
Foreign Exchange position risk	83.40
Total capital charge for Market risk as on 31.12.2011	697.40

7. Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputation risk. It is inherent in every business organization and covers a wide spectrum of issues. The bank manages operational risk through a control based environment in which processes are documented and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the Bank stays in line with industry best practice. As per Bangladesh Bank's directives the Bank uses the Basic Indicator Approach to calculate its operational risk and the total capital charge is given below:-

Total Capital Charge for Operational Risk: Tk. 790. 40 million.

8. Eligible Regulatory Capital

Tier-I capital of the bank includes Paid-up capital, Nonrepayable share premium account, Statutory reserve, General reserve and Retained earnings. Other components of Tier -I Capital such as Minority interest in subsidiaries, Non-cumulative irredeemable preference shares and Dividend equalization fund stand nil.

Tier-II (Supplementary Capital) consists of general provision, revaluation reserves for fixed assets and securities and equity instruments and provision for Off-Balance Sheet exposures. All other preference shares and Subordinated bonds included under Tier -II Capital stand nil.

The use of Tier-III (short term subordinated debt) is limited only for part of the market risks. The bank does not have any Tier- III capital.

The details of consolidated Capital structure as of 31st December, 2011 are provided as under:

A. Tier-I Capital

	million Tk
Fully Paid-up Capital	2,768.40
Statutory Reserve	2,554.50
General Reserve	55.80
Retained Earnings	1,190.50
Total Tier -I Capital	6,569.20
Deductions (if any)	-
Total Eligible Tier-I Capital	6,569.20

B. Tier -II Capital

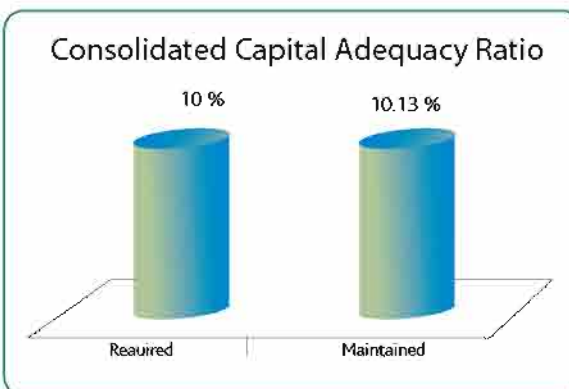
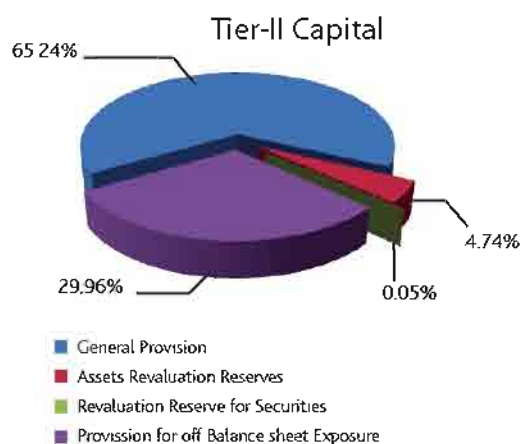
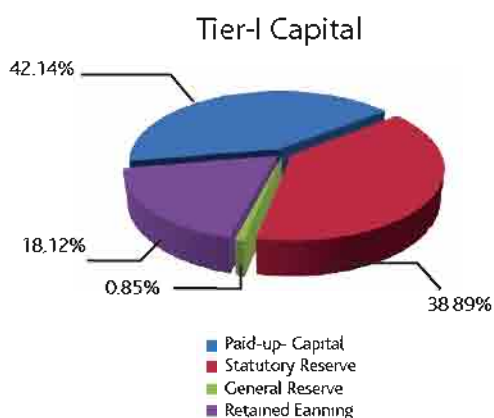
General Provision	792.80
Asset Revaluation reserve up to 50%	57.50
Revaluation Reserve for Securities	0.70
Provision for Off-Balance Sheet	364.00
Total Tier -II Capital	1,215.70
Deductions (if any)	-
Total Eligible Tier -II Capital	1,215.70
C. Total Eligible Capital (Tier -I + Tier -II)	7,784.30

9. Capital Adequacy Ratio

The bank has in place a capital adequacy framework by which the bank's business projections and the capital adequacy projection are linked in a cohesive way. The bank's capital adequacy ratio is periodically reviewed by the Management. The composition of capital are also analyzed to ensure stability in the capital structure.

The Consolidated position of Risk Weighted Assets (RWA) Total Eligible Capital and Minimum Capital Requirement (MCR) as of 31st December, 2011 is presented below:

Sl. No.	Particulars		million Tk.
A.	Credit Risk		61,976.88
	On-Balance Sheet	50,133.86	
	Off-Balance Sheet	11,843.02	
B.	Market risk		6,974.53
C.	Operational Risk		7,904.39
D.	Total RWA		76,855.80
E	Eligible Capital:		
	Tier –I Capital	6,569.20	
	Tier –II Capital	1,215.10	
	Tier-III Capital	-	
	Total Eligible Capital (1+2+3)		7,784.30
F	Capital Adequacy Ratio (CAR) (A4/B) * 100		10.13%
G.	Core Capital to RWA (A1/B)*100		8.55%
H.	Supplementary Capital to RWA (A2/B)*100		1.58%
I.	Minimum Capital Requirement (MCR) 10% of RWA		7,685.58



Stress Testing

Basel –II Implementation Department of the Bank has prepared a stress testing model in line with the Bangladesh Bank's guidelines which focuses on "Simple Sensitivity and Scenario Analysis" on the following five risk factors:

- ⇒ Interest rate risk;
- ⇒ Credit risk;
- ⇒ Equity prices risk;
- ⇒ Foreign exchange rate risk;
- ⇒ Liquidity risk.

Stress testing based on the financial performance of the bank as of December 31, 2011 has already been furnished and presented to Bangladesh Bank. The result of Stress Testing reflects the strength of the bank to absorb the shocks against individual risk factors. However, in case of absorbing the combined shocks, some additional capital is required.

Borrowers' Rating

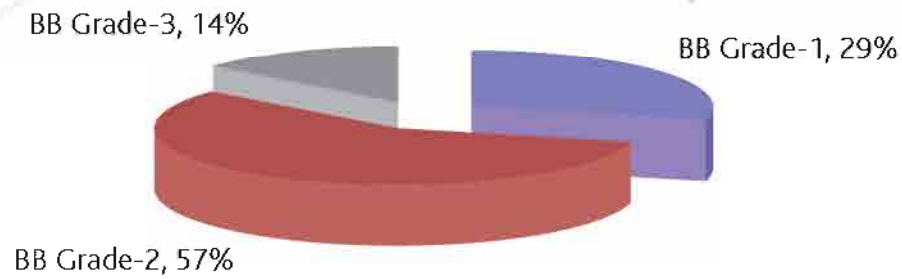
New Capital Adequacy Framework under Basel –II allow commercial banks to allocate capital in relation to the credit risk embedded in their exposures. Borrowers rating would be measured by External Credit Rating Assessment Institutes (ECAIs). As capital is the most expensive source of funding, any decrease or increase in such capital allocation could translate into substantial savings/ additional costs for banks. Given the competitive market scenario, banks may be expected to share the savings achieved through lower capital allocation with investment-grade issuers; at the same time, given the pressures on profitability, banks may also be expected to pass on the additional costs for unrated exposure to their borrowers.

For smooth & effective implementation of BASEL – II Accord, IFIC Bank has started to conduct Credit Rating of Corporate Borrowers through External Credit Rating Assessment Institutes (ECAIs). Out of total 243 Nos of eligible borrowers of our bank having exposure of Funded plus Non-Funded facility of Tk. 20.00 crore & above (and /or minimum funded facility of Tk.10.00 crore & export oriented industries), we have completed rating of 51 Nos. borrowers with in December, 2011.

Rating category of 51 Nos, borrowers of IFIC Bank is as under

Bangladesh Bank Rating Grade	Equivalent rating of CRISL	Equivalent rating of CRAB	No. of Rated Customer of IFIC	% of total Rated customer
BB Grade-1	AA-,AA	AA,AA3,AA2,AA1	15	29%
BB Grade-2	A+,A,A-	A,A1,A3	29	57%
BB Grade-3	BBB-,BBB	BBB3, BBB2,BBB1	7	14%

Rating Status of Corporate as per Bangladesh Bank's Risk Grade



Capital relief through borrower rating

A risk weight has been assigned by Bangladesh Bank against each individual exposure type which is used to measure the amount of regulatory capital that will be required to be maintained against such exposure. As per standardized approach BASEL-II framework, the risk weight will be based on the credit rating of the borrower prepared by the External Credit assessment Institution (ECAIs) duly recognized by Bangladesh Bank. Capital charge may be reduced by taking benefit of the risk mitigation described in the guidelines of Bangladesh Bank. However in the absence of credit rating the risk weight against loans and advances would be higher and will increase the requirement of maintaining regulatory capital.

Market Disclosure Under Basel-II

As On 31st December, 2011 (As Per Guideline Of Bangladesh Bank)
(Consolidated Basis)

a) Scope of application

Qualitative Disclosures	(a)	The name of the top corporate entity in the group to which this guidelines applies.	International Finance Investment & Commerce Bank Limited (IFIC Bank Ltd.).
	(b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities ¹ within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	IFIC Bank was incorporated as a full fledged banking company in 1983 and previously it was serving as a finance company since 1976. A Subsidiary Company in the name of IFIC Securities Limited has been incorporated to handle brokerage and stock trading business. The subsidiary company has, recently started its business operations since SEC's permission.
	(c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Transfer of funds or regulatory capital can be performed as per directives of the regulatory bodies.
Quantitative Disclosures	(d)	The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.	Figs in crore Tk Nil

b) Capital structure

Qualitative Disclosures	(a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.	Paid-up Capital of the Bank is already above minimum requirement of Tk. 200.00 crore to be raised before August, 2011 as per the directives of Bangladesh Bank. Government of Bangladesh holds about 32.75% of the shareholdings, Directors and sponsors hold 8.37% and the rest is held by general public. The Bank has the option of raising capital by issuing Right Shares or Subordinate Bonds.
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		Figs in crore Tk	
Quantitative Disclosures	(b)	The amount of Tier 1 capital, with separate disclosure of:	
		Paid up capital	276.84
		Non-repayable share premium account	0.00
		Statutory reserve	255.45
		General reserve	5.58
		Retained earnings	119.05
		Minority interest in subsidiaries	0.00
		Non-cumulative irredeemable preference shares	0.00
		Dividend equalization account	0.00
		Total amount of Tier 1 capital	656.92
Quantitative Disclosures	(c)	The total amount of Tier 2 and Tier 3 capital.	121.51
	(d)	Other deductions from capital.	0.00
	(e)	Total eligible capital.	778.43

c) Capital Adequacy

Qualitative Disclosures	(a)	<p>A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.</p>	<p>According to BB Guidelines IFIC Bank is assessing Risk Based Capital Adequacy under Basel-II from 1st January, 2010. Under Basel-II framework the capital requirement is determined for Credit Risk and Market Risk under Standardized Approach and Operational Risk under Basic Indicator Approach and summed-up to determine total Risk Weighted Assets and thereafter the Minimum Capital Requirement (MCR). IFIC Bank has maintained Capital Adequacy Ratio of 10.13% as on December 31, 2011, whereas Minimum Capital Requirement (MCR) is 10% from 1st July, 2011 as per BRPD circular No.10 dated March 10, 2010. The Bank has thus maintained some excess capital than the minimum requirement of 10%. However, the Bank is continuously evaluating its capital position in comparison to its risk weighted assets position and exploring ways and means to raise capital both internally and externally.</p>
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Quantitative Disclosures	(b)	Capital requirement for Credit Risk	619.77	Figs in crore Tk
	(c)	Capital requirement for Market Risk	69.75	
	(d)	Capital requirement for Operational Risk	79.04	
	(e)	Total and Tier 1 capital ratio:		
		• For the consolidated group; and • For stand alone	84.39% 84.39%	

d) Credit Risk

Qualitative Disclosures	(a)	<p>The general qualitative disclosure requirement with respect to credit risk, including:</p> <ul style="list-style-type: none"> • Definitions of past due and impaired (for accounting purposes); • Description of approaches followed for specific and general allowances and statistical methods; • Discussion of the bank's credit risk management policy; and 	<p>The unsecured portion of any claim or exposure that is past due for 90 days or more net of specific provisions is known as Past Due claims.</p> <p>Specific provision and General provision have been maintained as per Bangladesh Bank's circulars in this context. Risk Weighted Assets have been calculated under the Standardized Approach for Credit Risk.</p> <p>The Bank has a sound Credit Risk Management Policy guideline with detailed procedures of loan approval and disbursement, credit administration and credit risk grading etc. which is strictly followed at all levels.</p>
Quantitative Disclosures	(b)	Total gross credit risk exposures broken down by major types of credit exposure.	Details in Annexure-1
	(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	Details in Annexure-2
	(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Details in Annexure-3
	(e)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Details in Annexure-4

d) Credit Risk

Quantitative Disclosures			SMA-	116.88	(Figs. in crore)
		• Amount of impaired loans and if available, past due loans, provided separately;	SS-	34.75	
			DF-	142.21	
			B/L-	80.85	
		• Specific and general provisions; and		179.48	
		• Charges for specific allowances and charge-offs during the period.		39.65	
	(g)	Gross Non Performing Asset (NPAs)		257.81	
		Non Performing Assets (NPAs) to Outstanding Loans & advances		4.06%	
		Movement of Non Performing Assets (NPAs):			
		Opening balance		226.43	
		Additions		299.45	
		Reductions		-268.07	
		Closing balance		257.81	
		Movement of specific provisions for (NPAs):			
		Opening balance		132.32	
		Provisions made during the period		39.65	
		Write-off		71.77	
		Write-back of excess provisions		-	
		Closing balance		100.20	

e) Equities: Disclosures for Banking Book Positions

Qualitative Disclosures	(a)	<p>The general qualitative disclosure requirement with respect to equity risk, including:</p> <ul style="list-style-type: none"> • differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and • discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices. 	<p>Differentiation between holdings of equities for capital gain and those taken under other objectives is being clearly identified. The equity positions are reviewed periodically by the senior management.</p> <p>Important policies covering equities valuation and accounting of equity holdings in the Banking Book are based on use of the cost price method for valuation of equities. Preference is given to purchase of shares of strong companies at face value through placement/ IPO.</p>
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		Figs in crore Tk.	
Quantitative Disclosures	(b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	Cost price of quoted shares : 334.59 Fair value of quoted shares : 304.38 Decrease value : (30.21)
	(c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	Realized Gains from sale of shares = 59.79
	(d)	<ul style="list-style-type: none"> • Total unrealized gains • Total unrealized losses • Any amounts of the above included in Tier 2 capital. 	46.57 61.64 Nil
Quantitative Disclosures	(e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	Capital charge for Equity Exposure assessed for total amount without group segregation = 60.88

f) Interest rate risk in the banking book (IRRBB)

Qualitative Disclosures	(a)	The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	Interest Rate Risk is managed through use of Gap analysis of rate sensitive assets and liabilities and monitored through prudential limits and stress testing. The IRRBB is monitored in movements/changes on a monthly basis and the impact on Net Interest Income is assessed. The ALCO formulates the policy and strategy depending on the market conditions to maximize Net Interest Income.
Quantitative Disclosures	(b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	<p style="text-align: right;">Figs in crore Tk.</p> 1) At 1% increase in Interest Rate, fall in MVE (Market Value Equity) = 27.65 2) At 2% increase in Interest Rate, fall in MVE (Market Value Equity) = 55.31 3) At 3% increase in Interest Rate, fall in MVE (Market Value Equity) = 82.96

g) Market risk

Qualitative Disclosures	(a)	Views of BOD on trading/investment activities Methods used to measure Market risk Market Risk Management system Policies and processes for mitigating market risk	<p>The trading/investment activities in IFIC Bank Limited are managed cautiously so that maximum returns are obtained without taking undue risks.</p> <p>The Bank uses the Standardized Approach to calculate the Market Risk for Trading Book Exposures.</p> <p>The Asset Liability Management Policy of the Bank as approved by the Board ensures effective management of the Market Risk through a well-structured Treasury function which includes a Front Office, Mid Office and Back Office and an ALCO body. The aim of the Market Risk Management System is to minimize the impact of losses on earnings due to market fluctuations.</p> <p>The policy contains sound Portfolio management procedures and good practices such as minimizing risks through diversification of portfolio.</p>
Quantitative Disclosures	(b)	The capital requirements for: Interest rate risk; Equity position risk; Foreign exchange risk; and Commodity risk.	<p>0.52</p> <p>60.88</p> <p>8.34</p> <p>0.00</p>

h) Operational risk

Qualitative Disclosures	(a)	Views of BOD on system to reduce Operational Risk	<p>IFIC Bank manages its operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events and implementing any additional procedures required for compliance with regulatory requirements. The following procedures are maintained in the Bank:</p> <ul style="list-style-type: none"> - Operational risk management responsibilities are assigned to the senior management - Internal auditors are assigned for recording, identification and assessment of operational risks and to prepare reports for the Audit Committee;
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h) Operational risk

		<p>Performance gap of executives and staffs</p> <p>Potential external events</p> <p>Policies and processes for mitigating operational risk</p> <p>Approach for calculating capital charge for operational risk</p>	<p>- Operational risk loss data is collected and reported to the senior management. Identifying, monitoring and recording of fraud, irregularities, unauthorized works, system break down etc. are done by the Management and details of the untoward incidents are reported to the Bank's Audit Committee;</p> <p>Performance goals are most often attained by executives and staff with a few exceptions.</p> <p>N/A</p> <p>The Operational Risk Management Policy adopted by the Bank outlines organizational structure and detailed processes for management of operational risk. The basic objective of the policy is to closely integrate operational risk management system into day-to-day risk management process of the bank by clearly assigning roles for effectively identifying, assessing, monitoring and controlling and mitigating operational risk. Operational risks in the Bank are managed through comprehensive and well articulated internal control frameworks.</p> <p>Basic Indicator Approach</p>
Quantitative Disclosures	(b)	The capital requirements for operational risk	<p style="text-align: right;">Figs in crore Tk</p> <p style="text-align: center;">79.04</p>

Annexure-1

Quantitative Disclosures on major types of Credit Exposures

(As per Consolidated basis) As on December, 2011

Particulars	Amount in Crore Tk.
Claim on Corporate	1,957.17
Claims on Banks and NBFIs	754.84
Claims fully secured by Commercial real estate	597.45
Claims fully secured by residential property	982.62
Claims categorized as retail portfolio & SME	1,067.16
Claims on Bangladesh Government and Bangladesh Bank	1,214.67
All other assets	178.66
Claims under Credit Risk Mitigation	302.51
Past Due Claims	231.94
Investments in premises, plant and equipment and all other fixed assets	221.51
Claims on OBU	108.31
Capital Market Exposure	218.08
Cash	126.10
Claims on all fixed assets under operating lease	94.29
Consumer Loan	73.89
Claims on Public Sector Entities	13.60
Unlisted Equity Investment	17.71
Total:	8,160.50

Annexure - 2

Quantitative Disclosures on Geographical Distribution of Credit Exposures

As on December, 2011

Division-wise	Amount in Crore Tk.	Percentage (%)
Dhaka Division	4,800.82	73.38%
Chittagong Division	1,063.88	16.26%
Sylhet Division	53.91	0.82%
Rajshahi Division	348.09	5.32%
Khulna Division	168.84	2.58%
Barishal Division	23.58	0.36%
Rangpur Division	83.70	1.28%
Total	6,542.83	

Annexure - 3

Quantitative Disclosures on industry type distribution of credit exposures

As on December, 2011

(Taka in Crore)

Sl. No.	Name of the Sector/Industry	Amount in Crore Tk.	Percentage (%)
1	Agriculture Industries	35.07	0.54
2	Jute Industries	52.83	0.81
3	Textile Industries	360.50	5.51
4	Garments Industries	896.70	13.71
5	Chemical and Chemical Products	28.29	0.43
6	Cement Industries	50.35	0.77
7	Bricks & Ceramic	58.77	0.90
8	Food Products and Processing	216.84	3.31
9	Engineering & Metal	185.95	2.84
10	Drugs & Pharmaceuticals	28.36	0.43
11	Hospital & Clinics	104.65	1.60
12	Paper & Paper Products Industries	62.02	0.95
13	Other Small Industries	120.33	1.84
14	IT Sector	8.99	0.14
15	Other Service Industries	63.10	0.96
16	Commerce & Trade	1965.44	30.04
17	IFIC Securities Ltd.	218.08	3.33
18	Transport	31.06	0.47
19	Construction Firms/Companies	563.84	8.62
20	Housing Societies	278.37	4.25
21	Cold Storage	14.71	0.22
22	Non-Banking Financial Institutions	156.06	2.39
23	Consumer Finance	506.91	7.75
24	Energy	47.23	0.72
25	Telecommunication	29.67	0.45
26	Off-shore Banking	108.31	1.66
27	Others	350.40	5.36
	Total	6542.83	100%

Annexure - 4

Quantitative Disclosures on Residual maturity of Credit exposures

As on December, 2011

Loans & Advances	Amount in Crore Tk.	Percentage (%)
Repayable on demand	6.65	0.10
Not more than 3 Months	2409.99	36.84
Over 3 Months but not more than 12 Months	2018.61	30.85
Over 1 year but not more than 5 Years	1377.52	21.05
Over 5 Years	730.06	11.16
Total	6542.83	100%

Risk Management

A Bank is a unique commercial organization for its diversity and complexity of financial activities. Globalization of financial activities emergence of new financial products and increased level of competition has necessitated a need for an effective and structured risk management in a financial institution. A bank's ability to measure, monitor, and steer risks comprehensively is becoming a decisive parameter for its strategic positioning. Continuing technological innovation and competition among the existing banking organizations and new entrants have allowed for a much wider array of banking products and services to become accessible and delivered to retail and wholesale customers through different distribution channel. A structured risk management framework is needed for a bank to address properly so that the risks associated in different areas can be minimized.

The Bank has different committees for risk management, viz. Credit Committee, Asset Liability Committee (ALCO), Investment Committee which regularly meet to review the market, credit and liquidity related factors and recommend vis-a-vis implement appropriate measures to counter associated risks. Appropriate internal control measures are also in place to minimize the operational risks. A Risk Management Committee has also been constituted to address the overall risk.

Implementation of the BASEL-II accord under the supervision of Central Bank is going on. In addition to credit risk, Basel II also covers operational and market risk. The risk weighted assets as well as capital requirement under BASEL-II are increased significantly. However, minimum capital requirement has been fulfilled by the Bank.

As per directives of Bangladesh Bank, IFIC Bank has set up a separate Risk Management Division to review and monitor continuously the Bank's Risk Management Policies, methodologies, guidelines and procedures for risk identification, measurement and acceptance level of risk. Various analysis including Value at Risk (VaR) analysis and stress testing are being done on a regular basis. IFIC Bank shall comply fully with Basel II

standards as per approaches chosen by the Central Bank for implementation of Basel II accord in Bangladesh.

However, the Risk Management Division is responsible to ensure the following:

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

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

Core Risk Management

IFIC Bank, as per guidelines of the Bangladesh Bank, has introduced risk management policies and strategies to address the following core risks:

- » Credit Risk Management
- » Asset Liability Risk Management
- » Foreign Exchange Risk Management
- » Internal Control and Compliance Risk Management
- » Money Laundering Risk Management and
- » Information & Communication Technology Risk Management

Credit Risk Management (CRM)

Credit risk is a risk of incurring loss that arises from the customer's failure to meet their obligations in accordance with agreed terms. Credit risks may arise from both funded and non-funded business. The

assessment of credit risk involves evaluating both the probability of default by the borrower and the financial impact on the bank in the event of default.

Credit Risk Management Policy of the bank rests on its sound and prudent bank management culture and complies largely with industry standard, interest rate and liquidity management requirements, corporate governance principles and carries with it best practices within the banking profession.

The objectives of credit risk management are:

- » Identifying, measuring, monitoring and controlling credit risks in order to maintain a manageable and quality loan portfolio.
- » Ensuring that expected returns compensate for the risks taken.
- » Ensuring credit risk decisions are explicit, clear and well calculated.
- » Maintaining the overall credit exposure of the bank at prudent levels consistent with the available capital.
- » Ensuring top management as well as individual responsible for credit risk management has sound expertise and knowledge to take credit risk and accomplish risk management functions.

The lending guideline covers the following:

- » Industry and business segment focus including lending caps
- » Types of credit facilities
- » Single borrower exposure limit including syndication loans
- » Discouraged business areas
- » Loan facility parameters
- » Acceptable securities with quality and value
- » Insurance coverage
- » Loan pricing strategy
- » Cross border risk
- » Credit assessment and credit risk grading
- » Environmental Risk Rating

Approval Process

The bank is operating under a dynamic approval process based on sound, well-defined granting criteria. Thorough exercise is being done for each and every case. Credit approval are also being made on case to case basis under the authority delegated by the Board.

During last year, in the process of evaluation and adaptation of its risk management strategy, IFIC Bank has reviewed its CRM Policy Guideline, Lending cap, Delegation Authority and restructured the Organogram & Corporate Risk Unit. Online loan origination process for Retail & SME products has been implemented. As per Bangladesh Bank guideline, Environmental Risk Rating is adopted in the approval process for our commitment to green banking. Creating awareness among the corporate houses dealing with our bank regarding relevance of Credit Rating for ultimate introduction of risk based pricing vis-à-vis minimizing capital requirement of the bank.

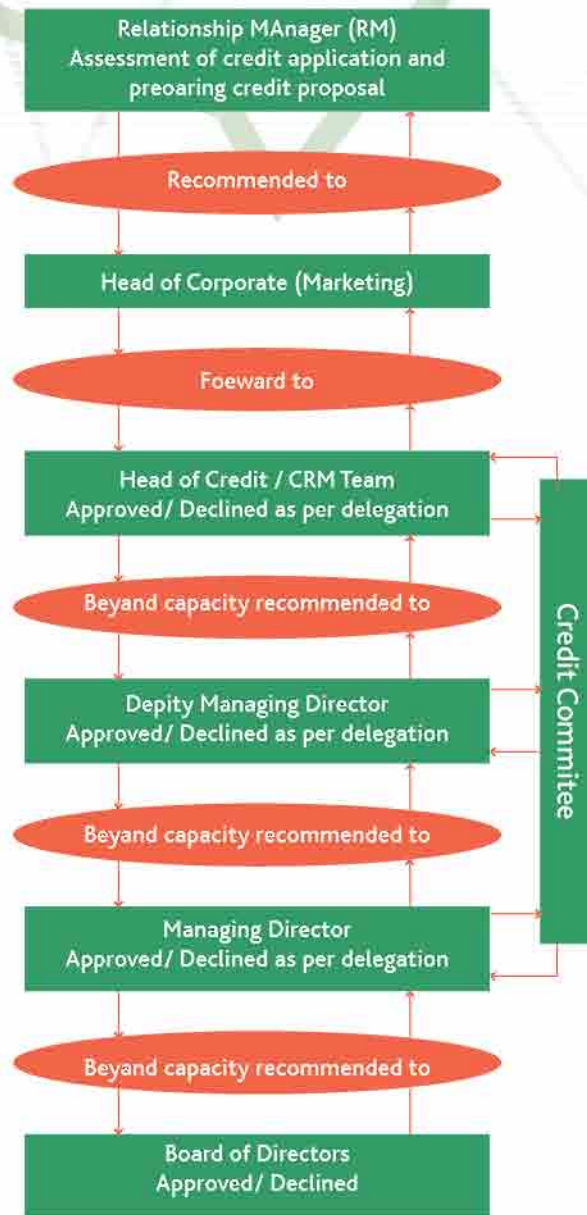
Credit Administration

Credit administration is an essential part of the credit risk management. This is a continuous process that support and control extension and maintenance of credit. Major functions of credit administration are:

- » Ensuring of all security documentation complies with the terms of sanction
- » Monitoring of appropriate insurance coverage to protect the interest of the bank as well as the borrowers
- » Controlling of loan disbursements to ensure that all the terms and conditions have been complied and all the documentation formalities have been completed before disbursement.
- » Continuous monitoring of borrower's compliance with terms and conditions of the sanction as well as performance in the accounts.

Asset Liability Risk Management

Asset Liability Risk Management is an integral part of risk management in a bank. There is a structured and systematic process to manage the asset liability risk as well as the Balance Sheet. Asset Liability Management (ALM) Desk is an independent unit within the Treasury Division. The desk meticulously monitors and analyzes cash flows and cash positions, balance sheet gaps, daily



Approval Process

profit and loss, economic trends, investment options, arbitrage opportunities, business growth, liquidity and places the facts and findings before the ALCO with its recommendations on a regular basis.

A committee named Asset Liability Committee (ALCO) comprising senior management of the bank has been established to make important decisions relating to

liquidity, interest rate and balance sheet management of the bank. The ALCO is headed by the Managing Director. ALCO meeting is held once or more in every month to analyze, review and formulate strategies in order to manage the same. However, the main functions of the ALCO are:

- » Ensure adequate liquidity at all times.
- » Ensure adequate capital to meet business and regulatory requirements.
- » Diversify funding
- » Establish asset/liability pricing policies.
- » Receive and review reports on liquidity risk, market risk and capital management.
- » Review liquidity contingency plan for the bank.
- » Manage balance sheet and ensure business strategies consistent with liquidity requirements.

Liquidity Risk Management

Liquidity risk is a risk of inability to meet the obligations that are due. The liquidity risk generally arises from funding in long term assets by short term liabilities. The bank has established liquidity management framework that is well integrated with the bank's risk management process. The liquidity risk management strategy is in accordance with the bank's risk tolerance. There is a sound process for identifying, measuring, monitoring and controlling liquidity risk. This process includes a framework for comprehensively projecting cash flows arising from assets, liabilities and off-balance sheet items over an appropriate set of time horizons. Periodic stress testing are being done on a regular basis showing no significant adverse impact.

The liquidity risks are measured and monitored by the Treasury Division of the bank who maintains the liquidity position based on historical requirements and anticipated future requirement sources of fund, asset quality and earning capacity. ALCO has been monitoring liquidity risk regularly.

Interest Rate Risk

Interest rate risk is a risk of incurring loss due to adverse changes in interest rate applied on both interest bearing assets and liabilities which affects the earnings of the bank. Accepting this risk is a normal part of banking. However, excessive interest rate risk can pose a significant threat to a bank's earnings and

capital base. Changes in interest rates affect a bank's earnings by changing its net interest income and the level of other interest rate sensitive income and operating expenses. An effective risk management process that maintains interest rate risk within prudent levels is essential to the safety and soundness of the bank. The ALCO has been monitoring continuously about the market condition as well as the bank's interest rate on both deposits & lending.

However, the bank has been identifying both the interest rate sensitive assets and liabilities and classified them in to different time buckets to find the asset/liability mismatch. The duration gap analysis are also being done on quarterly basis. DGAP is found positive for all the quarters which indicates that assets are more price sensitive than liabilities, on average. Thus, when interest rates shifted downward by 1%, assets will fall proportionately less in value than liabilities and the market value of equity will rise accordingly.

Foreign Exchange Risk Management

The Foreign exchange risk is a risk of incurring loss due to changes in currency exchange rates. An investment's value may change adversely and incurring loss due to changes in exchange rates.

The Foreign exchange risks are measured and monitored by the Treasury Division of the bank. As per directives of Bangladesh Bank, the bank has formulated a treasury manual which has been implemented for managing foreign exchange risks. The functions of treasury front office, mid office and back office have been segregated. The operational guidelines have also been formulated specifying the roles and responsibilities of front, mid and back office so that various foreign exchange transactions can be conducted according to the policy guidelines of the Bangladesh Bank and the risks can be measured, monitored and mitigated.

Front Office: The front office or the dealing room acts as the bank's interface to international and domestic financial market. The front office is the center for market risk management activities in the bank. The front office is the unit that interacts with the market within the generally approved framework and the

authority given to dealers by the Board of Directors of the bank.

Back Office: The market risk exposure and particularly front office activities are monitored by the back office. The back office is responsible for monitoring of deal confirmation, deal settlement, funding to nostro account, maintenance and reconciliation of nostro account etc. Monitoring and reporting of all limits including open positions, counterparty settlement, overall limits and portfolio limits are also the responsibility of the back office.

Mid Office: The mid office is responsible to independently monitor, measure and analyze risks inherent in treasury operations of the bank. The mid office performs risk review function of day-to-day activities and submit the risk report to the top management. Value at Risk (VaR) analysis are also being done on a regular basis

Internal Control and Compliance Risk Management

Internal control is a process, effected by the board of directors of the bank through senior management so that every individual is responsible for achievement of specific objectives to ensure operations efficiently and compliance with applicable laws, regulations, and internal policies. The internal control system of the bank ensures that the functional efficiency of the branches as well as different divisions/departments of Head Office are in order. An effective control structure has been set up with control activities defined at every business level including segregation of duties with necessary authority.

The internal control system of the bank ensures that all the necessary policies, guidelines and manuals are in place and all concerns are following the same strictly and meticulously including Departmental Control Function Check List (DCFCL). To monitor the overall effectiveness of the internal control system the Management Committee (MANCOM) regularly reviews the policies & procedures as well as the structure assigning clear responsibility, authority and reporting relationship.

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

good governance, transparency & accountability. The ICC Division is conducting comprehensive internal audit of the branches as well as different divisions/departments of Head Office ongoing basis. The Division reviews the activities of branch's Internal Control Unit (ICU) continuously through different control processes to minimize irregularities/lapses, to prevent fraud/forgery and to control existing/emerging risks. The significant deficiencies identified by the audit team are placed before the senior management as well as the Audit Committee of the Board. Audit Committee of the Board regularly monitors the functions of Internal Control & Compliance Division with their necessary suggestions/recommendations and also reports to the Board of Directors on quarterly basis.

Risk based Internal Audit is being carried out annually for risk profiling/categorization of the branches based on the level of its various risks. Strong monitoring & close supervision ensure functional efficiency of the branches & different divisions/departments of Head Office by maintaining control environment at operational level. Compliance culture is developed by strict adherence to statutory & regulatory requirement and also bank's own policy & procedures.

By enforcing effective & sound Internal Control System, ICC is performing its activities for further improving overall work performance of the bank towards achieving its ultimate objectives.

Money Laundering Risk Management

Money Laundering is now a global issue which refers to the process of concealing the source of illegally obtained money. Effective anti-money laundering and combating the financing of terrorism regimes are essential to protect the integrity of markets and of the global financial framework as they help to mitigate the factors that facilitate financial abuse. Money laundering risk is a risk of incurring loss due to inadequate due-diligence resulting reputational, operational, legal and concentration risks involving significant cost.

As per directives of Bangladesh Bank, "Guidelines on Prevention of Money Laundering" and "Policy for Combating Financing of Terrorism" has been formulated for strict compliance.

In line with the regulatory requirement, the Chief Anti-Money Laundering Compliance Officer (CAMLCO) regularly submits status report to the competent authorities in respect of hundi activities, abnormal transactions, Suspicious Transaction Report (STR), Cash Transaction Report (CTR), Know Your Customer (KYC) Procedure, Transaction Monitoring Report, Structuring Monitoring Report, Half Yearly Report on Self Assessment Reports of branches & independent testing procedure conducted by ICC Division and similar other areas. The bank has been complying all the rules and regulations on Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) issues.

IFIC Bank Ltd is regularly arranging Training Programs on Prevention of Money Laundering & Combating Financing of Terrorism for all categories of Executives/Officers of the Bank. During the year 2011, the Bank arranged several training courses on Prevention of Money Laundering & Combating Financing of Terrorism where 494 Executives/Officers of the Bank attended.

Information & Communication Technology Risk Management

ICT risk management is embedded with organizational internal control system which is used as part of the management control for risk management in the organization. This management control emphasizes both business control and technological control which support business requirement and governance. Business and technological controls are involved in the policies, processes and systems. Internal control and the audit process control the entire range of interactive transactions and internal transactions across organization as well as monitor and manage risks including business risks and ICT risks. Internal control and audit have played a vital role of risk management which can be used to:

- » Provide risk management and control advice to relevant personnel.
- » Provide independent assurance to the authority about the adequacy and effectiveness of controls and other risk management activities.

The Bank has integrated technology with its business and is continuously upgrading its technological aspects

to keep pace with modern banking arena. With its centralized online banking solution, the Bank is now able to serve its customers from anywhere any time. The Bank has already launched debit card, credit card, prepaid card, SMS banking, web-based remittance facility and automated emailing customer's statement. Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN) has also been established as per guidelines of Bangladesh Bank.

The Bank has upgraded its data centre during 2011 with high-end servers and networking equipments to accommodate growing business transactions with adequate security. Besides the data and network securities, various physical security measures like, data center access control, environmental security, fire prevention, etc. have been maintained adequately. The bank has also setup disaster recovery site with advanced technology which can be readily accessed in case of any disaster of the data centre so that the customer services are not hampered.

To bring the banking services at the door of the customers, the bank is expanding its own ATM network. The bank has made a plan to set up 60 (Sixty) ATM Booth during 2012 in addition to existing 12 (Twelve) ATM Booth.

To improve customer service, the bank has already procured software solution and under process of implementing setting up contact centre. The bank is going to introduce Internet Banking which is being used by the staff members on trial basis. In view of the vast opportunity, the bank is going to introduce Mobile Banking very soon.

Green Banking

Climate change is a global issue which calls for global response. Effect of global warming could be enormous and devastating in the years to come. It may destroy the normal pattern of the earth as well as the atmosphere creating an unstoppable climatic shift. The majority of effects will be devastating to human and animal populations too. An insecure food supply, increased frequency and intensity of storms, and rapidly rising sea levels are just a handful of the possible effects of global warming.

Bangladesh is one of the most climate change vulnerable countries. The state of environment in Bangladesh is also rapidly deteriorating. Air pollution, water pollution and scarcity, encroachment of rivers, improper disposal of industrial waste, medical and house-hold waste, deforestation, loss of open space and loss of biodiversity are the main areas causing environmental degradation.

Urgent measures are therefore required by the stakeholders for sustainable development and thereby saving the planet. Banks hold a unique position in the economic system. Green Banks or environmentally responsible banks not only improve their own standards but also affect socially responsible behavior of other businesses.

In view of the situation, Policy Guideline on Green Banking for the Bank has been formulated in a formal and structured manner to protect environmental degradation as a part of Corporate Social Responsibility (CSR). As per directives of Bangladesh Bank, the policy will be implemented in three phases by 31st December 2013.

A 'Green Banking Cell' has been established at Head Office for continuous monitoring of green banking activities of the bank. The cell is also responsible for designing, evaluating and introducing of innovative green products, green marketing and other green banking related issues.

In the 1st phase, as a part of In-House Environment Management a 'Green Office Guide' has been issued and circulated to all the branches/offices of the bank by which a set of instructions have been given for In-house Environment Management which includes:

- Saving consumption of electricity by replacing normal bulbs with energy saving bulbs, by maximum use of natural light, by putting of the thermostats of the air conditioners not below 24°C, by enabling of auto-sleep/standby-mode of all the computers etc.
- Saving consumption of printer cartridges by enabling/setting of all the printers to econo-mode, if available.

- Saving consumption of paper by using double sided printing and photocopying.
- Saving consumption of paper and time as well as cost by using email while making correspondences with Head Office and Branches instead of sending hard copy as far as possible.
- Saving consumption of other office stationery etc.

Environmental and Climate Change Risk have also been incorporated as part of the existing credit risk methodology prescribed to assess a prospective borrower. Environmental Risk Rating System has been introduced and a good number of borrowers have been already rated as per Environmental Risk Management (ERM) Guidelines of Bangladesh Bank. A software has also been provided to the branches for the purpose.

Bank has started setting up of green branches with the provision of the maximum use of natural light, use of renewable energy, use of energy saving bulbs and other equipments, reduced water and electricity use etc. A new branch has recently been set up at Chandina, Comilla with solar energy system.

Improvement of In-House Environment Management and some other issues like, introducing Green Finance, introducing Green Marketing, mobile and internet banking, supporting employee training & consumer awareness building, disclosure & reporting of Green Banking activities are going on/under process.

Corporate Branding & Publicity

Now-a-days branding and promotion play a pivotal role in the success of any business. The Bank has undertaken various activities in 2011 for making the IFIC Bank brand visible. The Bank carried out sustained corporate branding and promotional activities for products more vigorously through multiple publicity channels - print, electronic and outdoor media.

For effective publicity of three products – More Money, A Plus & Protimash, a television commercial (TVC) and a radio commercial (RDC) were prepared and telecast regularly in NTV, ATN Bangla, Channel I, Star Cineplex, ABC Radio and Radio Today through our media partner Dhanshiri Communication Ltd. A good number of advertisements were published in daily newspapers, three billboards were acquired and an activation was carried out for promoting the said products.

To increase brand visibility, we sponsored the live program titled Apnar Jiggasa in NTV during the month of Ramadan and live programme in ATN Bangla from the Rabindra Sarobar on Pahela Baishakh celebration. We also did branding of the news scroll in ATN News.

The Bank carried out branding at about a dozen ATM booths in different locations of Dhaka City. We participated in Batexpo-2011 of BGMEA, SME Fair of FBCCI and Remittance Fair of the Ministry of Expatriate Welfare & Overseas Employment. We sponsored a good number of programmes including Reela's Fashion Boutique's celebration of the 40th Independence Day & 100 years of Dhaka Club. We also decorated road islands on the occasion of Fire Service & Civil Defense Week-2011.

We also carried out gallery branding at Bangabandhu National Stadium during the friendly football match between Argentina & Nigeria. Beautification works are being implemented at Dhanmondi Road no. 27. We celebrated our 29th Anniversary in a befitting manner.

The outdoor advertisement of the Bank also increased significantly with three new billboards installation at three important points in Dhaka, including Mohakhali Flyover. We also carried out road barricades branding from Kakoli to Gulshan Notun Bazar, Mohakhali to Gulshan-1 intersection & Uttara Model Town areas.



Corporate Social Responsibility (CSR)

CSR: A Cornerstone of IFIC Bank

Corporate Social Responsibility (CSR) is a built-in, self-regulating mechanism in the IFIC Bank whereby the bank monitors and ensures its active compliance with the spirit of the law, ethical standards and international norms. The Bank's CSR goal is to embrace responsibility for its actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere whom we consider as our stakeholders.

The Bank's CSR initiatives, focused on operating in socially, economically and environmentally sustainable ways, are aimed at meeting the needs and expectations of its stakeholders – investors, customers, employees, partners, suppliers, government, NGOs and society in general. The initiatives are centered on addressing the needs of common people to make a positive and meaningful contribution to the society.

These initiatives go beyond its corporate obligation to voluntary activities that promote sustainable development. The Bank's CSR activities are in line with its commitment to the welfare and economic prosperity of the people and the community, for we derive from them our inspiration and drive for onward progress to prosperity.

The basic principle of the Bank's CSR activities is to focus on the triple bottom line (3BL) – people, planet and profit, which captures an expanded spectrum of values and criteria for measuring its corporate success: economic, ecological, and social.

During the year 2011, the Bank undertook the following measures in line with its CSR plan:

Donation of Hino Bus to Students of Dhaka University (DU)



The Bank donated a Japanese made 52-seater Hino bus worth Tk 66.00 Lac on December 19, 2011 to Dhaka University to reduce the transportation problem of students.



Vice Chancellor of Dhaka University Dr. AAMS Arefin Siddique is seen receiving the key of the bus from Member of the Board of Directors of IFIC Bank Mr. Aminur Rahman and Managing Director Mr. Mohammad Abdullah. Deputy Managing Directors, Company Secretary and top executives were also present at the handing over ceremony at Dhaka University Senate Room.

DU Vice Chancellor Dr. AAMS Arefin Siddique received the bus from Mr. Aminur Rahman, Director, and Mr. Mohammad Abdullah, Managing Director of the Bank.

Thanking IFIC Bank for donating the bus, the Vice Chancellor said: "The varsity had to rent buses from BRTC to commute students as the number of buses was inadequate."

He also added: "We appreciate the kind gesture of IFIC Bank for mitigating the transportation problem of DU Students."

Mr. Aminur Rahman said IFIC Bank is playing an important role for the socio-economic development of the nation. "The Bank will continue its efforts for greater benefits of the society."

Donation of a Dialysis Machine to BIRDEM Hospital

The Bank donated a state-of-the-art dialysis machine worth Tk.12.50 Lac to BIRDEM Hospital to facilitate treatment of the kidney patients.



IFIC Bank authorities are seen handing over a dialysis machine to officials of BIRDEM Hospital at Shahbagh in the city. Senior Lawyer Barrister Rafiq-ul Haque, noted physician Dr. AR Khan, President of Bangladesh Diabetic Samity (BDS) Prof AK Azad Khan, Member of the Board of Directors of IFIC Bank Mr. Syed Anisul Huq, Secretary General of BDS Mr. Sayef Uddin, Prof Dr. Abul Mansur and Managing Director of the Bank Mohammad Abdullah were, among others, present on the occasion.

President of the Bangladesh Diabetic Samity (BDS) Prof AK Azad Khan and other top officials of BIRDEM Hospital received the machine from IFIC Bank authorities at a simple ceremony at the hospital at Shahbagh.

Senior Lawyer Barrister Rafiqul Haque, noted physician Dr. AR Khan, Member of the Board of Directors of IFIC Bank Mr. Syed Anisul Huq, Secretary General of BDS Mr. Sayef Uddin, Chairman of Nephrology Department of BIRDEM Hospital Prof Dr. Abul Mansur and Managing Director of the Bank Mohammad Abdullah attended the handing over ceremony. Mr. Mati-ul Hasan, Deputy Managing Director (Business) and top officials of both sides were also present at the program.

Lauding IFIC Bank, Barrister Rafiqul Haque said it is a good sign that the corporate bodies like banks are generously contributing to the health sector. Everyone should work not only for profits but also for the welfare of the society, he added.



Thanking IFIC Bank for donating the dialysis machine, Prof AK Azad Khan hoped that the bank will play much bigger roles in future for making critical healthcare services available to the people.

Syed Anisul Huq said: "The IFIC Bank came forward to donate the dialysis machine as we found there is a great scarcity of resources in the hospital to cope with the demand of large number of patients. We will continue our efforts for greater welfare of people."

Donation of an Ambulance to Anjuman Mufidul Islam



Member of the Board of Directors of IFIC Bank Mr. Syed Anisul Haq, Managing Director Mr. Mohammad Abdullah and Deputy Managing Director Mr. Mati-ul Hasan are seen handing over the key of an ambulance to officials of Anjuman Mufidul Islam at a ceremony at Anjuman's Head Office at Kakrail.

As part of the Bank's CSR activities, a modern ambulance was donated to Anjuman Mufidul Islam, a humanitarian organization well-known for its burial services to unclaimed dead bodies, in line with the advice of the Board of Directors.

Tk.10.00 lac to National Shooting Federation

In international level, Bangladesh achieved the most prestigious sports award from shooting. National Shooting Federation-Bangladesh has been working to create a pool of shooters like Abdus Sattar Nini and Asif Ahmed Khan who brought glory for the country at Commonwealth Games and Asian Games.



National Shooting Federation Bangladesh organized the National Airgun Championship-2011 in October last at the Federation Complex. Member of the Board of Directors of IFIC Bank Mr. Syed Monjurul Islam, President of National Shooting Federation Major General Mohammad Ashab Uddin and Managing Director of IFIC Bank Mr. Mohammad Abdullah were, among others, present at the prize giving ceremony.

As a part of its effort to develop the game, the Shooting Federation organized the Airgun Championship-2011 in October last at National Shooting Federation Complex. It requested the bank to sponsor the program with Tk.10.00 lac. As the bank intended to contribute to the development of games & sports, the board and management accepted the request for the said program.

The bank has also been providing significant financial assistance in short, mid and long terms to the shooting federation with an aim to help develop the sport and bring glory to the nation by winning awards/medals at international level like Olympic, Commonwealth Games and so on.

Donation to International Rice Research Institute (IRRI)

"International Rice Research Institute (IRRI)" sought financial assistance in September 2011 in order to raise funds for strengthening its research and development works. After receiving the proposal, the Board and Management reviewed it and decided to donate Tk. 6.00 lac to "International Rice Research Institute (IRRI)".

Assistance to Asian Tourism Fair-2011

Parjatan Bichitra, a travel & tourism magazine, organized the Asian Tourism Fair from September 29-30 & October 01, 2011 at Bangabandhu International Conference Centre (BICC). They requested the Bank for financial assistance to organize the program. The Bank provided Tk 2.00 lac and became the title sponsor of the fair.

Donations to artist Dhali Al Mamun & Freedom Fighter Md. Abdul Wadud

Association of Bankers' Bangladesh (ABB) mobilized a fund for the treatment of painter Mr. Dhali Al Mamun. He suffered a serious injury during a fatal road accident in which noted film-maker Tareque Masud and ATN News CEO Mishuk Muneer died. Mr. Dhali required a big amount of money for his long treatment. ABB requested our bank to contribute generously for the said cause. Responding to the request, the Bank donated Tk.1.00 Lac for helping Mr. Dhali Al Mamun for his treatment.

The Bank also donated Tk 10,000.00 for the treatment of a freedom fighter Md. Abdul Wadud of Kaliganj area under Jhenaidah district. He was suffering from eye diseases.

Donation to National Debating Club

Bangladesh Debating Council- BDC dispatched Bangladesh national school debating team to the City of Dundee, Scotland to participate in the World School Debating Championship-2011. The program held from August 16, 2011 to August 26, 2011 was hosted by the City of Dundee. BDC has been working to improve the quality of debating in Bangladesh. BDC sought



Deputy Managing Director (Business) of IFIC Bank Ltd. Mati-ul Hasan is seen handing over a cheque to the members of Bangladesh Debating Club (BDC) in order to help them participate in the World School Debating Championship 2011 at Scotland.

assistance from our Bank for above mentioned program which was participated by delegates from about 80 countries.

Taking their request in to account, an amount of Tk 2.50 lac was donated to Bangladesh Debating Council-BDC for helping the debating team attend the World School Debating Championship-2011.

Book distribution to Kushtia Missionary Primary School

As part of our Bank's CSR activities, our Kushtia Branch spent Tk 25,000 only for purchasing 300 books as gift for the library of Kushtia Missionary Primary School, Kushtia. The books were handed over to Head Mistress of Kushtia Missionary Primary School on October 24, 2011 in the presence of members of the Managing Committee and teachers of the School.

IFIC Bank distributes 4000 blankets among distressed people



IFIC Bank distributed about 4500 winter clothing among poor people through its 25 branches in different parts of the country as part of its Corporate Social Responsibility (CSR) activities.

The poor people suffer from heavy cold during winter season because they do not have sufficient warm cloths and also do not have enough ability to purchase warm cloths to protect themselves from cold. The poor people and their children thus lead a miserable life throughout the winter. To mitigate sufferings of poor people to some extent, the Bank distributed around 4000 winter cloths among the poorest people in about 25 districts across the country as part of our Bank's CSR activities.

IFIC Bank introduces Literary Award 2011: A springboard for excellence in Bengali literature

The Bank introduced Literary Award-2011 with an aim to encourage creative writings in Bengali language. Chairman of the IFIC Bank Mr. Salman F Rahman made an announcement on December 31, 2011 in this regard at a Press Conference at Hotel Purbani. He highlighted various aspects of the award and answered questions on the same.



Chairman of IFIC Bank Mr. Salman F Rahman made the announcement on the introduction of IFIC Bank Literary Award – 2011 at a Press Conference at Hotel Purbani. Chairman of Executive Committee of the Board Mr. Mohammad Lutfar Rahman, Member of the Board of Directors Dr. Mohammad Ali Khan and Managing Director Mr. Mohammad Abdullah were present at the press conference.

Chairman of Executive Committee of the Board Mr. Mohammad Lutfar Rahman, Member of the Board of Directors Dr. Mohammad Ali Khan, Managing Director Mohammad Abdullallah and other top officials of the Bank attended the event.

The Chairman said each of the two winning writers will receive Tk 5.00 lac, a crest and a certificate under the literary award. In monetary term, this will be the biggest literary award in the country and also a

springboard for excellence in our beloved Bengali literature. In line with a Board approved guideline, the highest degree of neutrality will be maintained in the selection process of the award, he said.

Interested writers, publishers and readers submitted books in seven categories – novel, short story, essay, poems, travelogue, biography and translation, which were published between January 01, 2011 and December 31, 2011. Five copies of books were submitted to Managing Director's office by or before February 21, 2012.

Following a thorough screening, the awards will be handed over to the winners through a grand gala event.

Beautification Works



IFIC Bank carried out beautification works at Dhanmondi Road no 27. A fountain was built as part of the beautification works.



Directors' Report 2011





Dear Shareholders,

Assalamu Alaikum.

The Board of the Directors of IFIC Bank Limited takes the pleasure to present the Directors' Report along with the Audited Financial Statements for the year ended December 31, 2011 before all of you. The Board also likes to take the opportunity to highlight briefly on the operational performance of the Bank during the period in the context of domestic and international economic scenario.

1. Global Economy

Despite robust economic growth in emerging and developing countries, the world economy slowed in the year 2011 mainly due to the weakening trend in some advanced economies. Among these advanced economies, the contraction in the economic activities in Japan and the slowdown in the United States influenced the world economy remarkably. The sovereign debt pressure in the euro area and the economic and political turmoil in the U.K. also affected global economic growth during the year. Global inflation continued to accelerate, driven by rising commodity prices, throughout the year especially in the emerging and developing countries where food and energy goods weigh more heavily in the consumer basket.

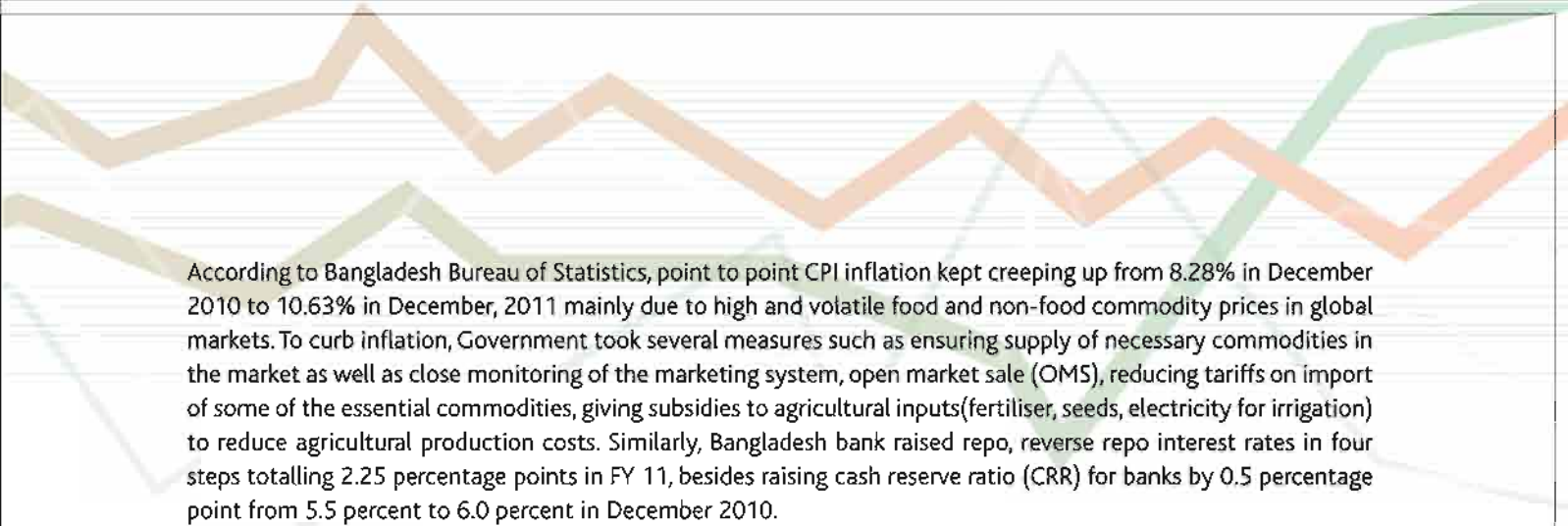
The IMF's world Economic Outlook, September 2011 issue shows that recovery from the global recession was not uniform in 2011: in advanced economies GDP growth was predicted to be around 1.6 percent against 6.4 percent in emerging economies. Consequently, world economy was expected to slow to average growth rate of 4.00 percent in 2012. During 2011, the stance of monetary policy in developed economies remained accommodative. On the other hand, the central banks of the emerging and developing countries gradually tightened monetary conditions due to experience of economic overheating and deteriorating inflationary expectations. In 2011, world financial markets also underwent another spell of volatility, triggered by uncertainty over US economic growth and renewed sovereign strains in some euro-zone countries.

2. Bangladesh Economy

Consolidating the strong recovery that emerged in FY10 and benefiting from external demand that remained favourable, the Bangladesh Economy moved on a path of rapid and sustained growth in FY 11.

The Bangladesh Bureau of Statistics (BBS) estimated real GDP growth for FY 11 at 6.7 percent, the highest ever recorded since FY 90. Industry sector had the strongest growth gain from 6.5 percent in FY 10 to 8.2 percent in FY 11, supported by strong growth exceeding 40.0 percent both in exports and imports. Services sector output growth edged up to 6.6 percent in FY 11 from preceding year's 6.5 percent. Agriculture sector output growth eased down from preceding year's 5.2 percent to lower but still strong and above trend, recorded 5.0 percent growth in FY 11.

Export earnings recorded a high 41.7 percent growth during FY 11. The high growth in exports of key items like ready-made garments, raw jute, jute goods, leather and frozen foods helped to attain higher export growth during FY 11. Import payments recorded healthy 41.8 percent growth during FY 11 compared to a slower 5.5 percent growth recorded in FY 10. The import payments were higher due to higher imports of food grains, capital machinery and some intermediate goods; and partly to higher international prices. Despite moderation in growth of workers' remittance inflows to 6.0 percent in FY 11 from 13.4 percent of FY 10, BoP current account balance registered a surplus of USD 1.00 billion; substantially lower than the FY 10 surplus of USD 3.7 billion. With deficits in services, income and trade accounts, the FY 11 current account surplus was attributable mostly to inflows of workers' remittances, rising to USD 11.65 billion in FY 11, from USD 10.99 billion of FY 10.



According to Bangladesh Bureau of Statistics, point to point CPI inflation kept creeping up from 8.28% in December 2010 to 10.63% in December, 2011 mainly due to high and volatile food and non-food commodity prices in global markets. To curb inflation, Government took several measures such as ensuring supply of necessary commodities in the market as well as close monitoring of the marketing system, open market sale (OMS), reducing tariffs on import of some of the essential commodities, giving subsidies to agricultural inputs (fertiliser, seeds, electricity for irrigation) to reduce agricultural production costs. Similarly, Bangladesh bank raised repo, reverse repo interest rates in four steps totalling 2.25 percentage points in FY 11, besides raising cash reserve ratio (CRR) for banks by 0.5 percentage point from 5.5 percent to 6.0 percent in December 2010.

3. Banking Sector

During the year 2011, the Banking Sector of Bangladesh demonstrated a moderate level of resilience due to improvement in key financial indicators of the banking industry and policy support from Bangladesh Bank. However, operating profit of some private sector banks declined in 2011 as a consequence of bearish trend in the Capital Market of the country.

The total deposit in the banking sector excluding inter-bank deposits stood at Tk. 4,173,516 million at the end of December, 2011 as against Tk. 3,463,614 million in 2010 marking a growth of 20.50%. The total loans and advances stood at Tk. 3,773,470 million at the end of December, 2011 as against Tk. 3,196,919 million of 2010 registering a growth of 18.03%. Despite severe liquidity crisis, like the preceding years, PCBs retained their leadership both in procuring deposits and disbursing loans and advances.

In the year 2011, there were 22% growth in the Assets and 34% accretion in the Deposits and Loans and Advances of IFIC Bank Ltd. There was a 19% growth in the profit of the Bank in the year 2011 ignoring recovery from written-off loan and income from CMD of the preceding year.

4. Changes In Monetary And Credit Regulations:

The major policy measures taken by the Bangladesh Bank in the monetary and credit fronts in FY 2011 were as follows:

- A fund worth of USD 95.00 million comprising USD 76.00 million with the financial assistance of ADB and USD 19.00 million from Bangladesh Government under the "SME Development Project" taken by the Bangladesh Government (Bangladesh Bank) was formed under "Small and Medium Enterprise Financing Scheme" for generating employment and increasing domestic demand and providing financial support to emerging small and medium enterprises.
- Refinance facility under SME refinance scheme was provided to ensure more institutional credit facility for women entrepreneurs of small industries in simple terms and conditions. Group-wise SME loan disbursement arrangement was also introduced to make credit easier for women entrepreneurs.
- Directives were given to the commercial banks to strengthen loan activities faster in solar panel, bio-gas and effluent treatment plant sector with simple terms and conditions at maximum 10.0 percent interest rate and to introduce their own scheme to install solar panel in residential/commercial buildings.
- With a view to facilitating export trade of the country, the size of EDF was enhanced to USD 400 million from USD 300 million.
- To ensure adequate supply of essential commodities and to keep the price of these commodities at tolerable level, interest rate on import financing to edible oil (crude & refined), beans, pulses, onion, spices, fruits and sugar was re-fixed at maximum 12.00 percent.

- Banks were advised to start school-banking in order to broaden financial inclusion and to motivate students to generate savings by rendering them knowledge about modern banking and technologies.
- The repo and reverse repo rates were adjusted upward by four steps totaling 2.25 percentage points from 4.5 and 2.5 percent to 6.75 and 4.75 percent respectively.
- Decision was taken to provide export subsidy against advance payment through T.T. along with same facility provided against export bill negotiation/collections for the export of jute products produced by jute mills.
- To encourage export trade of the country, export subsidy/cash incentives were provided by the Government like previous years on net fob value of the selected commodities (textile, handmade products, agro-product, potato, bicycle, crushed bone, hatching egg and day old chicks, light engineering, liquid glucose, frozen shrimp and other fishes, leather products, pet bottle-flex and ship building) shipped during 1 July 2010 to 30 June 2011 at the rates ranging from 5-20 percent. Moreover, credit facility was provided at a concessional interest rate of 4.0 percent for salt cultivation in the coastal areas of the country.
- Cash Reserve Requirement was revised upward to 6.0 percent on bi-weekly basis instead of 5.5 percent of the total demand and time liabilities of scheduled banks and minimum 5.5 percent on daily basis instead of 5.0 percent from 15 December 2010.
- Statutory Liquidity Reserve (SLR) including Cash Reserve Requirement (CRR) maintained by all scheduled banks with Bangladesh Bank was revised upward to 19.00 percent of their total demand and time liabilities from 18.00 percent. SLR for Islami shariah based banks and the Islami banking branches/windows of all conventional banks was re-fixed at 11.5 percent of their total demand and time liabilities from 15 December 2010.
- The charges of some services were rationalized to ensure the interest of depositors/investors/ customers. All scheduled banks were advised to display the complete schedule of charges (including interest rates) in suitable visible places in their branches and Head Offices for the information of their customers and upload the same in their respective websites for the convenience of the customers.

5. Financial Performance of IFIC in 2011

Deposits:

The Bank mobilized a total deposit of Tk. 73,042.23 million as of December 31, 2011 as against Tk. 54,660.41 million as of December 31, 2010 indicating an increase of 34% over the previous year. The competitive interest rates, deposit mobilization efforts and customers' confidence on the Bank contributed to the significant growth in deposits during the year.

Loans and Advances:

The total Loans and Advances of the Bank stood at Tk. 65,428.35 million as of December 31, 2011 as against Tk. 48,826.26 million as of December 31, 2010 marking an increase of 34% over the previous year.

The loans and advances portfolio of the Bank mainly consists of Trade Financing, Project Loans for new projects and BMRE projects, Working Capital Financing, SME and Lease Financing. Besides, the Bank is financing individual borrowers under Consumer Financing Scheme. The Bank is gradually increasing its involvement in Agricultural Sector as per directives of the Bangladesh Bank. Credit portfolio of the Bank as on 31.12.2011 categorized as follows:-

(Figs. in million)

SL No.	Particulars	Outstanding	Percentage
1	Consumer Financing (Excluding Credit Card)	4,838.60	7.39
2	Credit Card	230.50	0.35
3	Small Enterprise Financing	8,713.30	13.32
4	Medium Enterprise Financing	7,740.30	11.83
5	Large Enterprise Financing	40,291.10	61.58
6	Agriculture Financing	350.60	0.54
7	OBU	1,083.20	1.66
8	IFIC Securities	2,180.75	3.33
	Total	65,428.35	100.00

Operating Profit:

IFIC Bank generated profit of Tk. 2,877.90 million in 2011 before provisions as against Tk. 3,844.08 million in 2010 showing a negative growth of about 25%. Mentionable here that in 2010 there was extraordinary income of Tk. 1,090 million from recovery of written-off loans.

Income :

The interest income increased by 45.65% which was Tk. 6,798.01 million in 2011 and Tk. 4,667.28 million in 2010 due to increase in loans and advances. During the year, both income from investment and commission, exchange gain & brokerage increased as compared to the previous year. The income from capital gain stood at Tk. 129.07 million during 2011 against Tk. 227.66 million in 2010.

Expenses:

The total expenses of the Bank for 2011 stood at Tk. 7,572.66 million against Tk. 5,103.45 million in 2010. The interest paid to the depositors and borrowings represented Tk. 4,654.63 million which was 61.47% of the total expense. The total operating expense of the Bank was Tk. 2,918.03 million in 2011 in comparison to that of Tk. 2,528.92 million in 2010.

Capital & Reserves:

The authorized capital of IFIC Bank was Tk. 5,350.00 million and the paid-up capital stood at Tk. 2,768.38 million as on December 31, 2011. A break-up of the capital & reserves inclusive of statutory reserve for the fulfillment of provisions under the Bank Company Act, 1991 is furnished below:

Nature of Capital & Reserve	Taka in million
Paid up Capital	2,768.38
Statutory Reserves	2,554.52
Other Reserve	171.75
Retained Surplus	1,190.52
Total Capital & Reserves	6,685.17

Capital Adequacy Ratio:

During 2011, the capital increased by Tk. 1,070.60 million and the Bank maintained Capital Adequacy Ratio (CAR) of 10.13% as against the required minimum of 10% under Basel – II framework.

Credit Rating:

Status	2010 (CRAB)	2009 (CRAB)
Long -term	AA3	A1
Short-term	ST-2	ST-2

The Credit Rating Agency of Bangladesh Limited (CRAB) rated IFIC Bank during 2010. The CRAB rated the Bank 'AA3' in the Long Term and ST-2 in the Short Term in 2010 which was an improvement in rating in the Long term. This up-gradation was due to IFIC Bank's growth rate,

improvement in profitability, maintenance of good asset quality, satisfactory financial performance and acceptable non-funded business. However, the rating of the Bank, based on the financials of 2011, is yet to be finalized.

6. Capital Adequacy Under Basel-II

From 1st January, 2010, the Banks in Bangladesh have started implementation of Basel –II framework for assessment of Capital Adequacy on a quarterly basis as per Bangladesh Bank's directives. In order to comply with the Basel –II requirements, the IFIC Bank has taken necessary steps to face the challenges. A Basel –II Implementation Unit comprising of senior executives is in place for ensuring oversight on the risk based capital assessment process of the Bank and for extending necessary guidelines. There is also a Basel –II Implementation Cell which is engaged in developing the required data base and calculation of risk weighted assets of the Bank as well as capital adequacy requirement. The components of Capital as per Basel –II guidelines of the Bangladesh Bank along with Capital Adequacy Ratios for the last 2 (two) years are given hereunder:-

Capital Adequacy of IFIC Bank (Consolidated) under Basel –II

during 2011 and 2010:-

(Figs. in million Tk.)

Particulars	31 st December 2011	31 st December 2010
Tier – I (Core Capital)	6,569.20	5,737.40
Paid up Capital	2,768.40	2,179.80
Share premium	-	-
Statutory Reserve	2,554.50	2,182.20
General Reserve	55.80	55.80
Retained Earnings	1,190.50	1,319.60
Tier –II (Supplementary Capital)	1,215.10	976.30
General Provision	792.80	614.30
Provision for Off Balance Sheet exposure	364.00	334.00
Preference Share	-	-
Exchange Equalization Fund	-	-

Revaluation reserves of Securities (Upto 50% of the revaluation reserves)	0.70	19.30
Assets Revaluation Reserves	57.70	8.70
Total Capital	7,784.30	6,713.70
Total Risk Weighted Assets (RWA)	76,855.80	68,627.60
Minimum Capital Requirement	7,685.60 (10% of RWA)	6,176.50 (9% of RWA)
Surplus	98.70	537.20
Capital Adequacy Ratio:	10.13%	9.78%
Tier - I Capital to Risk Weighted Assets (RWA)	8.55%	8.36%
Tier –II Capital to Risk Weighted Assets (RWA)	1.58%	1.42%

7. Overseas Operations:

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

Overseas joint venture operations have not only brought a positive image of the Bank in foreign land but also contributed in its profitability. A pen picture of the existing overseas joint venture operations of the Bank is furnished hereunder:

Oman International Exchange, LLC (OIE)

Oman International Exchange LLC (OIE), a joint venture between IFIC Bank Limited and Oman nationals, was established in 1985 to facilitate remittance by Bangladeshi wage earners in Oman. IFIC Bank holds 25% shares, and the balance 75% is held by the Omani sponsors. The exchange company has a network of 13 branches covering all the major cities/towns of Oman. The operations of the branches are fully computerized having online system. The affairs and business of the company are run and managed by IFIC Bank under Management Contract.



Mr. Warith Mubarak Said Al-Kharusi, Chairman of Oman International Exchange LLC, a joint venture exchange company of IFIC Bank, presided over the 58th Board Meeting held on 22nd December, 2011 in Dhaka.

NIB Bank Ltd., Pakistan

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

To meet the Minimum Capital Requirement (MCR) of the State Bank of Pakistan, the Overseas Branches in Pakistan have been amalgamated with a reputed leasing company in Pakistan named National Development Leasing Corporation Ltd. Therefore, the existence of our above Overseas Branches has been ceased w.e.f. 2nd October 2003 and a new joint venture bank titled NDLC-IFIC Bank Ltd. emerged in Pakistan w.e.f. 3rd October 2003. The Bank was subsequently renamed as NIB Bank Ltd. Due to the increase of the capital of NIB, IFIC's stake in it has reduced to 0.61%.

Nepal Bangladesh Bank Ltd. (NB Bank)

Nepal Bangladesh Bank Ltd. (NB Bank), a joint venture commercial bank between IFIC Bank Ltd. and Nepal nationals, started operation with effect from June 06, 1994 in Nepal with 50% equity from IFIC Bank Ltd. The Bank has so far opened 18 (eighteen) branches at different important locations in Nepal. IFIC Bank presently holds about 10% shares in NB Bank.

IFIC Money Transfer (UK) Limited

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

Foreign Remittance:

The IFIC Bank handles both inward and outward remittance products. The outward remittance includes FC Cash/ TC/FDD and Wire Transfer by SWIFT. The Bank's inward remittance covers Draft Service, Account Credit Service under Electronics Fund Transfer (EFT) arrangement and Instant Cash Payout Service. The foreign remittance business amounted to Tk.12,724/- million in 2011 in equivalent USD 170 million.

To facilitate inward foreign remittance in Bangladesh from United Kingdom, a fully owned Subsidiary exchange house of IFIC Bank titled IFIC Money Transfer (UK) Ltd. has commenced the operation in August, 2011 in London, UK. Moreover, we have executed an agreement with UDDIPAN, a renowned NGO, for channeling Foreign Remittance through their network where IFIC does not have any presence. At present 101 Branches of UDDIPAN are performing the remittance distribution of our Bank throughout the country.

Apart from Banks own from joint venture exchange companies in Oman there are 8 (Eight) Exchange Companies for catering inward foreign remittances from abroad which are:

1. Oman International Exchange LLC, Oman
2. MoneyGram Payment System, Inc., USA
3. Cointar Money Transfer (CMT) / SGS, UK
4. Placid NK Corporation, USA
5. Multinet Trust Exchange LLC, UAE
6. Al Fardan Exchange, UAE
7. Xpress Money Services Ltd., UK
8. Asia Exchange Centre, UAE &
9. IFIC Money Transfer (UK) Limited, UK.

Correspondent Banking Relationship:

IFIC Bank Ltd. has a wide range of correspondent network across the world to facilitate smooth foreign trade transactions. The Bank maintains 31 Standard Settlement Instructions (Nostrro Account) involving 8 currencies e.g. AUD, ACU-D, CAD, CHF, EUR, GBP, JPY and USD at important financial centers. Total foreign correspondents of IFIC Bank Ltd. stands at 387 as of 31st December 2011.

8. Products & Services:

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

Corporate Banking:

IFIC Bank is offering specialist advices and products to corporate clients to meet diverse demands of the changing market scenario. The Bank has an extensive branch network all over the country to expedite the client's business growth. The Bank facilitates the clients to face the challenges and realize opportunities. The Bank's main focus is relationship based banking and understanding corporate & institutional business environments. The products and services for corporate clients include: Working Capital Finance, Project Finance, Term Finance, Trade Finance, Lease Finance, Syndication Loan, etc.

Lease Financing:

Lease financing has become a thrust sector for individuals and small enterprises besides the medium and large enterprises. The IFIC offers financing vehicles/ CNG conversion/ refueling plant/ sea or river transport, capital machinery/ equipment/ lift / generator/ boiler, construction equipments/ computer for IT education center, medical equipments, etc.

Syndication Finance:

IFIC Bank along with other commercial banks has been financing large scale projects under syndication arrangement to raise and meet huge credit need of a company. This arrangement allows the Banks to share expertise among them and diversify their credit risks. To cater to the need of leading corporate houses of the country, IFIC Bank has been raising fund from the banking sector on behalf of the customers through syndication arrangement.

Project Finance:

IFIC Bank provides project loan to set up /BMRE of long-term infrastructure and industrial projects/ service unit on the basis of debt and equity rather than the balance sheets of project sponsors. Project financing has been recognized as an important and crucial mode of finance for a financial institution for substantial growth of its industrial credit vis-à-vis managing long term finance. The growth of project finance/Industrial credit of a developing country like Bangladesh is considered as a key parameter for transforming her dream into a mid income country group.

This is why, apart from trade and commercial finance; the IFIC Bank Ltd. from the very beginning has been an active partner of the private sector in developing large and medium scale industries of the country. The Bank has been financing Term Loan (Industrial) facility for establishing new project and/or BMRE of various projects in different sectors of economy such as, textile, garments, power, steel, telecom, pharmaceuticals, packaging, consumer products, health, CNG refueling, Real estate.

MSME Financing:

IFIC Bank Ltd. is contributing in Socio Economic Development of the country in an acknowledgeable way by financing Micro Small and Medium Enterprises as directed by Bangladesh Bank. The Bank always focuses on area approach method by considering regional business scope of MSME. The Bank has developed its own Product Program Guidelines (PPG) for each product and applies in-house assessment methodologies for evaluating the creditworthiness of the MSME borrowers in order to mitigate the credit risk. The total investment in MSME sector is Tk. 1422.52 crore during the year 2011 and outstanding MSME loan of IFIC Bank Ltd. is Tk. 1645.36 crore as on December 31, 2011 which is 25.89% of total loan portfolio of the Bank.



Managing Director of IFIC Bank Mr. Mohammad Abdullah signed an agreement with General Manager of SME & Special Program of Bangladesh Bank Mr. Shukomol Sinha Chowdhury for utilizing a fund for the development of the Small and Medium Enterprises (SMEs) in the country.

Women Entrepreneurs Loan (Protyasha):

IFIC Bank Ltd. designed a new and easily accessible loan product named Women Entrepreneurs Loan (Protyasha) for the women entrepreneurs who have a huge contribution to our developing economy. IFIC Bank Ltd. has 'Dedicated Desks', for women entrepreneurs to provide service to women entrepreneurs.

Consumer Financing:

Consumer finance is the segment of the financial services that lends money to individual consumers for meeting their personal, family and household needs. The IFIC Bank offers 13 different products under Consumer Financing namely, Easy Loan (Secured Personal Loan), Consumer Durable Loan, Parua (Education Loan), Thikana (House Building Loan), Any Purpose Loan, Marriage Loan, CNG Conversion Loan, Home Renovation/Interior Decoration Loan, Medical Loan, Holiday Loan, Peshajeebi Loan (Loan for Professionals), Auto Loan and Festival Loan.

Agriculture /Rural credit:

In the context of Bangladesh Economy, the role of Agriculture is very important for increasing domestic food production, employment generation and poverty alleviation in rural areas. As directed by Bangladesh Bank, all Commercial Banks of the country have fixed their target for disbursement of Agriculture/ Rural credit. As part of this program, IFIC Bank has fixed target for disbursement of Tk.97.00 crore in Agricultural/ Rural credit for the fiscal year 2011-2012 (July'11 to June'12).



IFIC Bank disbursed over Tk 40.0 Crore as agriculture credits among the flower cultivators in greater Jessore area, which is a hub for flower cultivations.

The Bank has introduced 5 (five) number of exclusively designed Agriculture Loan products, which are: (i) Phasali Rin - for Cultivation of crops (ii) Krishi Saronjam Rin - for Agriculture Equipments (iii) Shech Saronjam Rin - for Irrigation Equipments (iv) Poshupokkhi & Motsho Khamar Rin - for Live Stock & Fish Culture (v) Phalphasali Rin - for Fruit Orchard under agriculture financing for individuals & group/cluster at micro level.

Green Financing:

IFIC Bank has signed a participation Agreement of Tk.200.00 crore with Bangladesh Bank for re-financing in Solar Energy, Bio-Gas & Effluent Treatment Plant (ETP). It is intended to help increase the use of solar energy and environment friendly alternative renewable energy to maintain ecological balance.

9. Card Business:

IFIC Bank Limited has Card Services to offer world known Visa Cards to the customers of the Bank. At present there are variety of Card Products which include Credit Card, Debit Card and Pre-Paid Card. In order to run the operation of Card Services, Card Division with experienced and trained manpower has been set-up at Head Office of the Bank. The cardholders can avail 24x7 customers' services through out the year from Card Division of the Bank. The Visa Cardholders can use their Visa Cards to purchase at POS and withdraw cash from ATM at their convenience from home and abroad.

There are two types of IFIC Credit Card – Gold and Classic. IFIC Credit Card is dual currency credit card using both in USD and Taka Currency. IFIC Credit Card is popular in the market due to lower interest rate having no other hidden charges. There are several discount merchant outlets where the Credit Cardholders can get privilege services at special discount.

IFIC Bank has debit card which is linked with individual Saving Account/Current Account. The debit card is issued soon after opening of the account. As such, the accountholders can use their cards to withdraw cash from ATM at their convenience instead of using cheque book.

IFIC Bank has "Remittance Card" and "Travelers Card". "Remittance Card" is local pre-paid card where the cardholder can load the proceeds of remittance and use the card at ATM and POS at their convenience. "Travelers Card" is international pre-paid card which can be instantly issued from the branch counter as an alternative of Cash/TC while going abroad. "Travelers card" is acceptable to all POS and ATM with Visa logo all over the world.

IFIC Bank has both merchant POS and Bank POS. Merchant POS has been set-up at prominent merchant outlets. Bank POS are also available at 90 (Ninety) branches where the cardholders of IFIC Bank can withdraw big amount of cash.

10. Risk Management:

A Bank is a unique commercial organization for its diversity and complexity of financial activities. Globalization of financial activities, emergence of new financial products and increased level of competition has necessitated a need for an effective and structured risk management in a financial institution. A bank's ability to measure, monitor, and steer risks comprehensively is becoming a decisive parameter for its strategic positioning. Continuing technological innovation and competition among the existing banking organizations and new entrants have allowed for a much wider array of banking products and services to become accessible and delivered to retail and wholesale customers through different distribution channel. A structured risk management framework is needed for a bank to address properly so that the risks associated in different areas can be minimized.

The IFIC Bank, as per guidelines of the Bangladesh Bank, has introduced risk management policies and strategies to address the six core risks viz., Credit, Money Laundering, Asset Liability, Foreign Exchange, Internal Control and Compliance and Information & Communication Technology Risks. The IFIC Bank has already introduced necessary guidelines and framework to address the issue.

The Bank has different committees for risk management, viz. Credit Committee, Asset Liability Committee (ALCO), Investment Committee which regularly meet to review the market, credit and liquidity related factors and recommend vis-a-vis implement appropriate measures to counter associated risks. Appropriate internal control measures are also in place to minimize the operational risks. A Risk Management Committee has also been constituted to address the overall risks.

Implementation of the BASEL-II accord under the supervision of Central Bank is going on. In addition to credit risk, Basel II also covers operational and market risk. The risk weighted assets as well as capital requirement under BASEL-II are increased significantly. However, minimum capital requirement has been fulfilled by the Bank.

As per directives of Bangladesh Bank, IFIC Bank has set up a separate Risk Management Division to review and monitor continuously the Banks' Risk Management Policies, methodologies, guidelines and procedures for risk identification, measurement and acceptance level of risk. Various analysis including VaR analysis and stress testing are being done on a regular basis. IFIC Bank shall comply fully with Basel II standards as per approaches chosen by the Central Bank for implementation of Basel II accord in Bangladesh.

Credit Risk Management (CRM):

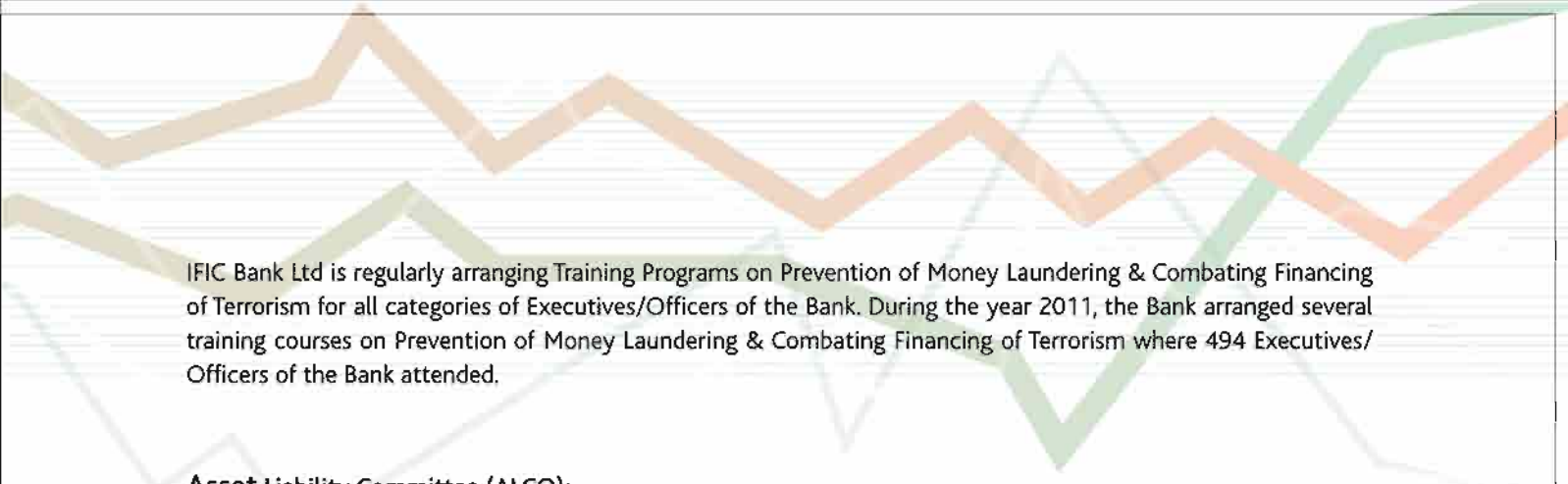
IFIC Bank's Credit Risk Management policy rests on its sound and prudent bank management culture and complies largely with industry standard, interest rate and liquidity management requirements, corporate governance principles and carries with it best practices within the banking profession.

Last year, in the process of evaluation and adaptation of its risk management strategy, IFIC Bank has reviewed its CRM Policy Guideline, Lending cap, Delegation Authority and restructured the Organogram & Corporate Risk Unit. Online loan origination process for Retail & SME products has been implemented. As per Bangladesh Bank guideline, Environmental Risk Rating is adopted in the approval process for our commitment to green banking. Creating awareness among the corporate houses dealing with our bank regarding relevance of Credit Rating for ultimate introduction of risk based pricing vis-à-vis minimizing capital requirement of the bank.

Prevention of Money Laundering :

Money Laundering Prevention is a prominent issue all over the world. In Bangladesh Anti-Money Laundering Act was enacted in 2002 and Anti Terrorism Act in 2009. Since 2002 IFIC Bank Ltd has been complying all the rules and regulations on AML/CFT issues. As directed by the Bangladesh Bank, the IFIC Bank Ltd has formulated "Guidelines on Prevention of Money Laundering" and "Policy for Combating Financing of Terrorism" for strict observation by all Branches/Officers of the Bank.

In line with the regulatory requirement, the Chief Anti-Money Laundering Compliance Officer (CAMLCO) regularly submits status report to the competent authorities in respect of Hundi activities, Abnormal Transactions, Suspicious Transaction Report (STR), Cash Transaction Report (CTR), Know Your Customer (KYC) Procedure, Transaction Monitoring Report, Structuring Monitoring Report, Half Yearly Report on Self Assessment Reports of branches & Independent Testing Procedure conducted by ICC Division and similar other areas. Our Bank is consistently maintaining very good rating on AML/CFT issues.



IFIC Bank Ltd is regularly arranging Training Programs on Prevention of Money Laundering & Combating Financing of Terrorism for all categories of Executives/Officers of the Bank. During the year 2011, the Bank arranged several training courses on Prevention of Money Laundering & Combating Financing of Terrorism where 494 Executives/Officers of the Bank attended.

Asset Liability Committee (ALCO):

Asset Liability Committee of the IFIC Bank comprises of the Senior Management of the Bank which is headed by the Managing Director of the Bank. The Committee makes vital decisions relating to Liquidity, Interest Rate and Balance Sheet Management of the Bank.

Asset Liability Management (ALM) Desk is an independent unit within the Treasury Division. The Desk meticulously monitors and analyzes cash flows and cash positions, balance sheet gaps daily profit and loss, economic trends, investment options, arbitrage opportunities, business growth, liquidity and places the facts and findings before the ALCO with its recommendations. ALCO meeting is held once or more in every month to analyze, review and formulate strategies in order to manage the Balance Sheet Risk, Liquidity Risk and Interest Rate Risk. The desk proposes Balance Sheet strategy to the Management of the Bank.

Foreign Exchange Risk Management:

The Foreign Exchange risks are measured and monitored by the Treasury Division of the Bank. As per directives of Bangladesh Bank, IFIC Bank has formulated a Treasury Manual which has been implemented for managing Foreign Exchange risks. The functions of Treasury Front Office, Treasury Mid Office (working under Risk Management Unit) and Treasury Back Office have been segregated. The Operational Guidelines have also been formulated specifying the roles and responsibilities of Front, Mid and Back Office so that various Foreign Exchange transactions can be conducted according to the Policy Guidelines of Bangladesh Bank and the risks can be measured, monitored and mitigated. Both the Treasury Manual and Operational Guidelines are reviewed regularly and revised as and when required.

Internal Control and Compliance :

As part of Core Risk Management of Bangladesh Bank and compliance of BASEL-II Accord, the Internal Control & Compliance (ICC) Division of the Bank is working independently to evaluate the Internal Control System of the Bank so as to ensure good governance, transparency & accountability.

Banking is a diversified and complex financial activity involving risk. To identify, measure, control & mitigate both business & operational risks, Risk based Internal Audit is being carried out annually for risk profiling/categorization of the Branches based on the level of its various risks. Strong monitoring & close supervision ensure functional efficiency of the Branches & Head Office Divisions by maintaining control environment at operational level. Compliance culture is developed by strict adherence to statutory & regulatory requirement and also Bank's own policy & procedures.

Internal Control is an integral part of daily activities of the bank. As an ongoing process, the ICC constantly reviews the activities of Branch Internal Control Unit (ICU) through different control processes to minimize irregularities/lapses, to prevent fraud/forgery and to control existing/emerging risks. On the other hand, Audit Committee of the Board regularly monitors the functions of Internal Control & Compliance Division with their necessary suggestions/recommendations and also reports to the Board of Directors on quarterly basis.

By enforcing effective & sound Internal Control System, ICC is performing its activities for further improving overall work performance of the Bank towards achieving its ultimate objectives.

Information & Communication Technology (ICT):

The Bank has integrated technology with its business and is continuously upgrading its technological aspects to keep pace with modern banking arena. With its centralized online banking solution, the Bank is now able to serve its customers from anywhere any time. The Bank has already launched Debit Card, Credit Card, Pre-Paid Card, SMS Banking, Web-based Remittance Facility, Automated emailing customer's statement, Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN), etc. under the guidelines of Bangladesh Bank.

The Bank has upgraded its Data Centre in April, 2011 with high-end servers and networking equipments to accommodate growing business transactions and has also setup Disaster Recovery Site with advanced technology to fail over in case of any disaster of Data Centre.

To bring the banking services at the door of the customers, the Bank is expanding its own ATM network. During 2012, Bank is planning to open another 60 (Sixty) ATM Booths in addition to existing 12 (Twelve) ATM Booths.

To improve customer service, Bank has already procured software solution and under process of implementing setting up contact centre through Alternative Delivery Channel. The Bank is considering introducing Internet Banking and at present staff members are using the facility on trial basis. In view of vast opportunity, Bank is going to introduce Mobile Banking very soon.

11. Corporate Governance:

Corporate Governance is the system through which businesses are led and controlled. At IFIC Bank, Corporate Governance is aimed at increasing the shareholders value by being efficient, transparent, professional and accountable to the society, stakeholders and the environment as well.

IFIC Bank complies with the guidelines regarding composition of the Board of Directors, Audit Committee, Executive Committee, term of the Office of the Directors as well as competence and eligibility of the Directors as outlined by the Bangladesh Bank and the Companies Act-1994. The Bank has also implemented the requirements of Corporate Governance Guidelines of the Securities & Exchange Commission as enumerated in its notification no. SEC/CMRRCD/2006-158/ADMIN/02/08 dated February 20, 2006.

12. Human Resources Management :

Human Resources are the main assets and key factor that drives an organization towards its goal. In order to maximize organizational effectiveness, human potential—individuals' capabilities and talents must be managed. Human resource management works to ensure that employees are able to meet the organization's goals.

In line with that, IFIC Bank Management has introduced performance based employee assessment system. This helps in finding out the potential employees of the Bank and at the same time, assists in developing the knowledge and skill set of the employees who are still behind. This also ensures proper reward culture and benefits of the employees that ensure retention of the critical resources and keep the employee motivation.

IFIC Bank aims to ensure placement of right man in the right place so that business and operational activities of the Bank run in smooth pace. Our focus is also to create a good employer branding in the job market that helps to grab the potential fresh graduates and skilled resources in the Bank.

In 2011, total 163 employees joined IFIC Bank among whom 147 are fresh graduates. The attrition rate was 2.93% that reflects high retention of manpower.

13. Law and Legal Affairs Division:

In the year 2011, there were 571 cases which remained pending in both Lower and Higher Courts having Suit value

of Tk.785.35 Crore. To facilitate the process of disposing of the pending Court Cases and realizing Bank dues, the Law and Legal Affairs Division took various steps and as a consequence, 24 (Twenty Four) Writ Petitions, 12 (Twelve) Artha Rin Suits and 09 (Nine) Criminal Cases were disposed of and an amount of Tk.74.09 Crore was realized through legal means. On the other hand, Law and Legal Affairs Division provided legal services including preparation of various legal documents to various Divisions of the Head Office and Branches of the Bank throughout the year on regular basis. As a result, our Branches and various Divisions of the Head Office got versatile legal services from the Law and Legal Affairs Division in time. Besides, the Officers of Law and Legal Affairs Division regularly attended both Lower and Higher Courts to monitor the progress of pending Court Cases and also attended the Chamber of Panel Lawyers who were assigned to conduct Bank's Cases to dispose of the pending Court Cases quickly. Due to such activities, Panel Lawyers of the Bank became very active and conscious about their responsibilities towards the Bank. Moreover, Officers of Law and Legal Affairs Division attended Revenue Courts in Dhaka and outside Dhaka City and also visited A.C. Land and Tahsil Offices on regular basis to ascertain the legal status of the mortgaged property.

As per decision of the Board, Law and Legal Affairs Division has established a Centralized System for monitoring and following up the pending Court Cases directly in order to lessen the burden of the Branch Managers so that they may concentrate their minds on business matters.

14. Branch Expansion Programme:

During the year 2011, the Bank opened 4 (four) new Branches at different places of the country to provide Banking services to the customers. Out of these 4 (four) Branches, 3 (three) Urban Branches namely, Mohammadpur Branch and Bashundhara Branch were opened at Dhaka and another Branch was opened at Bhola, while 01 (one) Rural Branch was opened at Chandina, Comilla. Thus, the total number of Branches of the Bank stood at 99 excluding 2 SME Service Centers as on 31.12.2011. Out of 99 Branches, 64 Branches are Urban, 29 Branches are Rural and the remaining 6 are SME/Krishi Branches. IFIC Bank Limited has also planned to expand its network within the country by opening 5 (Five) new Branches in the year 2012.



Chairman of Executive Committee of the Board Mr. Mohammad Lutfar Rahman inaugurated the 98th Branch of the bank at Bashundhara Residential Area in the capital. Managing Director, Deputy Managing Director (Business), senior executives of the Bank and Grameen Phone Limited and local dignitaries also attended the inaugural ceremony.

15. Green Banking:

Climate change is a global issue which calls for global response. Effect of global warming could be enormous and devastating in the years to come. It may destroy the normal pattern of the earth as well as the atmosphere creating an unstoppable climatic shift. The majority of effects will be devastating to human and animal populations too. An insecure food supply, increased frequency and intensity of storms, and rapidly rising sea levels are just a handful of the possible effects of global warming.

Bangladesh is one of the most climate change vulnerable countries. The state of environment in Bangladesh is also rapidly deteriorating. Air pollution, water pollution and scarcity, encroachment of rivers, improper disposal of industrial waste, medical and house-hold waste, deforestation, loss of open space and loss of biodiversity are the main areas causing environmental degradation.

Urgent measures are therefore required by the stakeholders for sustainable development and thereby saving the planet. Banks hold a unique position in the economic system. Green Banks or environmentally responsible banks not only improve their own standards but also affect socially responsible behavior of other businesses.

In view of the situation, Policy Guideline on Green Banking for the Bank has been formulated in a formal and structured manner to protect environmental degradation as a part of Corporate Social Responsibility (CSR). As per directives of Bangladesh Bank, the policy will be implemented in three phases by 31st December 2013.

A 'Green Banking Cell' has been established at Head Office for continuous monitoring of green banking activities of the bank. Implementation of In-House Environment Management and some other issues like, incorporation of Environmental Risk in Core Risk Management, introducing Green Finance, introducing Green Marketing and internet banking, supporting employee training & consumer awareness building, disclosure & reporting of Green Banking activities are going on/under process.

16. Corporate Branding & Publicity:

Now-a-days branding and promotion play a pivotal role in the success of any business. The Bank has undertaken various activities in 2011 for making the IFIC Bank brand visible. The Bank carried out sustained corporate branding and promotional activities for products more vigorously through multiple publicity channels - print, electronic and outdoor media.

For effective publicity of three products – More Money, A Plus & Protimash, a television commercial (TVC) and a radio commercial (RDC) were prepared and telecast regularly in NTV, ATN Bangla, Channel I, Star Cineplex, ABC Radio and Radio Today through our media partner Dhanshiri Communication Ltd. A good number of advertisements were published in daily newspapers, three billboards were acquired and an activation was carried out for promoting the said products.

To increase brand visibility, we sponsored the live program titled Apnar Jiggasa in NTV during the month of Ramadan and live programme in ATN Bangla from the Rabindra Sarobar on Pahela Baishakh celebration. The Bank also did branding of the news scroll in ATN News.

The Bank carried out branding at about a dozen ATM booths in different locations of Dhaka City. IFIC Bank participated in Batexpo-2011 of BGMEA, SME Fair of FBCCI and Remittance Fair of the Ministry of Expatriate, Welfare & Overseas Employment. A good number of programmes including Reela's Fashion Boutique's celebration of the 40th Independence Day & 100 years of Dhaka Club were also sponsored by the Bank. The Bank also decorated road islands on the occasion of Fire Service & Civil Defense Week-2011.

The Bank also carried out gallery branding at Bangabandhu National Stadium during the friendly football match between Argentina & Nigeria. Beautification works are being implemented at Dhanmondi Road no. 27. We celebrated our 29th Anniversary in a befitting manner.

The outdoor advertisement of the Bank also increased significantly with three new billboards installation at three important points in Dhaka, including Mohakhali Flyover. We also carried out road barricades branding from Kakoli to Gulshan Notun Bazar, Mohakhali to Gulshan-1 intersection & Uttara Model Town areas.

17. Corporate Social Responsibility (CSR):

IFIC Bank's Corporate Social Responsibility is centered on addressing the needs of common people to make a positive and meaningful contribution to the society.

During the year 2011, the Bank donated 1) a student bus to Dhaka University worth Tk.66 lac 2) a dialysis machine to BIRDEM costing Tk.12.50 lac 3) an ambulance to Police Department costing Tk.18.95 lac 4) Tk.10.00 lac to National Shooting Federation 5) Tk. 6.00 lac to International Rice Research Institute (IRRI) 6) Tk. 2.00 lac to Asian Tourism Fair-2011 as title sponsor 7) Tk. 1.10 lac to Dhali Al Mamun & Freedom Fighter Md. Abdul Wadud for their treatments 8) Tk. 2.50 lac to National Debating Club 9) Tk. 74,920/- for book distribution and 10) Tk.4.73 lac for distribution of blankets among distressed people.

18. Contribution to National Exchequer:

IFIC Bank has contributed significantly to the government effort in collection of revenue. As per law, the Bank deducts at source, the income taxes, VAT and excise duty from various payments and services and deposits the same to the government exchequer. Besides, the Bank also pays income tax on its earnings. The total payment against earnings to government exchequer by the Bank during the year 2011 was Tk. 642.71 million which was Tk. 835.99 million in the year 2010.

19. Future Planning:

The Board of Directors has set realistic business targets for the Bank in the year 2012. It is expected that due to restructuring of business processes, there will be substantial growth in the business activities of the Bank in 2012. The Bank has plan to introduce Mobile Banking Services to bring the un-banked people of the country within the Banking network. Moreover, some new branches will also be opened in 2012 to widen Bank's coverage of financial services.

20. Shares of IFIC Bank Limited:

The authorized capital and the paid-up capital of the Bank stood at Tk. 5,350.00 million and Tk.2,768.38 million respectively as on 31.12.2011. A total number of 25,54,25,900 shares are recorded with the CDS, while 2,14,12,000 shares still remains in scrip form till the balance sheet date. The consolidated Net Asset Value (NAV) per share was Tk.24.15 as on December 31, 2011 which was Tk. 26.45 as on December 31, 2010. The consolidated Earnings Per Share (EPS) was Tk.3.00 as on 31-12-2011 as against Tk.6.01 as on 31-12-2010. The Market capitalization of IFIC was Tk. 18,714.24 million in 2011 as against Tk. 30,969.88 million in 2010.

21. Dividend:

The Board of Directors' of the IFIC Bank in its 581st Meeting held on 29.04.2012 recommended 5% Cash Dividend and 25% Stock Dividend for all the shareholders from the operating profit of the Bank for the year 2011 subject to approval of the shareholders in the 35th Annual General Meeting.

22. Appointment of External Auditors:

In the 34th Annual General Meeting of the Bank, M/s. M. J. Abedin & Co., Chartered Accountants, were re-appointed as an External Auditor of the Bank for the term till conclusion of the next Annual General Meeting. In terms of Bangladesh Bank's Guidelines and the directives of SEC, M/s. M.J. Abedin & Co. are not eligible for re-appointment as External Auditors of the Bank for the year ended December, 2012 due to completion of their tenure as External Auditors of the Bank at a stretch for 03 (three) years. The honourable shareholders of the Bank shall appoint a new Chartered Accountant Firm as External Auditors of the Bank for the year 2012 in the 35th Annual General Meeting on the basis of the recommendation of the Board of Directors of the Bank.

23. Election of Directors:

In order to comply with the provision mentioned under Section 91(2) of the Company Act-1994 and Clause No. 109 & 110 of the Articles of Association of the Bank, at least one third of the Directors shall retire from the Office in the 35th Annual General Meeting.

Pursuant to the above and as per Legal Opinion of the Legal Adviser of the Bank, the following Directors shall retire in the 35th AGM of the Bank:

1. Mr. Mohammad Lutfar Rahman
2. Mr. Syed Anisul Huq, (Representing M/s. Art International Ltd.)
3. Mr. Mohammed Nayem Syed, (Representing M/s. Red-Sea International Ltd.)

As opined by Bank's Legal Adviser and as per Clause No. 111 of the Articles of Association of the Bank, all the above mentioned retiring Directors are eligible for re-election. However, as per BRPD Circular No. 05 dated 28.01.2010 issued by the Bangladesh Bank, prior clearance from the CIB of Bangladesh Bank shall have to be obtained for the elected/ re-elected/ appointed / re-appointed Directors of the Bank.

24. Acknowledgement:

With the concerted efforts of all the Executives, Officials and members of the staff, IFIC Bank has made remarkable progress during the year 2011. The Board of Directors takes this opportunity to thank all of them for their dedicated services. The Board expresses its gratitude to the Government of Bangladesh, Bangladesh Bank, Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and Central Depository Bangladesh Limited for their continued support and co-operation to the IFIC Bank. The Board also takes note of the contribution made by the valued customers, patrons and well-wishers in attaining sustainable growth and progress of the Bank. The Board also expresses its appreciation to M/s M. J. Abedin & Co., the External Auditors of the Bank, for their efforts for timely completion of audit of the Financial Statements of the Bank. The Board of Directors further extends thanks to both the print and electronic media personnel for extending media coverage to the Bank's various activities and events throughout the year.

Finally, the Board expresses its thanks to the respected Shareholders and assures them that it will continue to add to the Shareholders' value through further strengthening and development of the Bank in which they have placed their trust and confidence.

On behalf of the Board



Salman F Rahman
Chairman

Statement of Value Added and its Distribution

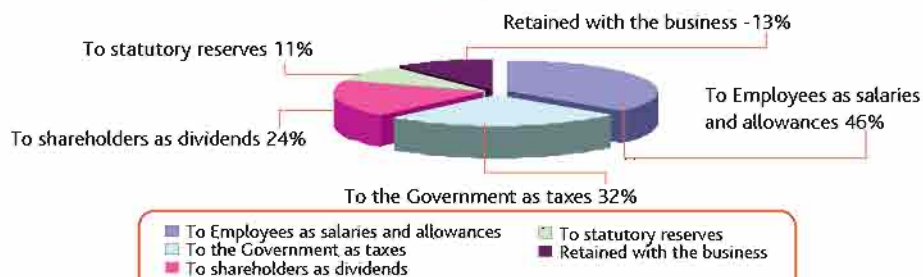
Value Added Statement

For the year ended 31 December, 2011

	2011 Taka		2010 Taka	
Interest Income	6,654,826,379		4,640,914,591	
Investment and other income	3,547,509,019		4,280,254,003	
Cost of services	(6,754,356,354)		(4,390,226,857)	
Total Value added	3,447,979,043		4,530,941,736	
To Employees as salaries and allowances	1,586,503,469	46%	1,346,856,459	30%
To the Government as taxes	1,113,500,000	32%	1,520,000,000	34%
To shareholders as dividends	830,513,700	24%	588,553,000	13%
To statutory reserves	372,295,115	11%	636,817,055	14%
Retained with the business	(454,833,241)	-13%	438,715,222	10%
	3,447,979,043	100%	4,530,941,736	100%

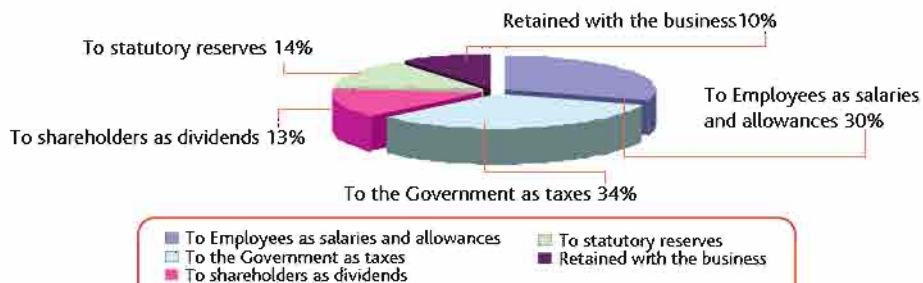
Value Added Statement

Year 2011



Value Added Statement

Year 2010



Market Value Added Statement

Market Value Added (MVA) statement is the difference between the total capital contributed by the shareholders and the total market value of the shares of a Bank. An increasing MVA indicates that the Bank has created substantial wealth for its shareholders. MVA is equivalent to the present value of all future expected economic value added. The market value of Bank's share stood at Tk. 18,714.24 million whereas the book value of the shares stood at Tk. 6,567.89 million, resulting a Market Value Addition of Tk. 12,146.35 million as of December 31, 2011. The calculation of Market Value Added is given below:

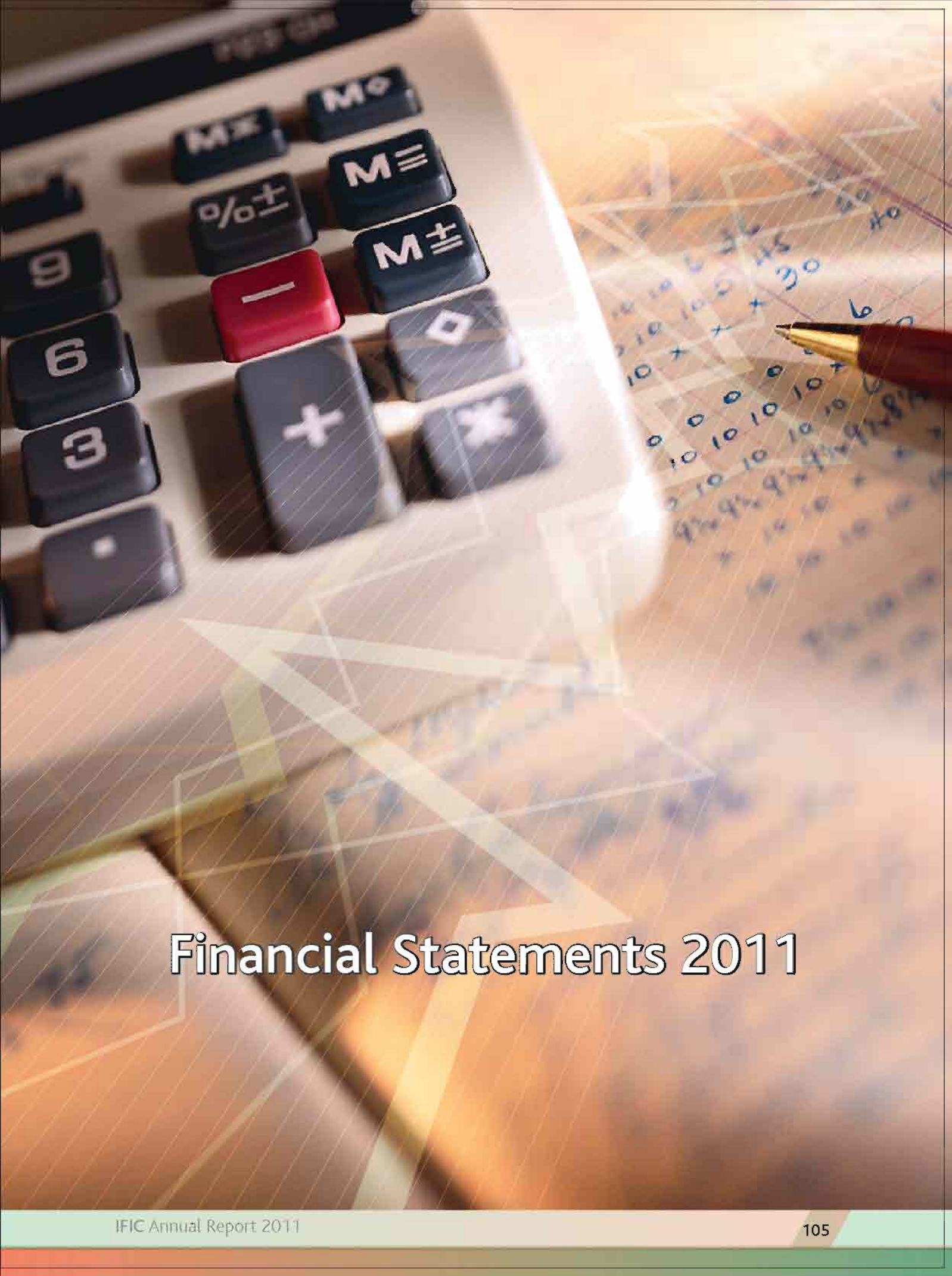
Particulars	Number of shares	Value	Taka in million
Market Value (Considering Face Value of Tk.10 per share)	27,68,37,900	67.60	18,714.24
Book Value (Considering Face Value of Tk.10 per share)	27,68,37,900	23.72	6,567.89
Market Value added			12,146.35

Economic value added statement

Economic Value added is measure of profitability which takes into consideration the cost of total invested equity. Shareholders/equity providers are always conscious about their return on capital invested. As a commercial banking company, we are deeply concerned for delivery of value to all of our shareholders/equity providers. The Economic value added is calculated by taking a company's net profit after tax, adding with it, the amount of provision charged against profit to absorb the losses inherent in the investments.

	Taka in million		
	2011	2010	2009
Shareholder's equity	6,568	5,748	4,197
Add: Accumulated provision for loans/investments, off-balance sheet exposure and Offshore Banking Units	2,584	2,445	1,815
	9,152	8,193	6,012
Average shareholder's equity	8,673	7,103	5,357
** Cost of Equity (%)	13.46%	12.26%	12.26%
Economic value added			
Net Profit after tax (before provision)	1,572	2,307	1,210
Less: Cost of equity	1,167	871	657
Total	404	1,436	553

** Cost of equity is the opportunity cost i.e. the expected risk free return on investments, plus a risk premium. Interest on Bangladesh Government Sanchaya Patra plus risk premium (assumed 2 percent) has been assumed to be the cost of equity.



Financial Statements 2011

Auditors' Report

To the Shareholders of IFIC Bank Limited

We have audited the accompanying consolidated financial statements of IFIC Bank Limited and its subsidiaries ("the Group") as well as the financial statements of IFIC Bank Limited ("the Bank") which comprise the consolidated and separate balance sheet as at 31 December 2011, profit and loss account, statement of changes in equity, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the subsidiaries, IFIC Securities Limited and IFIC Money Transfer (UK) Limited were not audited by us as at 31 December 2011.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and also the financial statements of the Bank in accordance with Bangladesh Financial Reporting Standards (BFRSs), and for such internal control as management determines is necessary to enable the preparation of these consolidated financial statements of the Group and the financial statements of the Bank that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and the financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and also the financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements of the Group and the financial statements of the Bank in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also the financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

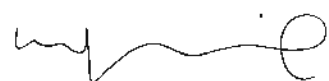
Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the financial position of the Group and the Bank as at 31 December 2011 and the results of their financial performance and their cash flows for the year then ended and comply with the applicable sections of the Bank Companies Act, 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act, 1994, the Securities and Exchange Rule, 1987 and other applicable laws and regulations.

We also report that :

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Group and the bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us ;
- (iii) the consolidated balance sheet and consolidated profit and loss account and the balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of accounts and returns;
- (iv) the expenditure incurred was for the purpose of the Group's and the Bank's business;
- (v) the consolidated financial position of the Group and that of the Bank as at 31 December 2011 and the profit for the year then ended have been properly reflected in the consolidated financial statements; and the consolidated financial statements of the Group and the financial statements of the Bank have been prepared in accordance with the generally accepted accounting principles;
- (vi) the consolidated financial statements of the Group and the financial statements of the Bank have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- (vii) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery,;
- (viii) the consolidated financial statements of the Group and the financial statements of the Bank conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (ix) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) the capital adequacy ratio (CAR), as required by law, has been maintained adequately during the year.

Date : April 29, 2012
Place : Dhaka



M. J. ABEDIN & CO
Chartered Accountants

Consolidated Balance Sheet

As at 31 December 2011

Particulars	Note	Amount in Taka	
		31-Dec-2011	31-Dec-2010
PROPERTY AND ASSETS			
Cash	3 (a)	6,635,590,876	4,570,170,747
Cash in hand (including foreign currency)		1,182,959,978	988,681,208
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)		5,452,630,899	3,581,489,539
Balance with other Banks and financial institutions	4 (a)	3,026,169,941	2,292,925,518
In Bangladesh		1,827,212,084	1,410,699,425
Outside Bangladesh		1,198,957,857	882,226,093
Money at call on Short Notice	5.00	100,000,000	-
Investments	6 (a)	12,371,855,426	8,834,693,546
Government Securities		8,101,539,970	6,896,030,860
Other Investments		3,830,697,385	1,520,644,431
Outside Bangladesh		439,618,071	418,018,255
Loans and Advances	7(a)	65,428,349,364	48,826,256,257
Loans, Cash Credits, Overdrafts, etc.		58,345,351,229	45,884,156,097
Bills Purchased and Discounted	8(a)	7,082,998,135	2,942,100,160
Fixed Assets including Premises, Furniture and Fixtures	9 (a)	2,215,123,119	2,060,785,711
Other Assets	10(a)	2,019,670,817	3,492,589,414
Non Banking Assets		-	-
Total Assets		91,796,759,542	70,077,421,192
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from Other Banks, Financial Institutions and agents	11 (a)	1,418,845,663	495,247,900
In Bangladesh		1,418,845,663	495,247,900
Outside Bangladesh		-	-
Deposit and Other Accounts	12(a)	73,042,234,330	54,660,410,064
Current Deposits and Other Accounts		10,191,080,240	9,538,325,223
Bills Payable		1,306,622,259	1,209,103,518
Savings Bank Deposits		10,031,541,483	9,534,636,847
Term Deposits		51,512,990,348	34,378,344,476
Other Liabilities	13 (a)	10,650,506,531	9,156,321,438
Total Liabilities		85,111,586,524	64,311,979,402
Capital / Shareholders' Equity			
Paid up Capital	14.00	2,768,379,000	2,179,826,000
Statutory Reserve	15(a)	2,554,520,330	2,182,225,215
Other Reserve	16.00	171,748,043	83,808,197
Surplus in Profit and Loss Account	17(a)	1,190,525,646	1,319,582,378
Total Shareholders' Equity		6,685,173,018	5,765,441,790
Total Liabilities and Shareholders' Equity		91,796,759,542	70,077,421,192

Consolidated Balance Sheet

As at 31 December 2011

Particulars	Note	Amount in Taka	
		31-Dec-2011	31-Dec-2010
OFF BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		12,949,639,891	11,046,031,618
Letters of guarantee	18.00	4,112,823,270	3,602,941,412
Irrevocable letters of credit	19.00	11,606,768,727	13,931,175,236
Bills for collection	20.00	7,563,482,770	4,532,052,734
		36,232,714,657	33,112,201,000
Other commitments			
Documents credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		36,232,714,657	33,112,201,000

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



Managing Director



Director



Director



Director

As per our separate report of even date annexed.

Date : April 29, 2012
Place : Dhaka



M. J. ABEDIN & CO
Chartered Accountants

Consolidated Profit and Loss Account

For the year ended 31 December 2011

Particulars	Note	Amount in Taka	
		2011	2010
Interest income	22(a)	6,798,012,560	4,667,279,517
Less: Interest paid on deposits, borrowings, etc.	23(a)	4,654,632,244	2,574,522,672
Net interest income		2,143,380,316	2,092,756,845
Income from investment	24.00	1,648,869,541	1,312,558,373
Commission, exchange and brokerage	25 (a)	1,473,841,108	1,298,249,422
Other operating income	26 (a)	400,771,841	1,441,787,514
Capital gain	27.00	129,074,703	227,658,694
Total operating income		5,795,937,509	6,373,010,848
Salaries and allowances	28 (a)	1,591,011,638	1,340,981,459
Rent, taxes, insurance, lighting and travelling	29 (a)	389,166,558	307,942,708
Legal expenses		3,793,766	3,053,149
Postage, stamp, telecommunication etc.	30 (a)	57,155,524	55,355,243
Auditors' fee		500,000	500,000
Stationery, printing and advertisement	31 (a)	78,189,160	59,016,653
Charges on loan loss		309,582,157	131,210,521
Managing Director's salary	32.00	7,560,000	5,875,000
Directors' meeting fee	33 (a)	1,575,000	1,289,000
Repair, maintenance and depreciation of assets	34 (a)	222,996,681	241,924,255
Other expenses	35 (a)	256,500,562	381,777,582
Total operating expenses		2,918,031,046	2,528,925,571
Profit before provision		2,877,906,462	3,844,085,277
Provision for loans & advance, other assets & off BS items	36 (a)	881,636,905	660,000,000
Profit before taxation		1,996,269,557	3,184,085,277
Provision for taxation:	13.07(a)	1,164,478,175	1,520,000,000
Current tax		1,124,301,106	1,473,847,706
Deferred tax		40,177,069	46,152,294
Profit after taxation		831,791,382	1,664,085,277
Extra ordinary gain		-	28,559,248
Retained profit brought forward		731,029,378	292,314,157
		1,562,820,760	1,984,958,682
Appropriations		372,295,115	665,376,304
Statutory reserve		372,295,115	636,817,055
General reserve		-	28,559,248
Retained earnings		1,190,525,645	1,319,582,378
Earnings per Share (EPS)	43(a)	3.00	6.01

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



Managing Director



Director



Director



Director

As per our separate report of even date annexed.

Date : April 29, 2012
Place : Dhaka



M. J. ABEDIN & CO
Chartered Accountants

Consolidated Cash Flow Statement

For the year ended 31 December 2011

Particulars	Note	Amount in Taka	
		2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received in cash		6,798,012,560	4,667,279,517
Interest payments		(4,654,632,244)	(2,574,522,672)
Dividend received		121,086,707	83,641,889
Fees and commission received in cash		1,349,339,988	964,050,478
Recovery of loans and advances in cash previously written-off		70,309,771	1,146,597,629
Cash paid to employees		(1,448,571,638)	(1,161,856,459)
Cash paid to suppliers		-	-
Income tax paid		(673,042,758)	(835,992,442)
Cash received from other operating activities	37 (a)	2,111,820,727	2,094,619,031
Cash paid for other operating activities	38 (a)	(814,139,062)	(766,168,284)
Cash flows before charges in operating assets and liabilities		2,860,184,051	3,617,648,688
Increase / Decrease in operating assets and liabilities			
Loans and advances to customers		(16,602,093,106)	(11,032,369,534)
Other assets	40(a)	1,326,869,629	562,533,235
Deposits from other Banks		497,139,000	1,327,064,388
Deposit from customers		17,948,182,949	4,573,472,255
Trading liabilities		972,189,417	(1,250,000,000)
Other liabilities	41 (a)	(1,093,961,340)	(1,370,746,391)
		3,048,326,549	(7,190,046,047)
Net cash from operating activities		5,908,510,600	(3,572,397,360)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of securities		18,000,000	23,000,000
Cash payments for purchase of securities		(2,331,652,770)	(1,504,250,030)
Purchase of property, Plant & equipment of fixed assets		(191,660,966)	(1,243,206,731)
Sales of fixed assets		11,974,410	3,647,411
Net cash from investing activities		(2,493,339,326)	(2,720,809,350)
CASH FLOWS FROM FINANCING ACTIVITIES			
Received from issue of loan, capital and debts security		819,091,725	-
Payments for redemption of loan capital and debt security		245,558,700	-
Net Cash from Financing activities		1,064,650,425	-
Net increase/(decrease) in cash and cash equivalent		4,479,821,699	(6,293,206,709)
Opening cash and cash equivalent		14,462,966,612	20,756,173,322
Closing cash and cash equivalent	39 (a)	18,942,788,312	14,462,966,612

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



Managing Director



Director




Director



Director

As per our separate report of even date annexed.

Date : April 29, 2012
Place : Dhaka



M. J. ABEDIN & CO
Chartered Accountants

Consolidated Statement of Changes in Equity

As at 31 December 2011

Particulars	Amount in Taka				
	Paid up capital	Statutory Reserve	Other Reserve	Profit /Loss	Total
Balance at 01 January 2011	2,179,826,000	2,182,225,215	83,808,197	1,319,582,378	5,765,441,790
Bonus share issued (2010)	588,553,000	-	-	(588,553,000)	-
	2,768,379,000	2,182,225,215	83,808,197	731,029,378	5,765,441,790
Surplus /Deficit on account of revaluation on investment	-	-	(8,752,000)	-	(8,752,000)
Surplus /Deficit on account of revaluation on Fixed Assets	-	-	115,314,704	-	115,314,704
Surplus /Deficit revaluation of Govt. treasury bill & bond etc.	-	-	(18,622,859)	-	(18,622,859)
Net profit after tax for the year	-	-	-	831,791,382	831,791,382
Appropriations made during the year	-	372,295,115	-	(372,295,115)	-
Balance as on 31 December 2011	2,768,379,000	2,554,520,330	171,748,043	1,190,525,645	6,685,173,018

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



Managing Director



Director



Director



Director

As per our separate report of even date annexed.

Date : April 29, 2012
Place : Dhaka



M. J. ABEDIN & CO
Chartered Accountants

Balance Sheet

As at 31 December 2011

Particulars	Note	Amount in Taka	
		31-Dec-2011	31-Dec-2010
PROPERTY AND ASSETS			
Cash	3.00	6,635,581,452	4,570,170,747
Cash in hand (including foreign currency)		1,182,950,554	988,681,208
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)		5,452,630,899	3,581,489,539
Balance with other Banks and financial institutions	4.00	4,066,479,432	3,055,765,006
In Bangladesh		1,827,211,813	1,410,699,425
Outside Bangladesh		2,239,267,619	1,645,065,580
Money at call on short notice	5.00	100,000,000	-
Investments	6.00	12,198,870,276	8,834,693,546
Government securities		8,101,539,970	6,896,030,860
Other investments		3,657,712,235	1,520,644,431
Outside Bangladesh		439,618,071	418,018,255
Loans and advances	7.00	63,557,971,662	47,563,427,882
Loans, cash credits, overdrafts, etc.		57,006,681,781	45,105,909,397
Bills purchased and discounted	8.00	6,551,289,882	2,457,518,485
Fixed assets including premises, furniture and fixtures	9.00	2,203,634,465	2,060,785,711
Other assets	10.00	2,745,000,986	3,480,355,641
Non banking assets		-	-
Total assets		91,507,538,272	69,565,198,532
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial Institutions and its agents	11.00	1,418,845,663	-
In Bangladesh		1,418,845,663	-
Outside Bangladesh		-	-
Deposit and other accounts	12.00	73,105,732,013	54,660,410,064
Current deposits and other accounts		10,254,577,923	9,538,325,223
Bills payable		1,306,622,259	1,209,103,518
Savings bank deposits		10,031,541,483	9,534,636,847
Term deposits		51,512,990,348	34,378,344,476
Other liabilities	13.00	10,415,067,417	9,156,321,438
Total liabilities		84,939,645,093	63,816,731,502
Capital / Shareholders' equity			
Paid up capital	14.00	2,768,379,000	2,179,826,000
Statutory reserve	15.00	2,547,827,524	2,178,830,263
Other reserve	16.00	171,748,043	83,808,197
Surplus in Profit and Loss Account	17.00	1,079,938,613	1,306,002,570
Total shareholders' equity		6,567,893,180	5,748,467,030
Total liabilities and shareholders' equity		91,507,538,272	69,565,198,532

Balance Sheet

As at 31 December 2011

Particulars	Note	Amount in Taka	
		31-Dec-2011	31-Dec-2010
OFF BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		12,949,639,891	11,046,031,618
Letters of guarantee	18.00	4,112,823,270	3,602,941,412
Irrevocable letters of credit	19.00	11,606,768,727	13,931,175,236
Bills for collection	20.00	7,563,482,770	4,532,052,734
		36,232,714,657	33,112,201,000
Other Commitments:			
Documents credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
		36,232,714,657	33,112,201,000

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



Managing Director



Director



Director



Director

As per our separate report of even date annexed.

Date : April 29, 2012
Place : Dhaka



M. J. ABEDIN & CO
Chartered Accountants

Profit and Loss Account

For the year ended 31 December 2011

Particulars	Note	Amount in Taka	
		31-Dec-2011	31-Dec-2010
Interest income	22.00	6,654,826,379	4,640,914,591
Less: Interest paid on deposits, borrowings, etc.	23.00	4,646,840,537	2,565,132,506
Net Interest income		2,007,985,842	2,075,782,085
Income from investment	24.00	1,648,869,541	1,312,558,373
Commission, exchange and brokerage	25.00	1,374,929,738	1,298,249,422
Other operating income	26.00	394,635,037	1,441,787,514
Capital gain	27.00	129,074,703	227,658,694
Total operating income		5,555,494,860	6,356,036,088
Salaries and allowances	28.00	1,578,943,469	1,340,981,459
Rent, taxes, insurance, lighting and travelling	29.00	382,657,164	307,942,708
Legal expenses		3,793,766	3,053,149
Postage, stamp, telecommunication etc.	30.00	57,155,524	55,355,243
Auditors' fee		500,000	500,000
Stationery, printing and advertisement	31.00	78,189,160	59,016,653
Charges on loan loss		309,582,157	131,210,521
Managing director's salary	32.00	7,560,000	5,875,000
Directors' meeting fee	33.00	1,425,000	1,289,000
Repair, maintenance and depreciation of assets	34.00	220,905,704	241,924,255
Other expenses	35.00	229,771,372	381,777,582
Total operating expenses		2,870,483,316	2,528,925,571
Profit before provision		2,685,011,544	3,827,110,517
Provision for loans & advance, other assets & off BS items	36.00	857,000,000	660,000,000
Profit before taxation		1,828,011,544	3,167,110,517
Provision for taxation:	13.07	1,113,500,000	1,520,000,000
Current tax		1,073,322,931	1,473,847,706
Deferred tax		40,177,069	46,152,294
Profit after taxation		714,511,544	1,647,110,517
Extra Ordinary Gain		-	28,559,248
Retained profit brought forward		731,029,378	292,314,157
		1,445,540,922	1,967,983,922
Appropriations		365,602,309	661,981,352
Statutory reserve		365,602,309	633,422,103
General Reserve			28,559,248
Retained earnings		1,079,938,613	1,306,002,570
Earnings per Share (EPS)	43.00	2.58	5.95

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



Managing Director



Director



Director



Director

As per our separate report of even date annexed.

Date : April 29, 2012
Place : Dhaka



M. J. ABEDIN & CO
Chartered Accountants

Cash Flow Statement

For the year ended 31 December 2011

Particulars	Note	Amount in Taka	
		31-Dec-2011	31-Dec-2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received in cash		6,654,826,379	4,640,914,591
Interest payments		(4,646,840,537)	(2,565,132,506)
Dividend received		121,086,707	83,641,889
Fees and commission received in cash		1,349,332,779	964,050,478
Recovery of loans and advances in cash previously written-off		70,309,771	1,146,597,629
Cash paid to employees		(1,436,503,469)	(1,161,856,459)
Cash paid to suppliers		-	-
Income tax paid		(642,714,088)	(835,992,442)
Cash received from other operating activities	37.00	2,006,779,762	2,094,619,031
Cash paid for other operating activities	38.00	(763,775,718)	(766,168,284)
Cash flows before charges in operating assets and liabilities		2,712,501,586	3,600,673,928
Increase / Decrease in operating assets and liabilities			
Loans and advances to customers		(15,994,543,780)	(9,769,541,159)
Other assets	40.00	1,378,068,743	574,767,007
Deposits from other Banks		497,139,000	68,977,000
Deposit from customers		17,948,182,949	4,573,472,255
Trading liabilities		1,173,286,963	(1,250,000,000)
Other liabilities	41.00	(1,253,785,373)	(1,370,746,391)
		3,748,348,502	(7,173,071,288)
Net cash from operating activities		6,460,850,088	(3,572,397,360)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of securities		18,000,000	23,000,000
Cash payments for purchase of securities		(2,158,667,620)	(1,504,250,030)
Purchase of property, Plant & equipment of fixed assets		(178,081,336)	(1,243,206,731)
Sales of fixed assets		11,974,410	3,647,411
Net cash from investing activities		(2,306,774,546)	(2,720,809,350)
CASH FLOWS FROM FINANCING ACTIVITIES			
Received from issue of loan, capital and debts security		-	-
Payments for redemption of loan capital and debt security		245,558,700	-
Net Cash from Financing activities		245,558,700	-
Net increase/(decrease) in cash and cash equivalent		4,399,634,242	(6,293,206,710)
Opening cash and cash equivalent		14,462,966,612	20,756,173,322
Closing cash and cash equivalent	39.00	18,862,600,854	14,462,966,612

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



Managing Director



Director



Director



Director

Date : April 29, 2012
Place : Dhaka

As per our separate report of even date annexed.



M. J. ABEDIN & CO
Chartered Accountants

Statement of Changes in Equity

As at 31 December 2011

Particulars	Amount in Taka				
	Paid up capital	Statutory Reserve	Other Reserve	Profit /Loss	Total
Balance at 01 January 2011	2,179,826,000	2,182,225,215	83,808,197	1,319,582,378	5,765,441,790
Bonus share issued (2010)	588,553,000	-	-	(588,553,000)	-
	2,768,379,000	2,182,225,215	83,808,197	731,029,378	5,765,441,790
Surplus /Deficit on account of revaluation on investment	-	-	(8,752,000)	-	(8,752,000)
Surplus /Deficit on account of revaluation on Fixed Assets	-	-	115,314,704	-	115,314,704
Surplus /Deficit revaluation of Govt treasury bill & bond etc	-	-	(18,622,859)	-	(18,622,859)
Net profit after tax for the year	-	-	-	714,511,544	714,511,544
Appropriations made during the year	-	365,602,309	-	(365,602,309)	-
Balance as on 31 December 2011	2,768,379,000	2,547,827,524	171,748,043	1,079,938,613	6,567,893,180

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



Managing Director



Director



Director



Director

As per our separate report of even date annexed.

Date : April 29, 2012
Place : Dhaka



M. J. ABEDIN & CO
Chartered Accountants

Statement of Liquidity

(Asset and Liability Maturity Analysis)

As at 31 December 2011

Assets and Liabilities	Amount in Taka					
	Not More than 1 Month	From 1 to 3 Month	From 3 to 12 Months	From 1 Year to 5 Years	From 5 Years and above	Total
Assets						
Cash in hand	1,182,950,554	-	-	-	-	1,182,950,554
Balance with other banks & financial institutions and agents	5,579,842,712	3,539,267,619	400,000,000	-	-	9,519,110,331
Money at call & short notice	100,000,000	-	-	-	-	100,000,000
Investment	7,861,700	344,588,749	3,448,479,064	1,673,911,900	6,724,028,862	12,198,870,276
Loans & advances	12,116,466,863	12,049,950,352	20,186,085,450	11,904,917,909	7,300,551,089	63,557,971,662
Premises & fixed assets	8,814,538	17,629,076	79,991,931	319,526,997	1,777,671,922	2,203,634,464
Other assets	963,402,056	471,276,320	264,774,695	192,866,765	852,681,150	2,745,000,986
Total Assets	19,959,338,422	16,422,712,115	24,379,331,140	14,091,223,571	16,654,933,024	91,507,538,272
Liabilities						
Other banks, financial institutions	270,000,000	1,148,845,663	-	-	-	1,418,845,663
Deposits and other accounts	11,745,982,357	15,312,260,416	30,849,213,276	9,710,447,241	5,487,828,721	73,105,732,013
Provision and other liabilities	1,984,126,955	728,012,145	1,458,357,545	2,775,093,431	3,469,477,341	10,415,067,417
Total Liabilities	14,000,109,312	17,189,118,225	32,307,570,821	12,485,540,672	8,957,306,062	84,939,645,092
Net Liquidity Gap: Surplus/(Deficit)	5,959,229,110	(766,406,110)	(7,928,239,681)	1,605,682,899	7,697,626,961	6,567,893,180

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



Managing Director



Director



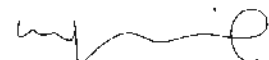
Director



Director

As per our separate report of even date annexed.

Date : April 29, 2012
Place : Dhaka



M. J. ABEDIN & CO
Chartered Accountants

Notes to the Financial Statements

For the year ended 31 December 2011

1.00 Legal status and nature of the Bank

International Finance and Investment Company Limited was established in 1976 at the instance of the Government of the People's Republic of Bangladesh as a joint venture finance company. Government of Bangladesh held 33% ordinary shares and the remaining 67% were held by the sponsors and general public.

When the Government decided to open up banking in the private sector in 1983, this finance company was converted into a commercial bank and incorporated in Bangladesh as a bank company in the same year under the Companies Act 1913 (now 1994) under the name and style "International Finance Investment and Commerce Bank Limited"

1.01 Nature of business activities

All types of commercial banking services are provided by the Bank within the stipulations laid down by Bank Companies Act 1991 and directives as received from Bangladesh Bank from time to time. It has 99 branches and 02 SME Centre all over Bangladesh. The Bank is listed in the Dhaka and Chittagong Stock Exchanges as a publicly quoted company for its "A class" ordinary share.

1.02 Off-shore Banking Unit

The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (P-3) 744 (104)/2009-4233 dated 17 November 2009. The Bank commenced operation of this unit from May 06, 2010. Presently the bank has 01 (one) Off-shore Banking Unit in Bangladesh. The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank. Separate Financial Statements of Off-shore Banking Unit are shown in Annexure-F. The principal activities of the Bank are to provide all kinds of commercial banking services to its customers through its branch in Bangladesh.

1.03 IFIC Securities Limited

IFIC Securities Limited a subsidiary company of IFIC Bank Limited was incorporated on 02 November 2010 as a Public limited company under the Companies Act 1994 vide certificate of incorporation no. C-87904/10. The main objective of the company is to carry on business of stock brokers/ dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the company. The operation of the company started on 10th March 2011. Separate Financial Statements of IFIC Securities Limited are shown in Annexure-G.

1.04 IFIC Money Transfer (UK) Limited

IFIC Money Transfer (UK) Limited was incorporated as a private limited company with Companies House of England and Wales under registration no. 07379137 on 16th September 2010. The company is a wholly owned subsidiary of IFIC Bank Limited. IFIC Bank Limited got permission from Bangladesh Bank for opening a fully owned subsidiary in UK. IFIC Money Transfer (UK) Limited obtained Money Laundering registration on 17 January 2011 issued by HM Customs and Excise. The company got registration from Financial Services Authority (FSA) on 16th June 2011 under Payment Services Regulations 2009. The company commenced its operation on 31st August 2011. The registered office is located at Ferrari House, 2nd Floor, 102 College Road, Harrow, Middlesex, United Kingdom HA1 1ES, London, UK. Financial Statements of the company are shown in Annexure-H.

2.00 Significant accounting policies and basis of Preparation of Financial Statements

2.01 Basis of accounting

The financial statements of Group and the Bank are made up to December 31, each year and are prepared under the historical cost convention and in accordance with the First Schedule {section 38(4)} of the Bank Companies Act 1991, Bangladesh Bank circulars, Bangladesh Accounting Standards, Companies Act 1994, Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh on a going concern basis.

2.02 Presentation of financial statements

Consolidated and separate financial statements of the Bank comprise Balances Sheet, Profit And Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosures. The financial statements are presented in compliance with the Bangladesh Accounting Standard - 1 " Presentation of financial statements" along with the guidelines, forms and formats provided by the Bangladesh Bank through BRPD Circular No.14 dated 25th June 2003.

2.03 Basis of Consolidation

The consolidated financial statements include the financial statements of IFIC Bank Limited, Off-shore Banking Units and its subsidiaries, IFIC Securities Limited and IFIC Money Transfer (UK) Limited made up to the end of the financial year.

The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: Consolidated Financial Statements and accounting for investments in subsidiaries.

The consolidated financial statements are prepared to a common financial year ending 31 December 2011.

Subsidiaries

Subsidiaries are those entities over which the bank has power to control.

Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise from the date that control commences until the date that control ceases. The financial statements of subsidiaries are included in the consolidated financial statements from the date that the control effectively commences until the date that the control effectively ceases. Subsidiary company is consolidated using the purchase method of accounting. The subsidiary IFIC Securities Ltd., IFIC Money Transfer (UK) Limited has a common year ending 31 December 2011.

Conversion Policy

The conversion policy of subsidiary companies is given below.

Particulars	OBU	IFIC Money Transfer (UK) Ltd.
For assets & liabilities	81.8529	126.4723424
For income & expenses	81.8529	126.4723424

Transactions eliminated on consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and loss resulting from transactions between group are also eliminated on consolidation.

2.04 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions as per BAS-37 that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

2.05 Reporting period

These financial statements cover one calendar year from 01 January 2011 to 31 December 2011.

2.06 Assets and basis of their valuation

2.06.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their value, and are used by the Bank management for its short term commitments.

2.06.2 Investment

Investments have been initially recognized at cost, including acquisition charges associated with the investment. Premiums have been amortized and discount accredited, using the effective or historical yield method. Government Treasury Bills and Bonds (categorized as HFT and/or HTM) are accounted for as per Bangladesh Bank DOS circular letter no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009.

The valuation methods of investment used are :

Government securities

Held to maturity (HTM)

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

Held for trading (HFT)

Investment primarily held for selling or trading is classified in this category. After initial recognition, investments are marked to market weekly. Decrease in the book value is recognized in the Profit and Loss Statement and any increase is transferred to revaluation reserve account.

Value of investments has been enumerated as follows :

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Treasury Bill/Bond (HFT)	Cost	Market value	Loss to profit and loss statement (P & L), gain to revaluation reserve
Treasury Bill/Bond (HTM)	Cost	Amortized value	Increase in value to equity and decrease in value to P & L
Debenture	Face value	None	None
Prize bond	Cost	None	None

Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income. Realized gains or losses are recognized in the Profit and Loss Account.

Investment in unlisted securities

Investment in unlisted securities is reported at cost under cost method.

Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the BAS 27: Consolidated and Separate Financial Statements and BFRS 3: Business Combination.

2.06.3 Loans and advances

- a) Loans and advances have been stated at gross value as per requirements of Bank Companies Act, 1991.
- b) Provision for loans and advances are made on the basis of information furnished by the branches and instructions contained in Bangladesh Bank BRPD Circular No. 16 of 6 December 1998, 9 of 14 May 2001, 02 of 15 February 2005, 09 of 20 August 2005, 17 of 06 December 2005, 19 of 20 December 2005 and 05 of 05 June 2006.
- c) Interest is calculated on classified loans and advances as per BRPD circular no. 16 of 1998, 9 of 2001 and 10 of 2005 and recognized as income on realization.

The classification rates are given below:

Particulars	Rate of Provision
General Provision on :	
Unclassified loans and advances	1.00%
Small enterprise	1.00%
Consumer Finance for house building loan and loan for professional setup	2.00%
Consumer Finance other than house building loan and loan for professional setup including credit cards	5.00%
Special Mention Account	5.00%
Off Balance Sheet Exposure	1.00%
Specific Provision on:	
Substandard loans and advances	20.00%
Doubtful loans and advances	50.00%
Bad/loss and advances	100.00%

- (d) Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, and (ii) against which legal cases are filed and classified as bad/loss for more than five years as per guidelines of Bangladesh Bank. These write off however, will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

2.06.4 Stock of stationery:

Stock of stationery has been shown under other assets and is valued at cost.

2.06.5 Fixed assets and depreciation

- (a) Fixed assets are stated at cost/valuation less accumulated depreciation. Depreciation is computed consistently by using diminishing balance method at the following rates:

Particulars	Rate of depreciation
Land	Nil
Building	2.50%
Furniture and fixtures	10%
Office equipment	20%
Electrical & Gas Equipment	20%
Leasehold premises	10%
Vehicles	20%
Soft furnishing	40%

- (b) No depreciation is charged on land. Full year's depreciation is charged in the year of acquisition and depreciation is not charged in the year of disposal.
- (c) As at 09 October 2011, Bank's property was revalued by Baltic Control (BD) Ltd. Gain on revaluation surplus included in fixed assets and assets revaluation reserve (Note-16) of this financial statements.

2.06.6 Leasing

Leases are classified as finance leases whenever 'the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee as per BAS-17 "Lease"'.

The Bank as lessor

The Bank has finance lease under its credit portfolio. Amount disbursed to lessees under finance lease are recorded as lease finance and shown along with loans and advances. At present interest is charged on the leased amount on monthly basis and monthly interest is received from the lessees against such finance. Lease finance has been calculated as per BAS-17 "Leases"

The Bank as lessee

Bank has no operating lease in lease portfolio.

2.07 Liabilities and Provisions

2.07.1 Share Capital


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

2.07.2 Statutory Reserve

Bank Companies Act, 1991 requires the Bank to transfer 20% of its current year profit before tax to reserve until such reserve equals to Paid up capital.

2.07.3 Revaluation reserve:

When an asset's carrying amount is increased as a result of a revaluation the increased amount should



be credited directly to equity under the heading of revaluation surplus/reserve as per BAS-16: Property, Plant and Equipment. The Bank revalued the land which is absolutely owned by the Bank and the increased amount was transferred to revaluation reserve.

2.07.4 Borrowings from other banks, financial institutions and agents:

Inter Bank and financial institution borrowings include interest bearing borrowings which are brought to account at gross value of the outstanding as on December 31, 2011.

2.07.5 Deposits from Customers

Deposits include non-interest bearing deposits, savings deposits, term deposits etc. They are brought to account at the gross value of the outstanding balance. Interest paid is charged to the income statement.

2.07.6 Provision for Taxation

2.7.6.1 Current Tax

Provision for taxation has been made as per rates prescribed in Finance Act 2011 and Section 82 of the Income Tax Ordinance, 1984 on the profit made by the bank after considering taxable add backs of income and disallowances of expenditure as per income Tax laws in compliance with BAS-12 "Income Taxes"

2.7.6.2 Deferred Tax

Deferred tax is made as per the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. The Bank has made adequate provision for deferred tax for the year 2011.

2.07.7 Provision for liabilities

A provision is recognized in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS- 37 "Provisions, Contingent Liabilities and Contingent Assets"

2.07.8 Provision for Nostro Account

Provision for nostro accounts is maintained as per Circular Letter No. FEPA(FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank.

2.07.9 Non Controlling Interest

Non Controlling Interest is the equity in a subsidiary not attributable, directly or indirectly, to parent. Due to insignificant holding by other than parent, Non-controlling Interest is not disclosed in the financial statements.

2.08 Retirement Benefit

Accounting recognition & measurement, as well as the disclosures requirements for different benefit schemes for employees are the followings:

2.08.1 Provident fund

Provident fund benefits are given to the staff of the bank in accordance with the registered Provident fund rules. The Commissioner of Income Tax, Dhaka has approved the Provident fund as a recognized fund within the meaning of section 2 (52) read with the provisions of part - B of First Schedule of Income Tax Ordinance 1984. The fund is operated by a Board of Trustees consisting of 5 (five) members of the bank. All confirmed employees of the bank are contributing 10% of their basic salary as subscription of the fund. The bank also contributes equal amount to the fund. Contributions made by the bank are charged as expense. Interest earned from the investments is credited to the members' account on half yearly basis.

2.08.2 Gratuity

Gratuity fund benefits are given to the staff of the bank in accordance with the registered Gratuity fund rules. National Board of Revenue has approved the Gratuity fund as a recognized gratuity fund with effect from October 2007. The fund is operated by a Board of Trustees consisting of 5 (five) members of the bank. Employees are entitled to gratuity benefit after completion of minimum 10 (ten) years of service in the company. The gratuity is calculated on the basis of service lengths.

2.09 Off-balance sheet items

Under general banking transactions liabilities against acceptance, endorsement and other obligations and bills against which acceptance has been given and claim exists there against have been shown as off balance sheet items.

General provision for off balance sheet exposures are made on the basis of year end review by the management and of the instruction contained in Bangladesh bank BRPD circular No. 08 dated August 07, 2007 and BRPD Circular No. 10 dated September 18, 2007 at the rate of 1.00%.

2.10 Revenue recognition

The revenue during the year is recognized following BAS-18 "Revenue Recognition" as detailed below:

2.10.1 Interest Income

- (i) Interest is calculated on daily product on unclassified loan and advances but charged and accounted for quarterly on accrual basis. In terms of the provisions of the BAS-18 "Revenue", the interest income is recognized on the effective year method.
- (ii) Interest is charged on classified loans and advances as per Bangladesh Bank BRPD circular No. 05 June 2006 and other related circulars and such interest is not taken into income.

2.10.2 Fees and commission income

Commission and discounts on bills purchased and discounted are recognized at the time of realization.

2.10.3 Investment income

Income on investments is recognized on accrual basis. Capital gain/loss is recognized at the time of realization.

2.10.4 Dividend income on shares

Dividend income on shares is recognized when dividend is declared and ascertained.

2.10.5 Interest paid and other expenses

In terms of the provisions of the BAS-1 "Presentation of the financial Statements" interest and other expenses are recognized on accrual basis.

2.11 Foreign currency transactions/ translations

Foreign currency transactions are converted into equivalent Taka currency using the ruling exchange rates on the dates of such transactions. Excess/shortage of translated figures over book figures at year end is transferred to Profit and Loss Account.

Assets and liabilities as at December 31, 2011 in foreign currencies are translated into Taka currency at the prevailing WAR (Weighted Average Rate) of the concerned foreign currency of that day. All differences arising from this conversion are charged/credited to the profit and loss account.

2.12 Cash flow statement

Cash flow statement is prepared principally in accordance with IAS 7 "Cash Flow Statement" and the cash flow from the operating activities has been presented under direct method.

2.13 Statement of liquidity

The liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on the reporting date under the guidelines of Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003.

2.14 Statement of Changes in Equity

Statement of Changes in Equity is prepared principally in accordance with BAS-1 "Presentation of Financial Statements" under the guidelines of Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003.

2.15 Reconciliation of books of account

Books of account in regard to inter bank (in Bangladesh and outside Bangladesh) and inter branch transactions are reconciled and no material difference was found which may affect the financial statements significantly. However, there exist some entries that have remained un-reconciled (Note-10.03).

2.16 Earning per share

The company calculated Earning Per Share (EPS) in accordance with BAS 33: Earning Per Share, which has been shown on the face of income statement, and the computation of EPS is stated in Note - 43.

a. Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the Net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

b. Weighted average number of ordinary shares outstanding during the year

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

c. Basic Earning Per Share

This has been calculated by dividing the Basic Earnings by the weighted average number of ordinary shares outstanding during the year.

2.17 Risk Management

The Risk of IFIC Bank Limited is defined as the probability of losses, financial or otherwise. The Risk Management of the Bank includes six core risk areas of banking i.e. Credit Risk Management, Foreign exchange risk management, Asset liability management, Prevention of money laundering, establishment of Internal Control and Compliance and Information and Communication Technology (ICT). The prime objective of the risk management is that the Bank takes better calculative business risks at the same time keeping safe the Bank's capital, its financial resources and profitability from various risks.

2.17.1 Credit Risk Management

Credit risk is most simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of IFIC Bank Credit Risk Management is to maximize the bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.

The Credit Risk Management works within the scope of defined regulations and is in charge of specifying and implementing the policies towards the effective functioning of the Bank's lending process and to develop the strategies for appropriate management, measurement and monitoring its loan portfolio. Regular monitoring of the ability of borrowers to meet their principal and interest repayment obligations is conducted. Credit risk is monitored by reference to risk grading and managed by limiting the aggregate exposure to any individual counter party, group of companies or industry as per lending cap of the bank and single borrower exposure defined by the central bank.

2.17.2 Asset Liability Management

Assets Liability Management is the most important aspect for the Financial Institution to manage Balance Sheet Risk, especially for managing of liquidity risk and interest rate risk. Change in Market Liquidity and interest rate expose bank business to the risk of loss. Failure to identify the risks associated with business and failure to take timely measures in giving a sense of direction may threaten the survival of institution. As such, it is important that senior management as well as the Board of Directors must understand the existence of such risk on the balance sheet and they should ensure that the structure of the banks business and the level of balance sheet risk it assumes are effectively managed and appropriate policies and procedures are established to control and limit these risks, and that resources are available for evaluating and controlling interest rate risk. To address all the risk elements of the balance sheet, monthly ALCO meeting are conducted in 2011, ALM desk of the bank analyses the balance sheet risk and prepares the monthly ALCO papers as per the guidelines of Bangladesh Bank. By strongly monitoring the maturity gap of assets and Liabilities and interest rate movement, bank is able to maintain optimum liquidity with required regulatory compliances. A policy Guideline on Asset Liability Management has been formulated, approved by the Board of Directors of the bank and revised time to time.

2.17.3 Prevention of Money Laundering

Money Laundering Prevention is a prominent issue all over the world. In Bangladesh Anti-Money Laundering Act was enacted in 2002 and Anti Terrorism Act in 2009. Since 2002 IFIC Bank Ltd has been complying all the rules and regulations on AML/CFT issues. As directed by the Bangladesh Bank, the IFIC Bank Ltd has formulated "Guidelines on Prevention of Money Laundering" and "Policy for Combating Financing of Terrorism" for strict observation by all Branches/Officers of the Bank.

In line with the regulatory requirement, the Chief Anti-Money Laundering Compliance Officer (CAMLCO) regularly submits status report to the competent authorities in respect of Hundi activities, Abnormal Transactions, Suspicious Transaction Report (STR), Cash Transaction Report (CTR), Know Your Customer (KYC) Procedure, Transaction Monitoring Report, Structuring Monitoring Report, Half Yearly Report on Self Assessment Reports of branches & Independent Testing Procedure conducted by ICC



Division and similar other areas. Our Bank is consistently maintaining very good rating on AML/CFT issues.

IFIC Bank Ltd is regularly arranging Training Programs on Prevention of Money Laundering & Combating Financing of Terrorism for all categories of Executives/Officers of the Bank. During the year 2011, the Bank arranged several training courses on Prevention of Money Laundering & Combating Financing of Terrorism where 494 Executives/Officers of the Bank attended.

2.17.4 Internal Control and Compliance

In a Banking institution a system of effective Internal Control strengthens the base of safe & sound banking. The operational performance of the Bank is depended on efficient and sound internal control system for establishing corporate governance, transparency & accountability in the bank. Being an integral part of daily activities of the Bank, Internal Control & Compliance Division with three departments namely; Compliance, Monitoring and Audit & Inspection is working as on going process to ensure smooth operation of the bank. In line with Bangladesh Bank guidelines, formulation of policy guideline, set up of separate organizational structure, segregation of duties and introduction of internal control process, such as Departmental Control Function Checklist (DECFL), Quarterly Operation Report (QOR), Monitoring of Staff Accounts, Ethics/Code of Conduct of employees have meanwhile been done for successful implementation of effective internal control system of the Bank. Compliance Department is functioning to ensure compliance with statutory & regulatory requirement and also Bank's own policy & procedures for developing compliance culture. Monitoring department is responsible for operational performance of branches and Head office Divisions by minimizing/ avoiding risk factors. As the internal watch dog of the bank. Risk Based Audit & Inspection mechanism is working to identify, measure, control and mitigate risk factors at the Branches/ Divisions. Internal Control Unit (ICU) has also been set-up at the branches with the existing manpower to minimize irregularities/lapse, to prevent fraud/forges and to avoid risks at the operational level. As a whole, an effective control has been in place & farther strengthened with strict compliance, effective monitoring & control environment both at the end of Branch & Head office level for improving overall work efficiency for achieving its ultimate goal.

2.17.5 Foreign Exchange Risk Management

As per directives of Bangladesh Bank, Treasury Manual has been formulated and implemented for managing foreign exchange risks. Functions of Treasury Front Office and Treasury Back Office have been segregated and a Mid Office established. Operational Guidelines have also been formulated defining the roles and responsibilities of Front, Back and Mid Office so that various foreign exchange transactions can be conducted according to the Policy Guidelines of Bangladesh Bank and the risks can be measured, monitored and mitigated.

2.17.6 Information and Communication Technology (ICT)

The Bank has integrated technology with its business for faster decision making and satisfaction of its customer. Accordingly, policies and procedures have been formulated for ICT Risk Management. The Bank has already taken measures for protecting the information from unauthorized access, modification and destruction for the sake of the interest of its customers.

To mitigate risks in ICT operations, the Bank is continuously conducting training sessions on sensitive IT tasks (i.e. operational procedures, security procedures etc.) for relevant employees.

The Bank is taking Data Backup on daily basis; one copy is being stored in fire-proof Vault and another copy is being kept at remote site to face any disaster in Data Centre. Moreover, infrastructure development of DR Site has been completed and necessary hardware & software are being installed towards going live very soon to replicate data of DR Centre and failover business operations in case of



emergency. Business continuity Plan is also under process.

The Bank Management has been putting in conscious efforts to improve problem Management, ICT Operation Management, Change Management, Asset management and Request Management to maintain maximum uptime of automated online banking business.

The Bank has updated ICT Policy Guideline in commensurate with guidelines of Bangladesh Bank. Physical security is being maintained for its workplace to properly protect ICT resources as per the Physical Security Guideline under Tier-1 of ICT guideline of Bangladesh Bank. The Bank is strictly following the Information Security Standard of Bangladesh Bank which covers Password Control, User ID Maintenance, Input Control, Network Security, Data Encryption, Virus Protection and Access Control to Internet and Emailing.

Service Provider Management is one of the most important factors to efficiently manage dependencies in ICT arena. Currently the Bank has been maintaining Service Level Agreement (SLA) with the vendors who are directly involved for providing critical services on behalf of the Bank. The Bank is also maintaining Insurance Coverage of critical IT Assets.

The Bank has developed a Fall Back Plan of IT Human Resources with detailed job descriptions and segregation of duties for IT tasks. The Bank has also completed all ICT Security documentation to ensure security of ICT Systems and is continuously updating them to strengthen security of the systems.

2.18 Management Committee (MANCOM)

The Management Committee (MANCOM) is functioning since the year 1994 as a structured unit to take important management decisions. Presently, it comprises of 16(sixteen) members holding key positions in the management of the Bank. The Committee is headed by the Managing Director who is assisted by a Senior Management Group consisting of the 03 (three) Deputy Managing Director, 06 (six) Senior Executive Vice President (SEVP) who are the Company Secretary, Chief Financial Officer (CFO), CAMLCO, Head of Internal Control and Compliance, Head Corporate Banking and Head of Human Resources Management and 01 (one) Executive Vice President (EVP) who is Head of Support & Estate and 05 (five) Senior Vice President (SVP) who are Head of Information Technology, Head of Remedial Asset Management, Head of Treasury, Chief Law Officer and Head of Credit Risk Management. The FVP & Managing Director's Secretariat also Acts as the member secretary of the committee. The Divisional Heads who are the members of the Committee are concerned with management of respective Division as well as monitoring day to day activities taking place in the Branches and have long experience in commercial banking activities.

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

2.19 Post-balance sheet events

The board of directors recommended 5% Cash dividend and 25% bonus shares as stock dividend in its 581st board meeting held on April 29, 2012.

2.20 Compliance report on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS):

Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting estimates & Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The effects of changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosure	24	Applied
Accounting and Reporting by Retirement Benefits Plan	26	N/A
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	N/A*
Earning per share	33	Applied
Interim Financial Reporting	34	N/A
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	N/A
Financial Instruments: Recognition and Measurement	39	N/A*
Investment Property	40	Applied
Agriculture	41	N/A

Name of the BFRS	BFRS No.	Status
First time Adoption of IFRS	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	Applied
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A
Financial Instruments: Disclosures	7	N/A*
Operating Segments	8	N/A

N/A Not Applicable

*Relevant disclosures are made according to the requirements of Bangladesh Bank.

The following BFRS were issued but not effective as at 31.12.2011

Name of the BFRS	BFRS No.	Effective Date
Consolidated Financial Statements	BFRS-10	01.01.2013
Joint Arrangements	BFRS-11	01.01.2013
Disclosure of Interest in Other Entities	BFRS-12	01.01.2013
Face value Measurement	BFRS-13	01.01.2013

2.21 General

- The financial statements are expressed in Taka currency and rounded off to the nearest integer.
- The expenses, irrespective of capital or revenue nature, accrued but not paid have been provided for.
- Wherever considered necessary, previous year's figures have been rearranged in order to conform to current year's presentation.

3.00 Cash

A. Cash in hand

Local currency in hand
Foreign currencies in hand
Cash with ATM
Sub total

B. Balance with Bangladesh Bank and its agents bank

Balance with Bangladesh Bank:

Local currency
Foreign currencies

Balance with Sonali Bank:

As agent of Bangladesh Bank
Other than agent

Sub total

Grand total

Amount in Taka	
31-Dec-2011	31-Dec-2010
1,149,168,572	966,338,449
21,851,481	20,194,059
11,930,500	2,148,700
1,182,950,554	988,681,208
Balance with Bangladesh Bank and its agents bank	
Balance with Bangladesh Bank:	
4,089,325,871	2,715,133,050
716,634,954	415,636,794
4,805,960,824	3,130,769,844
Balance with Sonali Bank:	
646,670,074	450,719,695
-	-
646,670,074	450,719,695
5,452,630,899	3,581,489,539
6,635,581,452	4,570,170,747

3.01 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991 and BCD circular no. 13 dated May 24, 1992 BRPD circular no. 12 dated Sep 02, 1999 and BRPD circular no. 22 dated Nov 6, 2003 and BRPD circular no. 12 dated August 25, 2005, MPD circular no. 04 dated December 01, 2010, MPD circular no. 05 dated December 01, 2010.

3.02 Cash Reserve Requirement (CRR): 6% of Average Demand and Time Liabilities

Required reserve in amount
Percentage (%)
Average reserve held in amount (Bangladesh Bank)
Percentage (%)
Surplus

Amount in Taka	
31-Dec-2011	31-Dec-2010

4,046,862,795	3,419,055,390
6.00%	6.00%
4,151,340,500	3,547,061,235
6.15%	6.22%
0.15%	0.22%

3.03 Statutory Liquidity Ratio (SLR) 19% of average time and demand Liabilities (includes CRR)

Required reserve in amount
Percentage (%)
Average reserve held in amount
Percentage (%)
Surplus / (Deficit)

12,815,065,518	10,827,008,735
19%	19%
13,514,520,259	11,422,013,111
20.04%	20.04%
1.04%	1.04%

	Amount in Taka	
	31-Dec-2011	31-Dec-2010
3 (a) Consolidated Cash		
Cash in hand		
IFIC Bank Limited	1,182,950,554	988,681,208
Off-shore Banking Unit	-	-
IFIC Securities Limited	9,424	-
IFIC Money Transfer (UK) Limited	-	-
	1,182,959,978	988,681,208
Balance with Bangladesh Bank and its agents bank		
IFIC Bank Limited	5,452,630,899	3,581,489,539
Off-shore Banking Unit	-	-
IFIC Securities Limited	-	-
IFIC Money Transfer (UK) Limited	-	-
	5,452,630,899	3,581,489,539
	6,635,590,876	4,570,170,747
4.00 Balance with other Banks and Financial Institutions		
In Bangladesh (Note -4.01)	1,827,211,813	1,410,699,425
Outside Bangladesh (Note -4.02)	2,239,267,619	1,645,065,580
	4,066,479,432	3,055,765,006
4.01 In Bangladesh		
Current Account	92,732,761	149,661,357
Agrani Bank Ltd.	60,352,108	124,588,175
Sonali Bank Ltd.	78,882	-
IFIC Securities Ltd.	32,301,771	25,073,182
Short Term Deposits	34,479,052	11,038,068
AB Bank Ltd.	-	-
Trust Bank Ltd	16,716,956	5,652,465
Standard Chartered Bank Ltd	17,701,424	4,179,386
Beneficiary Owner (B. O) A/c.	60,672	1,206,217
Fixed Deposits	1,700,000,000	1,250,000,000
Peoples Leasing & Financial Services Ltd.	300,000,000	-
Jamuna Bank Ltd.	-	300,000,000
Southeast Bank Ltd.	-	100,000,000
International Leasing and Finance Co. Ltd.	-	150,000,000
First Lease Finance & Investment Co. Ltd.	200,000,000	-
National Bank of Pakistan	-	100,000,000
BIFC	-	50,000,000
Phoenix Finance & Investment Co. Ltd.	400,000,000	-
Lanka Bangla Finance & Investment Ltd.	-	100,000,000
Investment Corporation of Bangladesh	800,000,000	250,000,000
National Bank Ltd.	-	200,000,000
	1,827,211,813	1,410,699,425

4.02 Outside Bangladesh

Name of The Foreign Bank/Correspondent	2011			2010	
	Currency	Amount In F.C.	Conversion Rate	Amount in Taka	
J.P. Morgan Chase Bank, New York	US\$	5,148,026.34	81.8529	421,380,885	131,258,249
Citi Bank N.A. New York	US\$	2,476,231.48	81.8529	202,686,728	179,783,961
HSBC Bank , New York	US\$	3,092,339.40	81.8529	253,116,948	196,055,314
Standard Chartered Bank, London	US\$	94,739.33	81.8529	7,754,689	478,854
Masreq Bank PSC, New York	US\$	93,099.90	81.8529	7,620,497	158,225,865
Mashreq Asia Ltd., Hongkong	US\$	95,716.18	81.8529	7,834,647	6,006,069
Standard Chartered Bank, N.Y.	US\$	1,460,778.53	81.8529	119,568,959	14,629,374
Wachovia Bank N.A. New York	US\$	332,410.99	81.8529	27,208,804	9,778,368
Off-shore Banking Unit (OBU)	US\$	12,913,285.19	81.8529	1,056,989,841	762,839,488
HSBC Bank, Mumbai	ACU\$	7,717.04	81.8529	631,662	9,321,807
Standard Chartered Bank, Kolkata	ACU\$	14,740.09	81.8529	1,206,519	10,681,937
A.B. Bank Ltd., Mumbai	ACU\$	8,646.92	81.8529	707,775	34,660,301
NIB Bank Ltd, Karachi, Pakistan	ACU\$	57,986.73	81.8529	4,746,382	4,214,486
National Trust Bank Ltd., Colombo	ACU\$	13,725.57	81.8529	1,123,478	8,184,016
N B B L , Kathmandu, Nepal	ACU\$	7,834.28	81.8529	641,259	416,311
Sonali Bank, Kolkata	ACU\$	141,347.34	81.8529	11,569,690	14,309,246
State Bank of India, Kolkata	ACU\$	72,290.37	81.8529	5,917,176	9,757,064
Bank of Bhutan, Phuentosoling	ACU\$	28,623.65	81.8529	2,342,929	3,425,959
ICICI Bank Ltd.	ACU\$	(51,917.19)	81.8529	(4,249,573)	21,478,005
HSBC Bank Australia Ltd.	AUD	76,002.51	82.6019	6,277,952	2,574,271
J.P. Morgan Chase Bank, Sydney' 58	AUD	112,725.32	82.6019	9,311,326	3,772,931
The Bank Nova Scotia,Toronto,Canada	CAD	53,598.18	79.9111	4,283,090	6,909,963
UBS, AG. , Zurich	CHF	54,271.79	86.8235	4,712,067	2,840,788
Habib Bank AG , Zurich	CHF	3,616.23	86.8235	313,974	194,879
Commerz Bank AG, Frankfurt	EUR	246,791.27	105.9136	26,138,552	20,354,212
Vereins Bank AG, Germany	EUR	95,726.56	105.9136	10,138,745	5,058,174
J.P. Morgan Chase Bank AG, Frankfurt	EUR	249,698.69	105.9136	26,446,487	9,434,003
Standard Chartered Bank, London	GBP	54,382.27	126.4750	6,877,998	3,910,685
HSBC Bank PLC, London	GBP	74,625.95	126.4750	9,438,317	4,130,975
Sonali Bank, (UK) Limited	GBP	10,670.00	126.4750	1,349,488	1,383,980
Bank Of Tokyo- Mitsubishi,Tokyo	JPY	4,931,300.00	1.0505	5,180,331	8,996,045
Total		31,971,030.91		2,239,267,619	1,645,065,580

	Amount in Taka	
	31-Dec-2011	31-Dec-2010
4.03 Maturity grouping of Balance with other banks		
On demand	2,366,479,432	1,805,765,006
Less than three months	1,300,000,000	1,200,000,000
Over three months but less than 1 year	400,000,000	50,000,000
More than one year but less than two years	-	-
	4,066,479,432	3,055,765,006
4 (a) Consolidated Balance with other Banks and Financial Institutions		
In Bangladesh		
IFIC Bank Limited (Note -4.01)	1,827,211,813	1,410,699,425
Off-shore Banking Unit	-	-
IFIC Securities Limited	63,497,954	-
IFIC Money Transfer (UK) Limited	-	-
	1,890,709,768	1,410,699,425
Less: Inter -company transaction	63,497,683	-
	1,827,212,084	1,410,699,425
Outside Bangladesh		
IFIC Bank Limited (Note -4.02)	2,239,267,619	1,645,065,580
Off-shore Banking Unit	-	-
IFIC Securities Limited	-	-
IFIC Money Transfer (UK) Limited	16,680,079	-
	2,255,947,698	1,645,065,580
Less: Inter -company transaction	1,056,989,841	762,839,488
	1,198,957,857	882,226,093
	3,026,169,941	2,292,925,518
5.00 Money at call on short notice		
Uttara Bank Limited	100,000,000	-
Lanka Bangla Finance & Investment Ltd.	-	-
	100,000,000	-
5.01 Maturity grouping of money at call on short notice		
On demand	100,000,000	-
Less than three months	-	-
Over three months but less than one year	-	-
	100,000,000	-

6.00 Investments

In Bangladesh

Government Securities

3 year Bangladesh T & T Board treasury bond
 Investment Corporation of Bangladesh debenture
 House Building Finance Corporation debenture
 National prize bond
 5 years government treasury bill
 91 days government treasury bill
 5 years government treasury bond
 10 years government treasury bond
 15 years government treasury bond
 20 years government treasury bond

Other Investments

Shares of Karma Sangsthan Bank Limited
 Share of National Housing Finance & Investment Limited
 Central Depository (BD) Limited
 Power Grid Co. BD Ltd.
 Delta Life Insurance Co. Ltd.
 IFIC Bank 1st Mutual Fund
 Khulna Power Co. Ltd.
 R.A.K. Ceramics
 Ocean Containers Ltd.
 Summit Power
 Summit port Aliance
 ICB Employee 1st Mutual Fund
 Square Pharma
 BATBC Ltd.
 Beximco Textile
 TITAS Gas
 Beximco Ltd.
 Singer (BD) Ltd.
 Agni Systems Ltd.
 Grameen Phone Ltd.
 DESCO Ltd.
 DBH 1st Mutual Fund
 IDLC Zero Coupon Bond
 The City Bank Ltd.
 National Life Ins. Ltd.
 AMCL (PRAN)
 Jamuna Oil
 Megna Petroleum
 Olympic Ind. Ltd.
 MJL BD. Ltd.
 Fareast Life Ins. Ltd.
 Beximco pharma
 Aftab Automobiles Ltd.
 BD. Thai Co. Ltd.

Amount in Taka

31-Dec-2011

31-Dec-2010

8,101,539,970

6,896,030,860

-	-
16,000,000	29,000,000
25,000,000	30,000,000
7,861,700	4,747,300
-	-
344,588,749	-
1,711,956,500	1,939,590,038
4,179,593,879	3,582,468,902
1,041,574,544	1,048,629,820
774,964,598	261,594,800

3,657,712,235

1,520,644,431

20,000,000	20,000,000
23,500,000	23,500,000
18,277,770	8,000,000
260,794,610	3,479,733
22,110,000	22,110,000
250,000,000	250,000,000
190,401,935	7,840,124
509	25,004,992
27,546,685	27,546,685
149,552,931	7,928
10,807	10,807
20,344,338	2,734,223
88,832,364	-
139,330,528	-
-	208,270,393
665,499,829	5,827,383
504,811,952	162,822,114
134,695,157	-
-	4,561
132,913,025	272,682,600
15,981,139	753,650
-	1,605,100
-	7,394,120
194,197,477	-
18,843,345	-
14,373,687	-
132,165,122	-
155,070,020	-
513,796	-
132,874,321	-
136,631,812	-
208,435,699	221,050,017
-	200,000,000
3,378	50,000,000

11,759,252,204

8,416,675,291

Outside Bangladesh
 Shares of Nepal Bangladesh Bank Ltd. (Note - 6.04)
 Shares of Oman International Exchange LLC (Note - 6.05)
 Shares of NIB Bank Limited (Note - 6.06)

6.01 Government securities are classified according to Bangladesh Bank Circular
 Held for trading (HFT)
 Held to maturity (HTM)
 Other securities

Amount in Taka	
31-Dec-2011	31-Dec-2010
439,618,071	418,018,255
177,120,000	181,787,850
38,904,728	33,627,357
223,593,344	202,603,048
12,198,870,276	8,834,693,546
649,832,449	4,610,453,403
7,443,845,821	2,280,830,157
7,861,700	4,747,300
8,101,539,970	6,896,030,860

6.02 Cost and Market Value of Investments

Particulars	Quantity	Cost	Market/Present Value	Quoted/Unquoted
In Bangladesh				
Treasury Bills	1	338,358,405	344,588,749	-
Treasury Bonds	42	7,717,347,073	7,708,089,521	-
National Prize Bond	78,617	7,861,700	7,861,700	-
		8,063,567,178	8,060,539,970	
Debentures :				
Debentures - ICB	3	16,000,000	16,000,000	-
Debentures - HBFC	1	25,000,000	25,000,000	-
		41,000,000	41,000,000	
In Ordinary Shares :				
Karma Sangsthan Bank Ltd.	200,000	20,000,000	20,000,000	Unquoted
National Housing Fin. & Inv. Ltd.	2,585,000	23,500,000	247,384,500	Quoted
Central Depository (BD) Limited	1,827,777	18,277,770	18,277,770	Unquoted
Power Grid Co. BD Ltd	3,371,000	260,794,610	212,373,000	Quoted
Delta Life Insurance Co. Ltd	50,000	22,110,000	153,755,000	Quoted
IFIC Bank 1st Mutual Fund	25,000,000	250,000,000	200,000,000	Quoted
Khulna Power Co. Ltd.	2,561,918	190,401,935	160,888,450	Quoted
R.A.K. Ceramics	14	509	1,098	Quoted
Ocean Containers Ltd.	140,231	27,546,685	9,241,223	Quoted
Summit Power	1,656,770	149,552,931	123,263,688	Quoted
Summit port Alliance	62	10,807	3,590	Quoted
ICB Employee 1st Mutual Fund	1,481,500	20,344,338	12,740,900	Quoted
Square Pharma	336,580	88,832,364	79,803,118	Quoted
BATBC Ltd.	221,500	139,330,528	138,725,450	Quoted
TITAS Gas	8,268,000	665,499,829	558,916,800	Quoted
Beximco Ltd.	2,816,949	504,811,952	318,315,237	Quoted
Singer (BD) Ltd.	461,050	134,695,157	132,505,770	Quoted
Grameen Phone Ltd.	1,468,700	132,913,025	240,132,450	Quoted
DESCO Ltd.	125,000	15,981,139	14,187,500	Quoted
The City Bank Ltd.	3,186,350	194,197,477	167,602,010	Quoted
National Life Ins. Ltd.	45,300	18,843,345	16,502,790	Quoted
AMCL (PRAN)	95,000	14,373,687	13,157,500	Quoted
Jamuna Oil	641,290	132,165,122	114,919,168	Quoted
Megna Petroleum	841,300	155,070,020	158,080,270	Quoted
Olympic Ind. Ltd.	3,750	513,796	489,375	Quoted
MJL BD. Ltd.	968,920	132,874,321	96,795,108	Quoted
Fareast Life Ins. Ltd.	575,540	136,631,812	93,237,480	Quoted
Beximco pharma	2,197,501	208,435,699	205,686,094	Quoted
BD. Thai Co. Ltd.	70	3,378	4,340	Quoted
		3,657,712,235	3,506,989,678	
Outside Bangladesh				
Shares of Nepal Bangladesh Bank Ltd.(Note-6.04)	1,845,000	177,120,000	217,857,600	Quoted
Shares of Oman Int. Exchange LLC (Note-6.05)	1,830	38,904,728	38,904,728	Unquoted
Shares of NIB Bank Limited (Note-6.06)	24,578,800	223,593,344	38,458,055	Quoted
		439,618,071	295,220,383	
Total		12,201,897,484	11,903,750,031	

6.03 Maturity Grouping of Investments

On demand

Less than Three months

Over three months but less than one year

Over one year but less than five years

Over five years

Amount in Taka	
31-Dec-2011	31-Dec-2010
7,861,700	4,747,300
344,588,749	-
3,448,479,064	1,482,144,431
1,673,911,900	1,985,590,038
6,724,028,862	6,162,205,777
12,198,870,276	9,634,687,546

6.04 Shares of Nepal Bangladesh Bank Ltd : Tk. 177,120,000

Shares of Nepal Bangladesh Bank Ltd represents subscription towards 9.92% paid up capital of the Bank located in Nepal. Out of Total number of 18,603,150 share of the Bank, IFIC Bank owns 1,845,000 shares of NRS 100 each. During the year no income has been received from this investment. Market value of the shares as at December 31, 2011 was Tk. 217,857,600.

6.05 Shares of Oman International Exchange LLC: Tk. 38,904,728

Shares of Oman International Exchange LLC represents subscription towards 25% paid up capital of the company located in Muscat in the Sultanate of Oman. Out of total 7,320 shares of the company, IFIC Bank owns 1,830 shares of RO100 each. During the year an amount of Tk.14,814,173 has been accounted for as income.

6.06 Shares of NIB Bank Limited: Tk. 223,593,344

Shares of NIB Bank Ltd. represents subscription towards 0.61% paid-up capital of the Bank located in Pakistan. Out of total number of 4,043,727,076 shares of the Bank of PKR10 each, IFIC Bank owns 24,578,800 Shares. Market value of the above investment as at December 31, 2011 was Tk. 38,458,055.

6 (a) Consolidated Investments

Government Securities

IFIC Bank Limited (Note -6.00)

Off-shore Banking Unit

IFIC Securities Limited

IFIC Money Transfer (UK) Limited

8,101,539,970	6,896,030,860
-	-
-	-
-	-
8,101,539,970	6,896,030,860

		Amount in Taka	
		31-Dec-2011	31-Dec-2010
Other Investments			
	IFIC Bank Limited (Note -6.00)	3,657,712,235	1,520,644,431
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	172,985,150	-
	IFIC Money Transfer (UK) Limited	-	-
		3,830,697,385	1,520,644,431
Outside Bangladesh			
	IFIC Bank Limited (Note -6.00)	439,618,071	418,018,255
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		439,618,071	418,018,255
		12,371,855,426	8,834,693,546
7.00	Loans and Advances	63,557,971,662	47,563,427,882
7.01	Maturity grouping of loans and advance		
	Repayable on demand	66,516,511	10,784,108
	Not more than 3 months	24,099,900,703	14,549,496,322
	Over 3 months but not more than 1 year	20,186,085,450	16,121,643,427
	Over 1 year but not more than 5 years	11,904,917,909	12,166,210,001
	Over 5 years	7,300,551,089	4,715,294,024
		63,557,971,662	47,563,427,882
7.02	Loans, cash credits, overdrafts, etc. including bills discounted and purchased:		
	In Bangladesh		
	Loans	29,627,435,440	27,748,042,741
	Cash credits	14,598,455,670	10,228,475,372
	Secured overdrafts	12,780,790,671	7,129,391,285
	Bill purchased and discounted (Note: 8)	6,551,289,882	2,457,518,485
		63,557,971,662	47,563,427,882
	Out side Bangladesh	63,557,971,662	47,563,427,882
7.03	Concentration of Loans & Advances		
	Loans and advances to Directors	135,556	255,066
	Advance to Managing Director, Executive & others	1,459,419,095	1,240,575,733
	Other Loan & advances	62,098,417,011	46,322,597,083
		63,557,971,662	47,563,427,882

		Amount in Taka	
		31-Dec-2011	31-Dec-2010
7.04	Loans and Advances allowed to each customer exceeding 10% of Bank's total capital		
	Number of customers	42	44
	Amount of outstanding loans (crore)	3,700.71	3,175.03
	Classified amount thereon (crore)	5.52	18.61
	(Annexure - A may kindly be seen for details)		
7.05	Industry wise position of loans and advances including bills purchased and discounted		
	Agriculture Industries	350,650,498	409,217,356
	Jute Industries	528,251,471	557,685,358
	Textile Industries	3,605,002,108	3,089,879,480
	Garments Industries	8,966,971,858	7,543,523,485
	Chemical and Chemical Products	282,943,600	1,656,395,299
	Cement Industries	503,531,422	56,426,769
	Bricks & Ceramic	587,714,346	331,388,736
	Glass Industries	-	-
	Food Products & Processing	2,168,407,026	1,656,033,684
	Engineering & Metal	1,859,454,762	1,216,886,068
	Drugs & Pharmaceuticals	283,598,996	311,711,840
	Hospital & Clinics	1,046,458,301	1,074,867,475
	Paper & Paper Products Industries	620,236,306	466,045,163
	Other Small Industries	1,203,305,964	1,013,534,171
	IT Sector	89,895,770	278,434,194
	Other Service Industries	630,967,121	331,781,662
	Commerce & Trade	19,654,444,520	12,312,629,666
	IFIC Securities Ltd.	1,393,587,667	1,641,103,610
	Transport	310,615,510	346,791,084
	Construction Firms/Companies	5,638,372,419	4,588,339,790
	Housing Societies/Companies	2,783,680,027	528,502,745
	Cold Storage	147,060,417	159,627,267
	Non-Banking Financial Institutions	1,560,649,966	1,544,148,028
	Consumer Finance	5,069,057,954	3,935,976,223
	Energy	472,337,797	560,583,491
	Telecommunication	296,674,279	280,239,848
	Others	3,504,101,557	1,671,675,390
		63,557,971,662	47,563,427,882
7.06	Sector wise position of loans and advances including bills purchased and discounted		
	Corporate Finance	41,684,597,558	32,374,505,493
	Agricultural Finance	350,650,078	409,217,356
	Consumer Finance	5,069,057,954	3,935,976,223
	Small & Medium Enterprise (SME) loans	16,432,437,551	10,841,828,435
	Women Entrepreneurs' loans	21,228,521	1,900,375
		63,557,971,662	47,563,427,882
7.07	Geographical location-wise Loans and Advances		
	Dhaka Division	46,137,826,286	35,182,954,454
	Chittagong Division	10,638,810,734	7,537,500,383
	Sylhet Division	539,126,062	508,929,491
	Rajshahi Division	3,480,906,912	2,886,554,091
	Khulna Division	1,688,439,806	1,261,176,319
	Barisal Division	235,838,249	186,313,144
	Rangpur Division	837,023,613	-
		63,557,971,662	47,563,427,882

7.08 Classification of Loans and Advances

Unclassified :

(i) Standard

(ii) Special mention account

Classified :

(i) Substandard

(ii) Doubtful

(iii) Bad / Loss

7.09 Particulars of loans and advances

i) Debts considered good in respect of which the Bank is fully secured

ii) Debts considered good for which the Bank holds no other security than the debtors' personal security

iii) Debts considered good being secured by personal security of one or more persons in addition to the personal security of the debtors

iv) Debts considered doubtful or bad not provided for

v) Balance of debts due by directors or officers of the bank or any of them either severally or jointly with any other person

vi) Balance of debts due by companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or in the case of private companies as members

vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or employees of the Bank or any of them either severally or jointly with any other person

Amount in Taka	
31-Dec-2011	31-Dec-2010
59,811,088,662	43,991,862,882
1,168,795,000	1,307,282,000
347,481,000	460,593,000
1,422,071,000	189,726,000
808,536,000	1,613,964,000
<u>63,557,971,662</u>	<u>47,563,427,882</u>
61,489,990,752	45,897,095,312
769,180,531	538,039,942
1,298,800,379	1,128,292,628
-	-
<u>63,557,971,662</u>	<u>47,563,427,882</u>
<u>1,150,097,956</u>	<u>1,161,719,003</u>
-	-
<u>567,299,555</u>	<u>600,805,676</u>

viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or in the case of private companies as members

ix Due from bank companies

x) Classified loans on which no interest is charged:

Opening balance

Increase / Decrease

Closing balance

Amount of provision kept against loan classified as bad/loss on the date of preparing the balance sheet:

xi) Amount of written off loan:

Cumulative amount

Amount written off during the year

Amount in Taka	
31-Dec-2011	31-Dec-2010
-	-
-	-
1,613,964,000	1,713,490,000
(805,428,000)	(99,526,000)
<u>808,536,000</u>	<u>1,613,964,000</u>
<u>387,804,000</u>	<u>1,191,840,000</u>
<u>10,150,653,649</u>	<u>8,980,392,796</u>
<u>1,170,260,853</u>	<u>270,233,362</u>

Bank had written-off a cumulative total loan of Tk.1,015.07 crore during the year 2003 to 2011 of which Tk.117.03 crore was written off during the year 2011. Out of this cumulative total of Tk. 1,015.07 crore, suit was filed for recovery of Tk. 1,010.69 crore and no suit could be filed for recovery of the balance amount of Tk. 4.38 crore for becoming time barred. Written-off advances were recovered for an amount of Tk. 7.03 crore (total due Tk. 8.01 crore less waived Tk. 0.98 crore) in 2011 and Tk. 371.12 crore during 2003 to 2010. The balance of written – off advances stood at Tk.644.88 crore including interest charge of Tk. 8.94 crore as on 31.12.2011.

7.10 Particulars of required provision for loans and advances

	Amount in Taka	
	31-Dec-2011	31-Dec-2010
On unclassified (including OBU)	733,215,000	543,816,000
On special mention accounts	57,244,000	62,576,000
On substandard	39,576,000	48,747,000
On doubtful	570,436,000	69,899,000
On bad / loss	387,804,000	1,191,840,000
Required provision for loans and advances	1,788,275,000	1,916,878,000
Total provision maintained (Note: 13.01 + 13.02)	1,794,790,032	1,937,458,515
Excess or (short) provision as at 31 December 2011	6,515,032	20,580,515

7.11 Gross lease rental receivable

Lease rental receivable within 1 year	284,671,425	296,760,716
Lease rental receivable within 5 years	922,085,295	946,858,566
Total lease rental receivable	1,206,756,720	1,243,619,282
Less: unearned lease rental	263,808,649	275,793,734
Net lease rental receivable	942,948,071	967,825,548

The amount represents the sum of net lease rental receivable which is shown under Loans and Advances.

7 (a) Consolidated Loans & Advance

Loans, cash credits, overdrafts, etc.

IFIC Bank Limited (Note-7.02)	57,006,681,781	45,105,909,397
Off-shore Banking Unit	551,492,604	778,246,700
IFIC Securities Limited	2,180,764,511	-
IFIC Money Transfer (UK) Limited	-	-
	59,738,938,896	45,884,156,097
Less: Inter -company transactions	1,393,587,667	-
	58,345,351,229	45,884,156,097

Consolidated Bills purchased and discounted

IFIC Bank Limited (Note-8.00)	6,551,289,882	2,457,518,485
Off-shore Banking Unit	531,708,253	484,581,675
IFIC Securities Limited	-	-
IFIC Money Transfer (UK) Limited	-	-
	7,082,998,135	2,942,100,160
	65,428,349,364	48,826,256,257

	Amount in Taka	
	31-Dec-2011	31-Dec-2010
8.00 Bills purchased and discounted		
In Bangladesh	6,159,419,363	2,048,638,564
Outside Bangladesh	391,870,519	408,879,921
	6,551,289,882	2,457,518,485
8.01 Maturity grouping of Bills purchased and discounted		
Payable with in 1 month	3,572,091,381	1,042,895,291
Over 1month but less than 3 months	1,657,717,740	877,812,995
Over 3 months but less than 6 months	1,311,559,296	530,689,745
Over 6 months or more	9,921,465	6,120,454
	6,551,289,882	2,457,518,485
8 (a) Consolidated Bills purchased and discounted		
IFIC Bank Limited (Note-8.00)	6,551,289,882	2,457,518,485
Off-shore Banking Unit	531,708,253	484,581,675
IFIC Securities Limited	-	-
IFIC Money Transfer (UK) Limited	-	-
	7,082,998,135	2,942,100,160
9.00 Fixed Assets including premises, furniture and fixtures		
Land	475,118,759	359,804,055
Building	1,223,207,107	1,247,742,904
Wooden furniture	41,416,399	41,195,284
Steel furniture	21,627,807	19,020,305
Office equipment	238,757,145	214,355,863
Electrical & gas equipment	104,627,668	91,205,356
Improve & leasehold premises	83,070,433	73,376,165
Motor vehicles	14,669,362	13,128,702
Soft furnishing	1,139,784	957,077
	2,203,634,465	2,060,785,711
(Annexure - B may kindly be seen for details)		
9 (a) Consolidated Fixed Assets including premises, furniture and fixtures		
IFIC Bank Limited (Note-9.00)	2,203,634,465	2,060,785,711
Off-shore Banking Unit	-	-
IFIC Securities Limited	11,488,655	-
IFIC Money Transfer (UK) Limited	-	-
	2,215,123,119	2,060,785,711
10.00 Other Assets		
Stationery and stamps	23,217,149	21,743,535
Suspense account(Note - 10.01)	468,459,089	189,685,447
Advance, deposit and prepayments (Note - 10.02)	664,951,096	823,054,896
Branch adjustment (Note - 10.03)	121,637,612	1,071,827,119
Accrued interest on investment & other income receivable (Note-10.04)	643,920,703	381,663,275

	Amount in Taka	
	31-Dec-2011	31-Dec-2010
Investment in subsidiaries (Note- 10.05)	819,091,725	799,994,000
Revaluation A/C FDBP	1,792,520	1,792,520
Revaluation A/C IDBP	-	12,553,316
Receivable from Dhaka Stock Exchange	-	87,358,486
Receivable from Margin Investment	-	90,721,460
Accounts receivable others	1,931,091	(38,412)
	2,745,000,986	3,480,355,641
10.01 Suspense account		
Sundry debtors	113,480,277	6,149,485
Advance against bills, new branches	105,260,670	9,581,250
Advance against postage and telegram	3,595	2,565
Advance against TA / DA	12,900	20,400
Law charges	54,800,723	46,207,444
Sanchaya patra paid	109,800,353	63,878,574
Clearing adjustment (Dr)	3,694,258	3,860,443
Wage earners development bond paid	42,016,131	44,715,340
Investment bond	3,639,482	-
CIB charge	16,170	506,091
Others	18,791,090	2,808,500
TMT & Money gram services	16,943,440	11,955,357
	468,459,089	189,685,447
10.02 Advance, deposit and prepayments		
Advance rent	189,728,976	144,133,283
Advance income tax	265,675,674	485,469,042
Security deposit including demand note	1,192,625	2,602,567
DD paid without advice	-	440,985
Advance against car purchase	62,301,654	77,726,496
Advance against insurance premium	266,575	235,358
Protested bills	15,560,429	14,572,856
Medical	-	1,981
Others	2,295,603	834,041
Cash remittance	12,000,000	506,415
Advance against IPO, placement, right, mutual fund etc.	115,929,560	93,737,871
Advance against promotional gift	-	2,794,000
	664,951,096	823,054,896

10.03 Branch Adjustment

Branch adjustment account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded by the balance sheet date. However, the un-responded entries of 31 December 2011 (position as of 31 January 2011) are given below:

Tenure	No. of Un-responded entries		Un-responded entries Amount in Taka	
	Dr.	Cr.	Dr.	Cr.
Up to 3 months	1	-	2,700,000	-
Over 3 months but within 6 months	-	-	-	-
Over 6 months	-	-	-	-

10.04 Accrued interest on investment & other income receivable

	Amount in Taka	
	31-Dec-2011	31-Dec-2010
Treasury bills	-	-
Treasury bonds	258,341,500	227,655,600
Debentures/bond	18,510,917	28,100,720
Government for jute finance	41,272,375	41,272,375
PAD, SOD,LTR, LM, LG, etc.	81,655,100	23,438,959
Inland documentary bill purchased (IDBP)	6,701,734	4,589,257
Others	179,515,777	31,356,509
FDR	57,923,300	25,249,855
	643,920,703	381,663,275

10.05 Investment in subsidiaries

IFIC Securities Limited	799,994,000	799,994,000
IFIC Money Transfer (UK) Limited	19,097,725	-
	819,091,725	799,994,000

10.06 Classification of other assets

Unclassified	2,617,121,986	3,310,689,641
Substandard	-	-
Doubtful	-	-
Bad / Loss	127,879,000	169,666,000
	2,745,000,986	3,480,355,641

10.07 Required provision for other assets & investments

Unclassified	-	-
Substandard	-	-
Doubtful	-	-
Bad / Loss	423,000,000	169,666,000
	423,000,000	169,666,000

An amount of Tk. 10,276,631.60 has been provided for un-reconciled debit entries in NOSTRO Account.

10.08 Non-Income generating other assets

	Amount in Taka	
	31-Dec-2011	31-Dec-2010
Stationery and stamps	23,217,149	21,743,535
Sundry debtors	113,480,277	6,149,485
Advance against new branches	105,260,670	9,581,250
Advance against postage and telegram	3,595	2,565
Advance against TA / DA	12,900	20,400
Law charge	54,800,723	46,207,444
Advance insurance premium	266,575	235,358
Clearing adjustment	3,694,258	3,860,443
Investment bond	3,639,482	-
Advance against IPO, placement, mutual fund etc.	115,929,560	93,737,871
Advance against rent	189,728,976	144,133,283
Advance income tax	265,675,674	485,469,042
Security deposit (including demand note)	1,192,625	2,602,567
Advance against car purchase	62,301,654	77,726,496
Advance against lease property	-	-
Protested bills	15,560,429	14,572,856
Branch adjustment	121,637,612	1,071,827,119
Accrued interest and other interest receivable	643,920,703	381,663,275
Medical	-	1,981
CIB charge	16,170	506,091
Others	21,086,694	3,642,541
Cash remittance	12,000,000	506,415
Revaluation A/c FDBP	1,792,520	1,792,520
Revaluation A/c IDBP	-	12,553,316
TMT & Moneygram	16,943,440	11,955,357
Advance against promotional gift	-	2,794,000
Accounts receivable others	1,931,091	(38,412)
	1,774,092,776	2,393,246,797

10 (a) Consolidated Other Assets

IFIC Bank Limited (Note-10.00)	2,745,000,986	3,480,355,641
Less: Investment in IFIC Securities Limited (Note-10.05)	799,994,000	-
Less: Investment in IFIC Money Transfer (UK) Limited (Note-10.05)	19,097,725	-
	1,925,909,261	3,480,355,641
Off-shore Banking Unit	7,253,014	12,233,773
IFIC Securities Limited	86,508,542	-
IFIC Money Transfer (UK) Limited	-	-
	2,019,670,817	3,492,589,414

11.00 Borrowing from other Banks, Financial Institutions and Agents

In Bangladesh		
Basic Bank Ltd.	220,000,000	-
Bangladesh Bank	245,558,700	-
Bangladesh Development Bank Ltd.	30,000,000	-
Grameen Bank	834,786,963	-
IDCOL	38,500,000	-
IPDC	50,000,000	-
	1,418,845,663	-
	-	-
Outside Bangladesh	1,418,845,663	-

		Amount in Taka	
		31-Dec-2011	31-Dec-2010
11.01	Secured and unsecured of borrowing from other banks, Financial Institutions and Agents		
	Secured	-	-
	Unsecured	1,418,845,663	-
		1,418,845,663	-
	* No borrowing has been made for which assets kept under pledge.		
11.02	Maturity grouping of borrowing from other banks, Financial Institutions and agents		
	Payable on demand	-	-
	Up to 1 month	270,000,000	-
	Over 1 month but less than 1 year	1,148,845,663	-
	Over 1 year and above	-	-
		1,418,845,663	-
11 (a)	Consolidated Borrowing from other Banks, Financial Institutions and Agents		
	IFIC Bank Limited (Note-11.00)	1,418,845,663	-
	Off-shore Banking Unit	1,056,989,841	1,258,087,388
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		2,475,835,505	1,258,087,388
	Less: Inter -company transactions	1,056,989,841	762,839,488
		1,418,845,663	495,247,900
12.00	Deposits and other accounts		
	From Banks	621,822,000	124,683,000
	Other than Banks	72,483,910,013	54,535,727,064
	Payable on demand	20,970,919,665	20,157,382,588
	Term deposits	51,512,990,348	34,378,344,476
		73,105,732,013	54,660,410,064
	Current deposits and other accounts	10,254,577,923	9,538,325,223
	Current deposit	6,568,512,720	7,352,423,208
	Sundry deposit	2,905,584,739	1,567,031,294
	Foreign currency deposit	758,065,886	489,124,589
	Resident FC deposit	20,433,798	14,945,666
	Investors' account (Cr. balance)	300,867	297,773
	Customer trading BO A/c.	-	113,534,187
	Q-Cash, prepaid, cheque Card A/c.	1,679,914	968,505
	Bills Payable	1,306,622,259	1,209,103,518
	In Bangladesh	1,260,344,144	1,193,569,470
	Payment order	11,198,468	15,534,048
	Demand draft	35,079,646	-
	Security deposit receipt	-	-
	Savings bank deposit	10,031,541,483	9,534,636,847
	Term deposits	51,512,990,348	34,378,344,476
	Special notice deposit	7,741,881,055	9,877,375,145
	Fixed deposit	39,792,184,534	21,974,214,726
	Non resident FC deposit & ERQ	39,284,018	53,679,255
	Pension savings scheme	1,985,170,122	1,711,462,633
	School savings plan	3,625,262	-
	Monthly income scheme	437,356,813	114,250,000
	Double return deposit scheme	1,477,220,637	599,030,516
	Three years plus	36,267,907	48,332,200
		73,105,732,013	54,660,410,064

12.01 Maturity grouping of deposits and other accounts

Particulars	Bank	Other than Bank	2011 Taka	2010 Taka
Repayable on demand	621,822,000	11,124,160,357	11,745,982,357	10,048,609,290
Repayable on 1 month	-	9,735,211,649	9,735,211,649	8,610,383,759
Over 1 month but within 6 months	-	22,308,195,070	22,308,195,070	14,964,683,407
Over 6 months but within 1 year	-	14,118,066,973	14,118,066,973	9,658,717,401
Over 1 year but within 5 years	-	9,710,447,241	9,710,447,241	7,891,059,733
Over 5 years but within 10 years	-	5,483,477,280	5,483,477,280	3,482,589,247
Unclaimed deposit for 10 years or more	-	4,351,441	4,351,441	4,367,228
Total	621,822,000	72,483,910,013	73,105,732,013	54,660,410,064

12 (a) Consolidated deposits and other accounts

Current deposits and other accounts

IFIC Bank Limited (Note-12.00)

Off-shore Banking Unit

IFIC Securities Limited

IFIC Money Transfer (UK) Limited

Less: Inter -company transactions

Bills payable

IFIC Bank Limited (Note-12.00)

Off-shore Banking Unit

IFIC Securities Limited

IFIC Money Transfer (UK) Limited

Savings bank deposit

IFIC Bank Limited (Note-12.00)

Off-shore Banking Unit

IFIC Securities Limited

IFIC Money Transfer (UK) Limited

Term deposits

IFIC Bank Limited (Note-12.00)

Off-shore Banking Unit

IFIC Securities Limited

IFIC Money Transfer (UK) Limited

Amount in Taka	
31-Dec-2011	31-Dec-2010
10,254,577,923	9,538,325,223
-	-
-	-
-	-
10,254,577,924	9,538,325,223
63,497,683	-
10,191,080,240	9,538,325,223
1,306,622,259	1,209,103,518
-	-
-	-
-	-
1,306,622,259	1,209,103,518
10,031,541,483	9,534,636,847
-	-
-	-
-	-
10,031,541,483	9,534,636,847
51,512,990,348	34,378,344,476
-	-
-	-
-	-
51,512,990,348	34,378,344,476
73,042,234,330	54,660,410,064

	Amount in Taka	
	31-Dec-2011	31-Dec-2010
13.00 Other liabilities		
Exporters F.C account	1,553,003,531	1,549,877,472
Accrued expenses	6,783,311	35,298,747
Provision for classified loans & advance (Note - 13.01)	1,001,982,032	1,323,150,515
Provision for unclassified loans & advances (Note - 13.02)	792,808,000	614,308,000
Provision for other assets & investments (Note - 13.03)	425,357,848	173,357,848
Interest suspense account (Note - 13.04)	2,081,379,137	2,095,590,111
Foreign demand draft (FDD)	13,491,346	21,371,795
Dividend payable	2,814,447	2,814,447
Provision for taxation (Note - 13.05)	2,273,369,816	2,062,554,342
Provision for deferred taxation (Note - 13.06)	113,261,289	73,084,220
Export development fund	1,540,725,396	619,176,375
Bonus payable	150,000,000	135,000,000
Gratuity Payable	-	50,000,000
Revaluation of investment abroad	39,856,309	8,752,000
Exporter's cash assistance	311	27,690,001
Revaluation on Govt. Securities (50%)	661,941	19,284,800
Provision for Off balance sheet (Note - 13.08)	364,000,000	334,000,000
Oman International Exchange (LLC)	9,524,034	9,348,471
Foreign Trade Exchange Settlement & others	46,048,669	1,662,293
	10,415,067,417	9,156,321,438
13.01 Provision for classified loans & Advance		
Provision held at the beginning of the year	1,323,150,515	951,852,515
Fully provided debts written off / waiver	(717,668,483)	(30,202,000)
Reschedule/re-intendment from previously written off	-	-
Provision transferred from provision for Off-shore Banking Unit	2,000,000	-
Specific provision for the year	394,500,000	401,500,000
	1,001,982,032	1,323,150,515
13.02 Provision for Un-classified loans & advances		
Provision held at the beginning of the year	601,308,000	511,308,000
Provision transferred from provision for other assets	-	-
Specific provision for the year	180,500,000	90,000,000
	781,808,000	601,308,000
Provision for Off-shore Banking Unit (OBU)		
Provision held at the beginning of the year	13,000,000	13,000,000
Provision transferred to provision for classified loans & advance	(2,000,000)	-
Specific provision for the year	-	-
	11,000,000	13,000,000
	792,808,000	614,308,000
13.03 Provision for other assets & investments		
Provision held at the beginning of the year	173,357,848	131,857,848
Specific provision for the year	252,000,000	41,500,000
	425,357,848	173,357,848
13.04 Interest suspense account		
Balance at the beginning of the year	2,095,590,111	2,309,538,064
Amount transferred during the year	461,253,213	309,548,020
Amount recovered during the year	(296,536,638)	(414,675,132)
Amount written off during the year	(178,927,550)	(108,820,841)
	2,081,379,137	2,095,590,111

		Amount in Taka	
		31-Dec-2011	31-Dec-2010
13.05	Provision for taxation		
	Current tax :		
	Provision for earlier year	10,243,688	18,992,711
	Provision for current year	1,063,079,243	1,454,854,995
		1,073,322,931	1,473,847,706
	Balance for Tax provision for earlier years	1,200,046,885	588,706,636
		2,273,369,816	2,062,554,342
13.06	Provision for deferred taxation		
	Balances as on 01 January	73,084,220	26,931,926
	Addition during the year (Note-13.06.1)	40,177,069	46,152,294
		113,261,289	73,084,220
13.06.1	Deferred tax (income)/ expense		
	Written down value of Fixed Assets as per Accounts	2,203,634,465	2,060,785,711
	Less: Written down value of Fixed Assets as per Tax Authority	1,937,137,316	1,888,822,843
	Taxable/(deductible) Temporary difference	266,497,149	171,962,868
	Applicable Tax Rate	42.50%	42.50%
	Deferred Tax Liability/ (Asset)	113,261,288	73,084,219
	Less: Opening deferred Tax Liability/ (Asset)	73,084,219	26,931,925
	Deferred Tax (income)/expense	40,177,069	46,152,294
13.07	Provision for taxation during the year		
	Current tax	1,073,322,931	1,473,847,706
	Deferred tax	40,177,069	46,152,294
		1,113,500,000	1,520,000,000
13.07 (a)	Consolidated Provision for taxation during the year		
	Current tax		
	IFIC Bank Limited (Note-13.07)	1,073,322,931	1,473,847,706
	IFIC Securities Limited	50,978,175	-
		1,124,301,106	1,473,847,706
	Deferred tax		
	IFIC Bank Limited (Note-13.07)	40,177,069	46,152,294
	IFIC Securities Limited	-	-
		40,177,069	46,152,294
		1,164,478,175	1,520,000,000
13.08	Provision for Off balance sheet		
	Provision held at the beginning of the year	334,000,000	220,000,000
	Provision transferred from provision for other assets	-	-
	Specific provision for the year	30,000,000	114,000,000
		364,000,000	334,000,000
13(a)	Consolidated Other liabilities		
	IFIC Bank Limited (Note-13.00)	10,415,067,417	9,156,321,438
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	234,601,488	-
	IFIC Money Transfer (UK) Limited	837,626	-
		10,650,506,531	9,156,321,438

14.00 Paid Up Capital

14.01 Authorized

535,000,000 ordinary shares of Tk. 10 each

Amount in Taka	
31-Dec-2011	31-Dec-2010
5,350,000,000	5,350,000,000

The denomination (Face Value) of the shares of IFIC has been changed from Tk.100.00 to Tk.10.00 per share and market lot of shares has been changed from 05 (five) nos. shares to 50 (fifty) nos. shares per lot with effect from December 04, 2011 as approved by the valued Shareholders in the Extra-Ordinary General Meeting of the Bank held on 23.11.2011. Necessary amendments have already been made in the Memorandum & Articles of Association of the Bank in this regard.

14.02 Issued, subscribed and paid up

186,177,480 ordinary shares of Tk. 10 each fully paid held by the Sponsors, Directors & General Public including Institutions.

90,660,420 ordinary shares of Tk. 10 each fully paid held by the Government of the People's Republic of Bangladesh.

1,861,774,800	1,465,964,400
906,604,200	713,861,600
<u>2,768,379,000</u>	<u>2,179,826,000</u>

14.03 Issued, subscribed and paid up

8,000,000 ordinary shares of Tk. 10 each issued for cash

4,400,000 ordinary shares of Tk. 10 each issued as right share

264,437,900 ordinary shares of Tk. 10 each issued for bonus share

80,000,000	80,000,000
44,000,000	44,000,000
2,644,379,000	2,055,826,000
<u>2,768,379,000</u>	<u>2,179,826,000</u>

Out of the total issued, subscribed and fully paid-up Capital of the Bank 4,400,000 ordinary shares of Tk.100.00 each (before splitting) amounting to Tk.4,40,00,000.00 was raised through public offering of shares (Rights Issue at par) held in 1989 and subsequent, issue of the Right Shares on 30.01.1990.

14.04 Distribution of paid up capital

Holding of share	2011			2010		
	No. of holder	Total shares	Percentage (%)	No. of holder	Total shares	Percentage (%)
01 to 500 shares	27,935	3,620,808	1.31	29,059	3,992,790	1.83
501 to 5000 shares	8,863	12,918,440	4.67	7,807	11,541,610	5.29
5,001 to 10,000 shares	612	4,240,210	1.53	406	3,055,210	1.40
10,001 to 20,000 shares	262	3,622,570	1.31	207	3,020,180	1.39
20,001 to 30,000 shares	83	2,007,060	0.72	73	1,853,590	0.85
30,001 to 40,000 shares	43	1,469,990	0.53	31	1,122,690	0.52
40,001 to 50,000 shares	24	1,094,450	0.39	29	1,342,630	0.62
50,001 to 100,000 shares	59	4,307,800	1.56	55	3,816,130	1.75
100,001 to 1,000,000 shares	101	31,201,072	11.27	80	22,789,070	10.45
More than 1,000,000 shares	25	212,355,500	76.71	26	165,448,700	75.90
Total	38,007	276,837,900	100.00	37,773	217,982,600	100.00

*Position of 2010 diluted and recast with the change of denomination (Face Value) of the shares of the Bank from Tk. 100.00 to Tk.10.00 per share with effect from 04.12.2011 for comparison.

14.05 Shareholding by category

Particular	2011			2010		
	No. of Share	%	Taka	No. of Share	%	Taka
Shares owned by the Sponsors	17,950,600	6.48	179,506,000	14,508,870	6.65	145,088,700
Shares owned by the Directors	13,358,530	4.83	133,585,300	10,655,800	4.89	106,558,000
Shares owned by the Institutions & General Public	154,868,350	55.94	1,548,683,500	121,431,770	55.71	1,214,317,700
Shares owned by the Government	90,660,420	32.75	906,604,200	71,386,160	32.75	713,861,600
Total	276,837,900	100.00	2,768,379,000	217,982,600	100.00	2,179,826,000

* Position of 2010 diluted with the change of denomination (Face Value) of the shares of the Bank from Tk.100.00 to Tk.10.00 per share with effect from 04. 12. 2011 for comparison.

*Mr. Salmam F Rahman being a Sponsor Director, his shares is shown against Directors Category.

14.06 Capital Adequacy Ratio: As per Basel-II

Total assets (including off-balance sheet items)
 Total risk-weighted Assets
 Required capital (2011: 10% & 2010: 9% of risk-weighted assets)

Actual capital held

Core - capital (Tier I)

- (a) Paid-up capital
- (b) Statutory reserve
- (c) General reserve
- (d) Retained earnings

Supplementary Capital (Tier II)

- (a) Exchange equalization reserve
- (b) General provision on unclassified loans and advance
- (c) General provision on off balance sheet item
- (d) Revaluation of investment abroad (50%)
- (e) Assets revaluation reserve (50%) (Note- a)
- (f) Revaluation of Govt. Securities (50%)

Total Capital surplus/(deficit)

Capital adequacy ratio

Core capital

Supplementary capital

	Amount in Taka	
	31-Dec-2011	31-Dec-2010
Total assets (including off-balance sheet items)	127,740,252,930	102,677,399,533
Total risk-weighted Assets	76,855,800,000	68,627,400,000
Required capital (2011: 10% & 2010: 9% of risk-weighted assets)	7,685,580,000	6,176,466,000
Actual capital held	7,784,323,665	6,713,749,789
Core - capital (Tier I)	6,569,196,372	5,737,404,990
(a) Paid-up capital	2,768,379,000	2,179,826,000
(b) Statutory reserve	2,554,520,330	2,182,225,215
(c) General reserve	55,771,397	55,771,397
(d) Retained earnings	1,190,525,646	1,319,582,378
Supplementary Capital (Tier II)	1,215,127,293	976,344,800
(a) Exchange equalization reserve	-	-
(b) General provision on unclassified loans and advance	792,808,000	614,308,000
(c) General provision on off balance sheet item	364,000,000	334,000,000
(d) Revaluation of investment abroad (50%)	-	8,752,000
(e) Assets revaluation reserve (50%) (Note- a)	57,657,352	-
(f) Revaluation of Govt. Securities (50%)	661,941	19,284,800
Total Capital surplus/(deficit)	98,743,665	537,283,789
Capital adequacy ratio	10.13%	9.78%
Core capital	8.55%	8.36%
Supplementary capital	1.58%	1.42%

Note: a

a) This represents 50% of the value increased due to revaluation of Bank's land. Asum of Tk. 115,314,704 is increased due to revaluation but as per guideline of BRPD Circular # 10 dated 25 November 2002, 50% of the increased value i.e. Tk. 57,657,352 has been included as a component of Tier -II capital.

The revaluation work was done by Baltic Control (BD) Ltd. an independent professionally qualified valuation firm on 09.10.2011.

14.07 Computation of risk-weighted assets
(Annexure - C may kindly be seen for details)

15.00 Statutory reserve

Balance brought forward
Transferred during the year

15 (a) Consolidated Statutory reserve

IFIC Bank Limited (Note -15.00)
Off-shore Banking Unit

16.00 Other reserve

General reserve (Note-16.01)
Assets revaluation reserve (Note- 16.02)
Revaluation of investment abroad (50%)
Revaluation of Govt. Securities (50%)

16.01 General reserve

Opening balance
Extra ordinary gain

16.02 Assets Revaluation Reserve

In terms of Bangladesh Accounting Standard (BAS)-16, "Property, Plant & Equipment" and instruction contained in BRPD Circular No.10 dated 25 November 2002 issued by Bangladesh Bank, all the immovable properties of the Bank were revalued as at 09.10.2011 by Baltic Control (BD) Ltd. an independent professionally qualified valuation firm of the country based on market survey.

Accordingly, gain on revaluation of Tk.115,314,704 has been credited to revaluation reserve at reporting date and is arrived at as follows:

Opening balance
Reserve made for the year
Closing balance as on 31 December 2011

17.00 Surplus in Profit and Loss Account

Balance brought forward
Bonus share issued (2010)
Net profit after Tax
Extra Ordinary Gain
Appropriation made during the year
Balance carried forward

		Amount in Taka	
		31-Dec-2011	31-Dec-2010
		2,182,225,215	1,545,408,159
		365,602,309	633,422,103
		<u>2,547,827,524</u>	<u>2,178,830,263</u>
		2,547,827,524	2,178,830,263
		6,692,806	3,394,952
		<u>2,554,520,330</u>	<u>2,182,225,215</u>
		55,771,397	55,771,397
		115,314,704	-
		-	8,752,000
		661,941	19,284,800
		<u>171,748,043</u>	<u>83,808,197</u>
		55,771,397	27,212,149
		-	28,559,248
		<u>55,771,397</u>	<u>55,771,397</u>
		-	-
		115,314,704	-
		<u>115,314,704</u>	<u>-</u>
		1,319,582,378	728,279,357
		(588,553,000)	(435,965,200)
		714,511,544	1,647,110,517
		-	28,559,248
		(365,602,309)	(661,981,352)
		<u>1,079,938,613</u>	<u>1,306,002,570</u>

	Amount in Taka	
	31-Dec-2011	31-Dec-2010
17.01 Surplus in Profit and Loss Account		
Profit before provision	2,685,011,544	3,827,110,517
Less: Provision for loans and advances	(857,000,000)	(660,000,000)
Less: Provision for Income Tax	(1,113,500,000)	(1,520,000,000)
Less: Statutory reserve	(365,602,309)	(633,422,103)
Retained earning	348,909,235	1,013,688,413
Retained profit brought forward	731,029,378	292,314,157
	1,079,938,613	1,306,002,570
17 (a) Consolidated Surplus in Profit and Loss Account		
IFIC Bank Limited (Note-17.00)	1,079,938,613	1,306,002,570
Off-shore Banking Unit	26,771,224	13,579,808
IFIC Securities Limited	87,071,080	-
IFIC Money Transfer (UK) Limited	(3,255,272)	-
	1,190,525,646	1,319,582,378
18.00 Letter of guarantee		
Directors	-	-
Government	1,996,523,781	2,152,989,580
Banks and other financial institutions	337,438,723	64,204,382
Others	1,778,860,766	1,385,747,450
	4,112,823,270	3,602,941,412
19.00 Letter of credit		
Letter of credit (cash)	5,658,375,259	5,224,501,372
Letter of credit (others)	27,721,028	257,727,697
Letter of credit (back to back)	5,920,672,441	8,448,946,167
Letter of credit (inland)	-	-
	11,606,768,727	13,931,175,236
20.00 Bills for collection		
Inland bills collection	108,904,759	47,610,500
Foreign bills collection	14,554,672	3,609,247
Foreign documentary bills for collection	3,482,333,777	3,093,028,084
Inland documentary bills for collection	3,957,689,561	1,387,804,903
	7,563,482,770	4,532,052,734
21.00 Income statement		
Income		
Interest, discount and similar income	8,182,609,213	5,869,831,075
Dividend income	121,086,707	83,641,889
Fees commission and brokerage	617,521,198	831,714,142
Gains less losses arising from investment securities	-	-
Gain less losses arising from dealing in foreign currencies	757,408,540	466,535,280
Other operating income	523,709,740	1,669,446,208
	10,202,335,397	8,921,168,594

	Amount in Taka	
	31-Dec-2011	31-Dec-2010
Expenses		
Interest fee and commission	4,646,840,537	2,565,132,506
Losses on loan and advances	309,582,157	131,210,521
Administrative expenses	2,032,034,924	1,714,996,559
Other operating expenses	390,993,465	555,045,728
Depreciation on banking assets	137,872,771	127,672,763
	7,517,323,853	5,094,058,076
Profit before tax and provision	2,685,011,544	3,827,110,517
22.00 Interest income		
Term loan (industrial)	565,393,033	568,967,746
Term loan (others)	671,662,198	628,977,123
House building loan	202,213,556	133,356,234
Staff house building loan	44,978,702	38,323,199
Staff loan against PF	25,897,099	22,686,978
Transport loan	156,660,064	101,086,437
Loan general	81,391,657	44,472,261
Secured overdraft	1,208,017,634	607,206,340
Cash credit	1,681,843,706	1,020,530,546
Inland documentary bill purchased (IDBP)	338,308,183	180,139,723
Foreign documentary bill purchased (FDBP)	589,147	31,546
Payment against document (cash)	124,551,670	27,141,014
Payment against document (forced)	13,984,412	39,530,262
Payment against document (EDF)	64,229,353	40,475,259
Payment against document (INLAND)	44,151,887	7,393,896
Payment against document (others)	17,347,957	13,543,660
Loan against imported merchandise	13,520,187	25,096,613
Loan against trust receipt (LTR)	812,427,965	422,652,127
Export cash credit	59,073,033	50,612,099
Credit card	36,968,753	31,579,010
Money at call on short notice	74,990,625	94,860,722
Balance held outside Bangladesh	19,313,161	11,381,897
Others	27,493,031	43,145,580
Balance held inside Bangladesh	2,200,000	2,885,552
Demand loan	3,228,331	395,592
Loan to IFIC Securities Ltd.	168,872,481	-
Margin loan on CMD	53,444,244	345,539,725
	6,512,752,069	4,502,011,136
Rental income from lease	142,074,310	138,903,455
	6,654,826,379	4,640,914,591

		Amount in Taka	
		31-Dec-2011	31-Dec-2010
22 (a)	Consolidated Interest income		
	IFIC Bank Limited (Note-22.00)	6,654,826,379	4,640,914,591
	Off-shore Banking Unit	51,517,062	26,364,926
	IFIC Securities Limited	270,802,926	-
	IFIC Money Transfer (UK) Limited	-	-
		<u>6,977,146,366</u>	<u>4,667,279,517</u>
	Less: Inter -company interest income	179,133,806	-
		<u>6,798,012,560</u>	<u>4,667,279,517</u>
23.00	Interest paid on deposits, borrowings, etc.		
	Saving bank deposit	373,959,248	345,799,216
	Special notice deposit	194,228,039	230,399,362
	Fixed deposit	3,825,285,518	1,778,958,400
	Non resident FC deposit	233,494	1,369,489
	Resident FC deposit	38,769	75,560
	Pension savings scheme	157,621,222	159,248,587
	Monthly income scheme	28,135,797	11,847,399
	Call deposit	63,958,486	33,046,417
	Others	1,277,418	2,579,736
	Discount paid	1,871,454	1,549,516
	FCAD	231,092	258,824
		<u>4,646,840,537</u>	<u>2,565,132,506</u>
23 (a)	Interest paid on deposits, borrowings, etc.		
	IFIC Bank Limited (Note-23.00)	4,646,840,537	2,565,132,506
	Off-shore Banking Unit	18,053,032	9,390,166
	IFIC Securities Limited	168,872,481	-
	IFIC Money Transfer (UK) Limited	-	-
		<u>4,833,766,050</u>	<u>2,574,522,672</u>
	Less: Inter -company interest paid	179,133,806	-
		<u>4,654,632,244</u>	<u>2,574,522,672</u>
24.00	Income from investment		
	Gain from sale of shares	597,918,919	278,573,031
	Dividend on share	121,086,707	83,641,889
	Prize bond	22,000	1,000
	Debenture/bond	3,404,867	6,304,356
	Treasury bill/bond (Note-24.01)	755,019,570	736,058,965
	Dividend & Magt. Fees (OIE) LLC	14,814,173	11,417,177
	FDR	156,603,306	196,561,955
		<u>1,648,869,541</u>	<u>1,312,558,373</u>
24.01	Treasury bill/bond		
	Interest on treasury bill/bond	1,059,463,630	1,066,323,398
	Less: Holding period intt. On HFT/HTM	304,444,060	330,264,433
		<u>755,019,570</u>	<u>736,058,965</u>

	Amount in Taka	
	31-Dec-2011	31-Dec-2010
25.00 Commission, Exchange and Brokerage		
Commission (Note - 25.01)	591,924,239	497,515,198
Exchange (Note - 25.02)	757,408,540	466,535,280
Brokerage (Note - 25.03)	25,596,959	334,198,944
	1,374,929,738	1,298,249,422
25.01 Commission		
Bills purchased	2,450,241	4,293,666
Remittances (inland)	27,278,174	40,473,682
Remittances (foreign)	7,130,438	6,973,841
Letter of guarantee (LG)	53,774,619	33,904,223
Letter of credit (cash, barter/BB, WES)	260,565,223	217,694,155
IFDBC, FDBC & LDBC	189,395,053	133,406,304
Loan against imported merchandise (LIM)	191,405	111,313
Shares (subscription)	-	1,438,891
Others (commission)	49,821,176	52,339,924
Com. on sanchaya patra, reimbursement etc.	1,317,911	6,879,199
	591,924,239	497,515,198
25.02 Exchange		
Rebate from foreign correspondent	47,559,259	35,606,209
Exchange gain from revaluation, FC & others	709,849,281	430,929,071
	757,408,540	466,535,280
25.03 Brokerage		
Brokerage	-	59,460
Brokerage commission of CMD	25,596,959	334,139,484
Others	-	-
	25,596,959	334,198,944
25(a) Consolidated Commission, Exchange and Brokerage		
IFIC Bank Limited (Note-25.00)	1,374,929,738	1,298,249,422
Off-shore Banking Unit	-	-
IFIC Securities Limited	98,904,161	-
IFIC Money Transfer (UK) Limited	7,209	-
	1,473,841,108	1,298,249,422
26.00 Other operating income		
Locker rent	7,029,469	5,949,823
Godown rent & others	4,819,097	2,705,202
Postage charge recovery	21,972,778	24,221,707
Telex charge recovery	68,311	395,205
SWIFT recovery	61,243,488	45,667,097
Incidental charge recovery	-	1,110
Legal charge recovery	-	7,800
Godown insurance recovery	934,733	830,003
Stationery expenses recovery	3,078,863	2,891,690

		Amount in Taka	
		31-Dec-2011	31-Dec-2010
	Gain on sales of fixed assets (Note-35.01)	-	856,647
	ATM recovery	250,827	69,785
	Recovery on written off advance	70,309,771	1,146,597,629
	Miscellaneous earning	68,290,299	61,385,825
	Processing fee, annual fee, cash adv. fee, etc.	24,337,798	16,354,632
	Capital market division	175,700	3,302,957
	Service charge & Others	132,123,902	130,550,402
		<u>394,635,037</u>	<u>1,441,787,514</u>
26(a)	Consolidated Other operating income		
	IFIC Bank Limited (Note-26.00)	394,635,037	1,441,787,514
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	6,136,804	-
	IFIC Money Transfer (UK) Limited	-	-
		<u>400,771,841</u>	<u>1,441,787,514</u>
27.00	Capital gain		
	Government treasury bond	129,074,703	227,658,694
	Government treasury bills	-	-
		<u>129,074,703</u>	<u>227,658,694</u>
28.00	Salaries and allowances		
	Basic pay	642,133,482	493,969,597
	House rent	308,084,533	221,957,735
	Conveyance allowance	29,934,203	26,428,614
	Medical	62,549,386	47,718,097
	Entertainment	60,274,186	47,771,797
	Bonus	255,242,459	222,474,009
	PF (Bank's contribution)	58,476,939	44,164,073
	Gratuity	127,753,581	207,352,023
	Others	34,494,699	29,145,515
		<u>1,578,943,469</u>	<u>1,340,981,459</u>
Number of employees for the year 2011 who were paid remuneration less than Tk. 36,000 was nil. Number of employees employed in the Bank at the end of the year 2011 were 2,383.			
28 (a)	Consolidated Salaries and allowances		
	IFIC Bank Limited (Note-28.00)	1,578,943,469	1,340,981,459
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	12,068,169	-
	IFIC Money Transfer (UK) Limited	-	-
		<u>1,591,011,638</u>	<u>1,340,981,459</u>
29.00	Rent, taxes, insurance, lighting and traveling		
	Rent	223,237,248	174,695,554
	Rates, taxes and utilities	45,419,108	31,649,018
	Insurance	50,313,429	43,200,187
	Lighting	31,583,786	26,087,907
	Traveling and conveyance	32,103,594	32,310,042
		<u>382,657,164</u>	<u>307,942,708</u>

		Amount in Taka	
		31-Dec-2011	31-Dec-2010
29(a)	Consolidated Rent, taxes, insurance, lighting and traveling		
	IFIC Bank Limited (Note-29.00)	382,657,164	307,942,708
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	6,509,394	-
	IFIC Money Transfer (UK) Limited	-	-
		389,166,558	307,942,708
30.00	Postage, stamp, telecommunication etc.		
	Postage	16,482,205	17,457,079
	Telegram	1,570	1,547
	Telex	9,050	7,831
	Telephone (office)	7,827,527	8,475,810
	Telephone (residence)	15,721,610	10,702,153
	Reuter	5,155,518	4,725,975
	Communication facilities (VAST,radio etc.)	1,172,092	3,800,162
	SWIFT charges	10,785,953	10,184,686
		57,155,524	55,355,243
30(a)	Consolidated Postage, stamp, telecommunication etc.		
	IFIC Bank Limited (Note-30.00)	57,155,524	55,355,243
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		57,155,524	55,355,243
31.00	Stationery, printing, advertisement, etc.		
	Printing stationery	19,877,520	12,325,935
	Security stationery	8,804,277	6,691,088
	Petty stationery	10,967,234	10,784,392
	Computer stationery	8,637,679	8,145,109
	Advertisement and publicity	29,902,450	21,070,129
		78,189,160	59,016,653
31(a)	Consolidated Stationery, printing, advertisement, etc.		
	IFIC Bank Limited (Note-31.00)	78,189,160	59,016,653
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		78,189,160	59,016,653
32.00	Managing director's salary		
	Basic	3,600,000	2,500,000
	House rent	1,200,000	1,200,000
	House maintenance	900,000	625,000
	PF (Bank's contribution)	360,000	250,000
	Entertainment	900,000	900,000
	Festival bonus	600,000	400,000
		7,560,000	5,875,000

		Amount in Taka	
		31-Dec-2011	31-Dec-2010
33.00	Director's fee		
	Meeting fees	1,425,000	1,289,000
	Other benefits	-	-
		<u>1,425,000</u>	<u>1,289,000</u>
Each Director is paid Tk. 5,000 per meeting per attendance effective from 18 January 2010			
33(a)	Consolidated Director's fee		
	IFIC Bank Limited (Note-33.00)	1,425,000	1,289,000
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	150,000	-
	IFIC Money Transfer (UK) Limited	-	-
		<u>1,575,000</u>	<u>1,289,000</u>
34.00	Repair, Maintenance and Depreciation of Assets		
	Depreciation	137,872,771	127,672,763
	Property maintenance and repairs	47,973,989	76,771,882
	Vehicles maintenance and repairs	35,058,944	37,479,611
		<u>220,905,704</u>	<u>241,924,255</u>
34(a)	Consolidated Repair, Maintenance and Depreciation of Assets		
	IFIC Bank Limited (Note-34.00)	220,905,704	241,924,255
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	2,090,977	-
	IFIC Money Transfer (UK) Limited	-	-
		<u>222,996,681</u>	<u>241,924,255</u>
35.00	Other expenses		
	Library expenses	168,342	124,319
	Croceries	543,719	516,650
	Entertainment	14,771,322	13,456,547
	Newspapers and periodicals	1,172,532	966,312
	Petrol, oil and lubricants	56,404,297	57,606,529
	Subscription and donation	4,813,631	16,083,911
	Uniforms and liveries	1,409,295	1,314,453
	AGM expenses	11,810,735	12,516,525
	Business development	11,795,749	16,578,848
	Miscellaneous	7,202,649	20,610,328
	Corporate Social Responsibility (CSR)	10,402,718	-
	Loss on sales of fixed assets (Note-35.01)	700,105	-
	Loss on sales of shares	49,930	-
	Laga & Howla	1,867,584	23,089,576
	Brokerage	12,186,273	23,237,634
	Revaluation loss - HFT	72,749,202	158,306,544
	Others	21,723,292	37,369,406
		<u>229,771,372</u>	<u>381,777,582</u>
35(a)	Consolidated Other expenses		
	IFIC Bank Limited (Note-35.00)	229,771,372	381,777,582
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	23,466,710	-
	IFIC Money Transfer (UK) Limited	3,262,481	-
		<u>256,500,562</u>	<u>381,777,582</u>

		Amount in Taka	
		31-Dec-2011	31-Dec-2010
35.01	This represents gain/ (loss) on sales of the following fixed assets		
	Cost of	24,391,297	19,797,452
	Motor vehicle	3,500,000	8,714,800
	Furniture and fixture	9,411,786	1,999,226
	Office appliances	4,505,168	4,200,945
	Electrical appliances	6,974,343	4,882,480
	Less : Accumulated depreciation	11,716,782	17,006,688
	Motor vehicle	1,708,000	8,491,776
	Furniture and fixture	4,139,608	1,335,555
	Office appliances	1,299,823	3,245,967
	Electrical appliances	4,569,351	3,933,389
	Written down value	12,674,515	2,790,764
	Sale proceeds of above fixed assets	11,974,410	3,647,411
	Total sales of above fixed assets	11,974,410	3,647,411
	Total gain / (loss) on sales of fixed assets	(700,105)	856,647
36.00	Provision for advance, other assets & off balance sheet items		
	Provision for classified advances	394,500,000	401,500,000
	Provision for unclassified advances (including OBU)	180,500,000	103,000,000
	Provision for other assets & investment	252,000,000	41,500,000
	Provision for off-balance sheet items	30,000,000	114,000,000
		857,000,000	660,000,000
36 (a)	Consolidated Provision for advance, other assets & off balance sheet items		
	IFIC Bank Limited (Note-36.00)	857,000,000	660,000,000
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	24,636,905	-
	IFIC Money Transfer (UK) Limited	-	-
		881,636,905	660,000,000
37.00	Cash received from other operating activities		
	Brokerage	25,596,959	334,198,944
	Rent received	11,848,566	8,655,025
	Income from investment	1,527,782,835	1,228,916,483
	Other receipts	312,476,700	295,189,885
	Capital gain	129,074,703	227,658,694
		2,006,779,762	2,094,619,031
37(a)	Consolidated Cash received from other operating activities		
	IFIC Bank Limited (Note-37.00)	2,006,779,762	2,094,619,031
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	105,040,965	-
	IFIC Money Transfer (UK) Limited	-	-
		2,111,820,727	2,094,619,031

	Amount in Taka	
	31-Dec-2011	31-Dec-2010
38.00 Cash paid for other operating activities		
Postage, telegram & telephone	57,155,524	55,355,243
Rent paid	223,237,248	174,695,554
Rates, taxes & utilities	45,419,108	31,649,018
Insurance premium paid	50,313,429	43,200,187
Lighting	31,583,786	26,087,907
Stationery, printing, advertisement, etc.	78,189,160	59,016,653
Traveling expenses	32,103,594	32,310,042
Auditors fee	500,000	500,000
Directors fee	1,425,000	1,289,000
Legal expense	3,793,766	3,053,149
Other expenses	240,055,103	339,011,531
	763,775,718	766,168,284
38 (a) Consolidated Cash paid for other operating activities		
IFIC Bank Limited (Note-38.00)	763,775,718	766,168,284
Off-shore Banking Unit	16,974,760	-
IFIC Securities Limited	30,126,104	-
IFIC Money Transfer (UK) Limited	3,262,481	-
	814,139,062	766,168,284
39.00 Cash and cash equivalents		
Cash in hand	1,182,950,554	988,681,208
Balance with Bangladesh Bank & Sonali Bank	5,452,630,899	3,581,489,539
Balance with other banks and financial Institutions	4,066,479,432	3,055,765,006
Money at call on short notice	100,000,000	-
Govt. Securities	8,052,678,270	6,832,283,560
Prize Bonds	7,861,700	4,747,300
	18,862,600,854	14,462,966,612
39(a) Consolidated Cash and cash equivalents		
IFIC Bank Limited (Note-39.00)	18,862,600,854	14,462,966,612
Off-shore Banking Unit	-	-
IFIC Securities Limited	63,507,378	-
IFIC Money Transfer (UK) Limited	16,680,079	-
	18,942,788,312	14,462,966,612
40.00 Other assets		
Opening other assets	3,480,355,641	2,419,136,205
Less : Closing other assets	(2,745,000,986)	(2,680,361,641)
Add : Tax paid during the year	642,714,088	835,992,442
	1,378,068,743	574,767,007
40(a) Consolidated other assets		
IFIC Bank Limited (Note-40.00)	1,378,068,743	574,767,007
Off-shore Banking Unit	4,980,758	(12,233,772)
IFIC Securities Limited	(56,179,872)	-
IFIC Money Transfer (UK) Limited	-	-
	1,326,869,629	562,533,235

		Amount in Taka	
		31-Dec-2011	31-Dec-2010
41.00	Other liabilities		
	Closing other liabilities		
	Exporter's F.C. account	1,553,003,531	1,549,877,472
	Accrued expenses	6,783,311	35,298,747
	Interest suspense	2,081,379,137	2,095,590,111
	Others	3,750,465,024	3,407,223,236
		<u>7,391,631,002</u>	<u>7,087,989,567</u>
	Written-off	896,596,033	139,022,841
		<u>8,288,227,035</u>	<u>7,227,012,408</u>
	Less : Opening other liabilities		
	Exporter's F.C. account	1,549,877,472	1,448,513,749
	Accrued expenses	35,298,747	11,107,018
	Interest suspense	2,095,590,111	2,309,538,064
	Others	5,722,223,236	4,828,599,968
		<u>9,402,989,567</u>	<u>8,597,758,799</u>
	Written-off	139,022,841	-
		<u>9,542,012,408</u>	<u>8,597,758,799</u>
	Increase/(decrease) for the year	<u>(1,253,785,373)</u>	<u>(1,370,746,391)</u>
41(a)	Other liabilities		
	IFIC Bank Limited (Note-41.00)	(1,253,785,373)	(1,370,746,391)
	Off-shore Banking Unit	-	-
	IFIC Securities Limited	158,986,407	-
	IFIC Money Transfer (UK) Limited	837,626	-
		<u>(1,093,961,340)</u>	<u>(1,370,746,391)</u>

42.00 Gratuity

The company has a gratuity scheme which has been approved on October 2007 by the National Board of Revenue as per the provision of first schedule (Part-C) of the Income Tax Ordinance, 1984. Total fund against the gratuity upto 31 December 2011 stands at Tk. 830,557,722 against required amount of Tk.834,035,750.

43.00 Earning Per Share (EPS)

	Net profit after tax	714,511,544	1,647,110,517
	Number of ordinary shares outstanding (2010 : Adjusted for bonus share)	276,837,900	276,837,900
	Earning Per Share(EPS)	2.58	5.95
43 (a)	Consolidated Earning Per Share (EPS)		
	Net profit after tax	831,791,382	1,664,085,277
	Number of ordinary shares outstanding (2010 : Adjusted for bonus share)	276,837,900	276,837,900
	Earning Per Share(EPS)	3.00	6.01

44.00 Reconciliation of books of accounts

A provision of Taka 10,276,631.60 has been made against un-reconciled debit entries in NOSTRO Accounts. Other books of accounts related to inter Bank (in Bangladesh and outside Bangladesh) and inter-branch entries are reconciled and there is no material difference which may affect the financial statements significantly.

45.00 Auditors' work hour

The external auditor of the Bank, M/s.M.J. Abedin & Co, Chartered Accountants worked more than 4,200 man-hour at the Bank's Head Office and different branches. During their audit, they audited above 80% of the Bank's risk weighted assets as on the reporting date.

46.00 Related party disclosure

Please see **annexure - D** for details.

47.00 Audit committee

Please see **annexure - E** for details.



Managing Director



Director



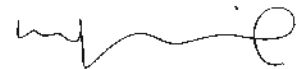
Director



Director

As per our separate report of even date annexed.

Date : April 29, 2012
Place : Dhaka



M. J. ABEDIN & CO
Chartered Accountants

Position of Large Loans (More Than 10% of the Total Capital)

As on 31 December 2011

(Taka in Crore)

Sl. No.	Name of the Client	Outstanding Balance as on 31 December 2011			Amount Classified
		Funded	Non-Funded	Total	
01.	Soiltech International Ltd. And IJM	155.98	0.10	156.08	-
	Wahidunnabi	4.72	0.00	4.72	-
	Ace-Swee Hong Joint Venture	14.50	0.00	14.50	-
	Soiltech International Ltd. and IJM	6.03	12.30	18.33	-
02.	Islam Brothers Properties Ltd.	106.81	0.00	106.81	-
03.	Stylo Fashion Garments Ltd.	42.57	73.65	116.22	-
	Stylo Apparels Inds.Ltd.	0.40	8.18	8.58	-
04.	Newage Fashionwear Ltd.	2.07	68.38	70.45	-
	New Age Garments Ltd.	4.54	22.50	27.04	-
	Newage Apparels Ltd.	1.84	29.15	30.99	-
05.	Dekko Knitwear Ltd.	11.24	50.44	61.68	-
	Epyllion Knitex Ltd.	34.53	21.33	55.86	-
06.	Tiffany'S Wear Ltd.	1.86	9.87	11.73	-
	Consumer Products Ltd.	1.37	0.00	1.37	-
	Four Wings Ltd.	1.91	13.98	15.89	-
	Saville Row Ltd.	1.51	6.63	8.14	-
07.	Islam Garments Ltd.	54.24	180.16	234.40	-
08.	Zenith Packages Ltd.	0.83	0.00	0.83	-
	Aegis Cotton Mills Ltd.	66.30	0.33	66.63	5.52
09.	Shagore Garments Ltd.	13.80	0.33	14.13	-
	Minimax Ltd.	4.30	1.90	6.20	-
	Optimum Ltd.	1.16	7.75	8.91	-
	The Accessories Ltd.	3.83	0.76	4.59	-
	Styrax Fashions Ltd.	5.60	15.94	21.54	-
10.	Omate Knit Garments Ind's Ltd.	0.62	0.01	0.63	-
	Titanic Poroduct Ltd.	0.53	2.13	2.66	-
	Tex Town Ltd.	28.62	43.17	71.79	-
11.	Knit Concern Ltd.	38.90	66.53	105.43	-
12.	Wisdom Attires Ltd.	21.91	103.72	125.63	-
13.	Abul Khair Steel Products Ltd.	0.00	0.15	0.15	-
	Shah Dairy Foods Ltd.	0.00	0.98	0.98	-
	Abul Khair Condensed Milk & Beverage Ltd.	13.58	0.45	14.03	-

(Taka in Crore)

Sl. No.	Name of the Client	Outstanding Balance as on 31 December 2011			Amount Classified
		Funded	Non-Funded	Total	
	Abul Khair Ltd.	19.15	10.56	29.71	-
	Shah Cement Industries Ltd.	19.73	4.23	23.96	-
	Abul Khair Milk Products Ltd.	6.43	61.58	68.01	-
14.	Bengal Sack Corporation Ltd.	27.21	2.87	30.08	-
	T.K. Gas & Gas Cylinder Ltd.	0.86	0.00	0.86	-
	Progressive Containers Ltd.	2.57	0.00	2.57	-
	Chittagong Bags Ltd.	5.97	0.11	6.08	-
	Ching Hung Fibres Ltd	4.98	0.00	4.98	-
15.	Sonia & Sweaters Ltd.	5.81	10.58	16.39	-
	Sonia Fine Knit Ltd.	0.84	0.06	0.90	-
	Naba Knit Composite Ltd.	1.21	7.58	8.79	-
16.	Shirt Makers Limited	1.55	18.63	20.18	-
	Section Seven Limited	23.68	32.51	56.19	-
17.	Islam Knit Designs Ltd.	11.20	20.62	31.82	-
18.	Talha Spinning Mills Ltd.	30.25	61.07	91.32	-
	Marium Textile Mills Ltd.	5.13	0.00	5.13	-
	Zaber & Zubair Fabrics Ltd.	56.95	0.00	56.95	-
19.	K.C. Apparels Ltd.	55.53	18.28	73.81	-
20.	City Sugar Industries Ltd.	14.56	0.00	14.56	-
	Shapma Flour Mills Ltd.	34.78	0.00	34.78	-
21.	United Fibre Industries Ltd.	0.00	2.67	2.67	-
	Tanveer Oils Ltd.	0.00	32.66	32.66	-
	Unique Cement Industries Ltd	0.62	30.69	31.31	-
	Janata Flower Mills Ltd.	10.00	-	10.00	-
	United Sugar Mills Ltd.	-	42.70	42.70	-
	Tasnim Condensed Milk Ltd.	-	19.46	19.46	-
22.	BSRM Steels Ltd.	4.55	0.00	4.55	-
	BSRM Iron & Steel Co. Ltd.	25.12	49.58	74.70	-
23.	Abdul Monem Limited	33.55	0.18	33.73	-
24.	Agricultural Marketing Co.Ltd.	5.03	0.00	5.03	-
	RFLPlastics Ltd.	5.83	2.70	8.53	-
	Banga Building Materials Ltd.	0.11	0.00	0.11	-

(Taka in Crore)

Sl. No.	Name of the Client	Outstanding Balance as on 31 December 2011			Amount Classified
		Funded	Non-Funded	Total	
	Durable Plastic Ltd.	18.28	6.51	24.79	-
	Pran Exports Ltd.	20.21	4.05	24.26	-
25.	Radial International Ltd.	34.74	42.83	77.57	-
26.	Popular Diagnostic Centre Ltd.	16.89	4.34	21.23	-
	Popular Specialised Hospital Ltd.	36.03	0.00	36.03	-
27.	Apparel Gallery Limited	41.54	26.44	67.98	-
	That's It Garments Limited	5.38	0.00	5.38	-
	Artistic Design Ltd.	10.76	0.00	10.76	-
	Times Media Ltd. (Channel-24)	17.60	0.00	17.60	-
28.	Unique Group Of Companies Ltd.	80.89	0.00	80.89	-
29.	Bashundhara Paper Mills Ltd.	47.68	0.00	47.68	-
	Bashundhara Industrial Complex Ltd.	30.00	0.00	30.00	-
30.	Uttara Jute Fibres & Industries Ltd.	44.02	0.49	44.51	-
	Uttara Traders(Pvt.) Ltd.	39.87	0.00	39.87	-
	Uttara Acrylic Mills Ltd.	24.09	1.05	25.14	-
	Uttara Spinning Mills Ltd	7.41	0.52	7.93	-
31.	Rahim Afroz Distribution Ltd.	28.59	6.02	34.61	-
32.	Cassiopea Apparels Ltd.	2.97	18.67	21.64	-
	Cassiopea Fashion Ltd.	0.00	0.10	0.10	-
33.	Silver Line Composit Textile Mill Ltd.	52.68	2.07	54.75	-
34.	IFIC Securities Ltd	139.36	45.00	184.36	-
35.	Western Marine Shipyard Ltd.	40.69	21.98	62.67	-
	IHC-WMSHL Ltd	11.56	51.72	63.28	-
36.	Standard Asiatic Oil Company Ltd.	2.79	41.27	44.06	-
37.	Scholastica Ltd.	84.91	0.00	84.91	-
38.	Nitol Motors Ltd.	57.43	10.38	67.81	-
39.	Tania Enterprise Unit-2	65.89	0.00	65.89	-
40.	Blue Sky Enterprise	26.99	0.00	26.99	-
41.	R & R Holdings	103.39	0.00	103.39	-
42.	Jamuna Builders Ltd.	93.50	1.69	95.19	-
	Total	2,245.44	1,455.27	3,700.71	5.52

Fixed Assets Schedule

As at 31 December 2011

Annexure - B

Sl. No.	Particulars	Cost			Rate %	Depreciation			Written down value as at 31 Dec. 2011
		As at 01 Jan. 2011	Addition during the year	Sale/Adjst. during the year		As at 31 Dec. 2011	Charged during the year	Adjustment during the year	
01	Land	359,804,055	115,314,704	-	475,118,759	-	-	-	475,118,759
02	Building	1,287,919,997	6,828,488	-	1,294,748,485	31,364,285	-	71,541,379	1,223,207,107
03	Wooden Furniture	90,430,526	7,724,927	5,094,608	93,060,845	4,601,823	2,192,620	51,644,445	41,416,399
04	Steel Furniture	40,706,228	5,097,837	181,243	45,622,822	2,403,090	93,998	23,995,014	21,627,807
05	Office & Computer Equipment	571,349,058	87,144,537	4,505,168	653,988,427	59,689,411	1,299,823	415,231,282	238,757,145
06	Electrical & Gas Equipment	212,406,277	42,135,721	6,974,343	247,567,655	26,156,917	4,569,351	142,939,987	104,627,668
07	Improve & Leasehold Premises	137,898,101	21,180,470	4,025,003	155,053,569	9,230,048	1,768,849	71,983,135	83,070,433
08	Motor Vehicles	52,274,451	7,000,000	3,500,000	55,774,451	3,667,340	1,708,000	41,105,089	14,669,362
09	Soft Furnishing	9,608,966	969,356	110,933	10,467,389	759,856	84,140	9,327,605	1,139,784
Total As at 31 Dec. 2011		2,762,397,659	293,396,040	24,391,297	3,031,402,402	137,872,771	11,716,782	827,767,937	2,203,634,465
Total As at 31 Dec. 2010		1,207,207,947	1,574,987,164	19,797,452	2,762,397,659	127,672,763	17,006,688	701,611,948	2,060,785,711

Note: Addition against land Tk. 115,314,704 represents value increased due to revaluation.

Computation of Risk-weighted Assets

As at 31 December 2011

1.00 Risk Weighted Assets for Credit Risk Balance Sheet Exposures

(Figs. in crore Tk.)

Sl. No.	Exposure Type	BB's Rating Grade*	Exposure	Risk Weight	Risk Weighted Asset
1	2	3	4	5	6 = (5x4)
a)	Cash		126.10	-	-
b)	Claims on Bangladesh Government and Bangladesh Bank		1214.67	-	-
c)	Claims on other Sovereigns & Central Banks *		-	-	-
d)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		-	-	-
e)	Claims on Multilateral Development Banks (MDBs):		-	-	-
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		-	-	-
	ii) Others MDBs	1	-	0.20	-
		2,3	-	0.50	-
		4,5	-	1.00	-
		6	-	1.50	-
		Unrated	-	0.50	-
f)	Claims on Public Sector Entities (other than Government) in Bangladesh	1	-	0.20	-
		2,3	-	0.50	-
		4,5	-	1.00	-
		6	-	1.50	-
		Unrated	13.60	0.50	6.80
g)	Claims on Banks and NBFIs		-	-	-
	i) Maturity over 3 months	1	189.38	0.20	37.88
		2,3	64.44	0.50	32.22
		4,5	-	1.00	-
		6	-	1.50	-
		Unrated	-	1.00	-
	ii) Maturity less than 3 months		501.02	0.20	100.20
h)	Claims on Corporate (excluding equity exposure)	1	281.43	0.20	56.29
		2	365.16	0.50	182.58
		3,4	147.08	1.00	147.08
		5,6	-	1.50	-
		Unrated	1163.50	1.25	1,454.37
i)	Claims under Credit Risk Mitigation [From Work Sheet - 1 (a)]				
		PSE	-	N/A	-
		Banks & NBFIs	-	N/A	-
		Corporate	52.19	N/A	0.28
		Retail & SME	86.06	N/A	0.67
		Consumer finance	164.26	N/A	1.93
		Residential property	-	N/A	-
		Commercial real estate	-	N/A	-
Fixed Risk Weight Groups					
j)	Claims categorized as retail portfolio & SME (excluding consumer loan).		1067.16	0.75	800.37
k)	Consumer Loan		73.89	1.00	73.89
l)	Claims fully secured by residential property		982.62	0.50	491.31

Sl. No.	Exposure Type	BB's Rating Grade*	Exposure	Risk Weight	Risk Weighted Asset
1	2	3	4	5	6 = (5x4)
m)	Claims fully secured by Commercial real estate		597.45	1.00	597.45
n)	Past Due Claims (Risk weights are to be assigned net of specific provision):		-	-	-
1	The claim (other than claims secured by eligible residential property) that is past due for more than 90 days and/or impaired will attract risk weight as follows:		-	-	-
i)	Where specific provisions are less than 20 percent of the outstanding amount of the past due claim;		122.35	1.50	183.53
ii)	Where specific provisions are not less than 20 percent of the outstanding amount of the past due claim;		39.88	1.00	39.88
iii)	Where specific provisions are more than 50 percent of the outstanding amount of the past due claim;		67.54	0.50	33.77
2	Claims fully secured against residential property that are past due for more than 90 days and/ or impaired specific provision held there-against is less than 20% of outstanding amount		1.75	1.00	1.75
3	Loans and claims fully secured against residential property that are past due by 90 days and /or impaired and specific provision held there-against is more than 20% of outstanding amount.		0.42	0.75	0.32
o)	Capital Market Exposure		218.08	1.25	272.60
p)	Investments in venture capital		-	1.50	-
q)	Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book		17.71	1.25	22.14
r)	Investments in premises, plant and equipment and all other fixed assets		221.51	1.00	221.51
s)	Claims on all fixed assets under operating lease		94.29	1.00	94.29
t)	All other assets				
i)	Claims on GoB & BB (eg. advanced income tax, reimbursement of patirakkha/shadharon shanchay patra, etc.)		37.55	0.00	-
ii)	Staff loan/Investment		111.40	0.20	22.28
iii)	Cash items in Process of Collection		-	0.20	-
iv)	Claims on Off-shore Banking Units (OBU)		108.31	1.00	108.31
v)	Other assets (net off specific provision, if any)		29.71	1.00	29.71
Sub-Total			8,160.50		5,013.39

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

a)	Claims on Bangladesh Government and Bangladesh Bank		-	0	-
b)	Claims on other Sovereigns & Central Banks*		-	-	-
c)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		-	0	-
	Claims on Multilateral Development Banks (MDBs):		-	-	-
	i) IBRD, IFC, ADB, AfDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		-	0	-
	ii) Others MDBs	1	-	0.20	-
		2,3	-	0.50	-
		4,5	-	1.00	-
		6	-	1.50	-
		Unrated	-	0.50	-
d)	Claims on Public Sector Entities (other than Government) in Bangladesh	1	4.02	0.20	0.80
		2,3	-	0.50	-
		4,5	-	1.00	-
		6	-	1.50	-
		Unrated	-	0.50	-
e)	Claims on Banks & NBFIs		-	-	-
	i) Maturity over 3 months	1	-	0.20	-
		2,3	-	0.50	-
		4,5	-	1.00	-
		6	-	1.50	-
		Unrated	-	0.50	-
	ii) Maturity less than 3 months		-	0.20	-
f)	Claims on Corporate (excluding equity exposure)	1	120.45	0.20	24.09
		2	184.95	0.50	92.48
		3,4	35.62	1.00	35.62
		5,6	-	1.50	-
		Unrated	192.59	1.25	240.73
g)	Against retail portfolio & SME (excluding consumer loan)		1054.11	0.75	790.58
h)	Consumer Loan		-	1.00	-
i)	Claims fully secured by residential property		-	0.50	-
j)	Claims fully secured by commercial real estate		-	1.00	-
k)	Investments in venture capital		-	1.50	-
l)	All other assets		-	1.00	-
	Sub-Total		1591.74	-	1,184.31

3.00 Capital Charge for Market Risk (Balance Sheet Exposures)

(Figs. in crore Tk.)

Sl. No.	Market Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Interest Rate Related Instruments	0.52	10.00	5.24
b	Equities	60.88	10.00	608.76
c	Foreign Exchange Position	8.34	10.00	83.44
d	Commodities	0.00	10.00	0.00
	Sub-Total	69.75	10.00	697.45

4.00 Capital Charge for Operational Risk (Basic Indicator Approach)

(Figs. in crore Tk.)

Sl. No.	Operational Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Gross Income	79.04	10.00	790.44
	Sub-Total	79.04	10.00	790.44
	Grand Total Risk Weighted Assets			7,685.58

Related Party Disclosures

Particulars of Directors

as at 31 December 2011

i) Name of the Directors and their interest in Bank

Sl. No	Name of the Directors	Designation	% of interest i.e. shareholding in Bank as on 31 Dec. 2011	% of interest i.e. shareholding in Bank as on 31 Dec. 2010
01.	Mr. Salman F Rahman	Chairman	0.0046 free shares *1.987 litigated shares Total = 1.99	0.0046 free shares *1.987 litigated shares Total = 1.99
02.	Mr. Mohammad Lutfar Rahman	Director	2.83	2.83
03.	Mr. Aminur Rahman	Director	0.0024	0.0024
04.	Mr. Syed Anisul Huq (Representing M/s. Art International Ltd.)	Director	0.0006	0.0006
05.	Mr. Mohammed Nayem Syed (Representing M/s. Red-Sea International Ltd.)	Director	0.0006	0.0006
06.	Mr. Anwaruzzaman Chowdhury	Director	0.0005	0.0005
07.	Mr. Monirul Islam **	Independent Director	Nil	0.0005
08.	Mr. Mahmudul Huq Bhuiyan	Govt. nominated Director	32.75	32.75
09.	Mr. Arastoo Khan	Govt. nominated Director		
10.	Mr. Syed Monjurul Islam	Govt. nominated Director		
11.	Dr. Mohammad Ali Khan, ndc	Govt. nominated Director		
12.	Mr. Mohammad Abdullah	Managing Director	Nil	Nil

* The ownership of 55,00,620 nos. shares (1987%) of Mr. Salman F Rahman (8,07,470 nos. paper shares + 46,93,150 nos. bonus shares kept in Suspense Account) passed on to One Bank Limited by a Judgment and Order dated 21.05.2009 issued by the Company Bench of the Honourable High Court Division of the Supreme Court in Company Matter No.157 of 2007. However, Appellate Division of the Supreme Court has stayed operation of the Judgment and Order on 15.06.2009 and directed to maintain status-quo for 8(eight) weeks in Civil Misc. Petition No. 417 of 2009 filed by Mr. Salman F Rahman and others.

** Resigned from the Board on 13.12.2011 as Elected Director. Again, appointed as Independent Director by the Board of Directors of the Bank with effect from 21.12.2011.

i) Name of the Directors and their interest in different entities

Sl. No	Name of the Directors	Entities where they have interest	Position
01.	Mr. Salman F Rahman, Chairman	GMG Airlines Limited Abahani Limited Bangladesh Association of Publicly Listed Companies Bangladesh Export Import Co. Ltd Beximco Pharmaceuticals Ltd. Beximco Synthetics Ltd. Shinepukur Ceramics Ltd. Beximco Holdings Ltd. Beximco Engineering Ltd. Beximco Computers Ltd. New Dacca Industries Ltd. Esses Exporters Ltd. Beximco Apparels Ltd. Beximco Property Development and Management Ltd. Beximco Fashions Ltd. Independent Television Ltd. Beximco Petroleum Ltd. Sonal Ansh Limited International Knitwear & Apparels Ltd. Crescent Fashion and Design Ltd.	Chairman " " Vice Chairman " " " " " " " " " " " " " " " " " "
02	Mr. Mohammad Lutfar Rahman, Director	New England Equity Limited Shore Cap Holdings Limited NEEL Petroleum & Chemicals Ltd. Latif Securities Limited Business Capital Shares & Securities Ltd. LR Agro Farms Limited Union Insurance Company Limited National Television Limited (RTV) International Television Limited (NTV) AI -Manar Hospital (Pvt) Limited	Chairman & CEO Chairman & CEO Chairman & CEO Managing Director Managing Director Managing Director Director Director Director Director
03.	Mr. Aminur Rahman, Director	IMS Health Bangladesh Limited	Managing Director
04.	Mr. Syed Anisul Huq (Representing M/s. Art International Ltd.) Director	--	--
05.	Mr. Mohammed Nayem Syed (Representing M/s. Red-Sea International Ltd), Director	Karnaphuly Printers Ltd. Xpeed Communication Andbrooke Ltd.	Director Director Director
06.	Mr. Anwaruzzaman Chowdhury, Director	-	-
07.	Mr. Monirul Islam, Independent Director	Cosmo Sizing & Weaving Mills Ltd. Ramna Chinese & Thai Food Ltd.	Managing Director Director
08.	Mr. Mahmudul Huq Bhuiyan, Govt. nominated Director	Bangladesh Sugar & Food Inds. Corporation, Dilkusha, Dhaka.	Chairman (Additional Secretary)
09.	Mr. Arastoo Khan, Govt. nominated Director	Economic Relations Division, Ministry of Finance, Sher-E-Bangla Nagar, Dhaka.	Additional Secretary
10.	Mr. Syed Monjurul Islam, Govt. nominated Director	Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka	Additional Secretary
11.	Dr. Mohammad Ali Khan, ndc Govt. nominated Director	Rural Development & Co-operative Division, Ministry of LGRD & C, Bangladesh Secretariat, Dhaka.	Joint Secretary
12.	Mr. Mohammad Abdullah Managing Director	-	-

- (iii) All contracts of significance to which the Bank, its subsidiary or any fellow subsidiary company was a party and wherein a Director has interest subsisted at any time during the year or at the end of the year : Nil
- (iv) Share options given to Directors and Executives to acquire shares at nil consideration or restricted share plan exercisable at a discount : Nil
- v) Related Party Transaction:

Amount in lac

SL. No.	Name of Party	Related by	Direct Loan	Indirect Loan
1	Mr. Syed Monjurul Islam	Director	0.07	-
2	Dr. Humaira Islam Khan	Director	1.04	-
3	Mr. Md. Lutfar Rahman	Director	0.24	-
4	M/s. Bextex Ltd.	Director	-	34.05
Total			1.35	34.05

- (vi) Lending policies to related parties

Lending to related parties is effected as per requirements of section 27 (1) of Bank companies Act' 1991.

- vii) Business other than Banking business with any related concern of the Directors as per Section 18 (2) of Bank companies Act' 1991.

a) Bank has rented a portion of "Royal Plaza" (1st & 2nd floor) at monthly rent of Tk. 13,69,200/- where its Dhanmondi Branch located at Plot No. 24(Old), 8(New), Road No. 4, Holding No. 8/A, Dhanmondi, Dhaka-1205, owned by M/s. New England Equity Ltd. where Mr. Md. Lutfar Rahman is the Director of the Company. Mr. Md. Lutfar Rahman is the Chairman, Executive Committee of the Board of Directors of the Bank.

b) As per decision of the Management, the Software for installation of Bangladesh Bank Returns in Treasury Back Office have been purchased for Tk. 2,37,500/- from M/s. Beximco Computers Limited in 2011 and yearly maintenance cost of Tk. 12,81,000/- for other application software and Broadband Internet Services of the Bank.

- (viii) Investment in the securities of Directors and their related concern; NIL.

Audit Committee

Annexure - E

a) Particulars about the members of the Audit Committee

Sl. No.	Name	Status held in the Bank	Status held in the Audit Committee	Educational Qualification
01	Mr. Mahmudul Huq Bhuiyan	Director	Convenor	B. A (Hons.), M. A. in Public Administration
02	Mr. Syed Monjurul Islam	Director	Member	B. Com (Hons.), M. B. A.
03	Mr. Tanim Noman Sattar (Upto 19.07.2011)	Independent Director	Member	M. B. A.
04	Mr. Anwaruzzaman Chowdhury (Since 19.06.2011)	Director	Member	DPHE in Youth & Community Studies.
05	Mr. Monirul Islam (As Director w.e.f. 19.06.2011 to 13.12.2011 and again, as Independent Director since 21.12.2011)	Independent Director	Member	B. A (Hons), M. A.

B) No. of meetings held by the Committee during the year 2011 : 09 (Nine) Meetings.

Sl. No.	Meeting Particulars	Meeting held on
01	55 th Audit Committee Meeting	31.01.2011
02	56 th Audit Committee Meeting	13.03.2011
03	57 th Audit Committee Meeting	24.04.2011
04	58 th Audit Committee Meeting	16.05.2011
05	59 th Audit Committee Meeting	21.06.2011
06	60 th Audit Committee Meeting	11.07.2011
07	61 st Audit Committee Meeting	24.08.2011
08	62 nd Audit Committee Meeting	12.10.2011
09	63 rd Audit Committee Meeting	07.12.2011

C) The Audit Committee, in the above 09 (Nine) Meetings, held during the year 2011, discussed many issues, some of which are:

- ⇒ Compliance Report on observations, recommendations and decisions of the Audit Committee Meetings.
- ⇒ Proposed Agenda for Meeting of the Audit Committee to be held during the months from January to December 2011.
- ⇒ 25th Comprehensive Bangladesh Bank Inspection Report on the Bank as on the position of 31.03.2010.
- ⇒ Highlights from the Bangladesh Bank Comprehensive Inspection Reports on various Branches of the Bank.
- ⇒ Risk Based Internal Audit & Inspection Plan for 2011.
- ⇒ Brief Highlights on Audit & Inspection Reports of various Branches of the Bank conducted by Internal Control & Compliance Division.

- ⇒ Statement of Fraud & Forgeries occurred in the Bank upto 31.12.2010.
- ⇒ Draft Auditors' Report and Audited Financial Statements of the Bank for the year ended 31st December 2010.
- ⇒ Draft Management Report on the Financial Statements of the Bank for the year 2010.
- ⇒ Highlights from the Bangladesh Bank Inspection Reports on Foreign Exchange Business & Transaction of Gulshan, Agrabad and Khatunganj Branches.
- ⇒ Brief Highlights on Audit & Inspection Report of various Divisions/Departments of Head Office conducted by Internal Control & Compliance Division.
- ⇒ Fraud/Forgery of MICR encoded cheques occurred at Motijheel, Kawran Bazar and Dhanmondi Branches.
- ⇒ Status of Compliance on irregularities & lapses/errors & omissions observed in Internal Audit & Inspection Reports of 17 (seventeen) Branches conducted for the Quarter ended as on 31.12.2010.
- ⇒ Up to date position of the pending Court Cases filed against the defaulting borrowers for the quarter ended 31st December 2010.
- ⇒ Directors' Report - 2010.
- ⇒ Un-audited Accounts of the Bank for the first quarter ended on 31.03.2011.
- ⇒ Summary Report on findings of Audit & Inspection of the Branches of the Bank conducted by Audit & Inspection Department of ICC during the year 2010.
- ⇒ Recommendations of Bangladesh Bank Inspection Report on: i) Asset Liability Management, ii) Small Enterprise Financing & iii) Internal Control & Compliance.
- ⇒ Status of training on Anti-Money Laundering.
- ⇒ Annual report on the Health/Overall status of IFIC Bank Ltd. for the year 2010.
- ⇒ Branch-wise Recovery Position of Non-Performing Loans (NPL) upto March 2011.
- ⇒ Overall Progress of year-wise filing and disposal position of the Court Cases (Artha Rin Mamla / Execution Case/Criminal/Writ Petition) for the year from 2008 to 2010.
- ⇒ Up to date position of the pending Court Cases filed against the defaulting borrowers for the quarter ended 31st March 2011.
- ⇒ Status of Compliance on irregularities & lapses/errors & omissions observed in Internal Audit & Inspection Reports on 28 (twenty eight) Branches conducted for the Quarter ended as on 31.03.2011.
- ⇒ Recommendations of Bangladesh Bank Special Inspection Report on: i) ICT Security on Head Office and ii) ICT Security on Federation Branch.
- ⇒ Highlights from the Bangladesh Bank Inspection Report on Foreign Exchange Business & Transaction of our Narayanganj, Moulvibazar, Federation, Gulshan & Khatunganj Branches.
- ⇒ Un-Audited Accounts of the Bank for the half-year ending on 30.06.2011.
- ⇒ Highlights from the Bangladesh Bank Inspection Report on Foreign Exchange Business & Transaction of Motijheel Branch.
- ⇒ Statement of Fraud & Forgeries occurred in the Bank upto 30.06.2011.
- ⇒ Latest position of non-complied issues of the Bangladesh Bank Inspection Report on Foreign Exchange Business & Transaction of Narayanganj, Moulvi Bazar (Dhaka), Federation, Gulshan & Khatunganj Branches.
- ⇒ Report on Misappropriation of Tk.5.19 lac by Mr. Kazi Azmal Bari, Vice President during his incumbency (from 23.11.2009 to 26.01.2011) as Manager at Lalmatia Branch, Dhaka.
- ⇒ Report on Defalcation of Tk.17.01 lac by Mr. Kazi Azmal Bari, Vice President during his incumbency (from 23.11.2009 to 26.01.2011) as Manager at Lalmatia Branch, Dhaka.
- ⇒ Un-audited Accounts of the Bank for the third quarter ended on 30.09.2011
- ⇒ Statement of Fraud & Forgeries occurred in the Bank upto 30.09.2011.
- ⇒ Statement of long outstanding irregularities/lapses of the 8 (eight) Branches namely, Lalmatia, Narsingdi, Banani, Rangpur, Rajshahi, Takerhat, Moulvibazar (Dist.) and Bogra.
- ⇒ Branch-wise Recovery Position of Non-Performing Loans (NPL) upto October 2011.
- ⇒ Status of Compliance on irregularities & lapses/errors & omissions observed in Internal Audit & Inspection Report of 24 (Twenty Four) Branches conducted for the Quarter ended on 30.09.2011.

Financial Highlights of the Bank

As at 31 December 2011

Sl. No.	Particulars	Taka in Million				
		2011	2010	2009	2008	2007
01	Paid up Capital	2,768.38	2,179.83	1,743.86	1,314.43	670.72
02	Total Capital	7,784.32	6,713.75	4,928.76	3,793.04	3,045.09
03	Capital Surplus	98.74	537.28	1,276.60	733.30	644.64
04	Total Assets	91,507.54	69,565.20	62,901.86	45,729.47	39,914.15
05	Total Deposits	73,105.73	54,660.41	50,017.96	36,092.17	29,900.05
06	Total Loan & Advances	63,557.97	47,563.43	37,793.89	33,018.39	28,361.46
07	Total Contingent Liabilities & Commitments	36,232.71	33,112.20	21,366.73	20,536.26	19,422.59
08	Credit Deposit Ratio	86.94%	87.02%	75.56%	91.48%	94.85%
09	Percentage of Classified Loan Against Total Loans & Advances	4.06%	4.76%	6.14%	5.92%	8.11%
10	Profit after Tax & Provision	714.51	1,647.11	899.52	657.31	964.93
11	Amount of Classified Loans	2,578.09	2,264.28	2,320.31	1,953.07	2,299.90
12	Provision Kept Against Classified Loans	1,001.98	1,323.15	951.85	651.85	984.02
13	Provision Surplus/Deficit	6.52	20.58	16.47	30.20	15.94
14	Cost of Fund	5.91%	4.14%	5.45%	6.12%	6.58%
15	Interest Earning Assets	78,654.96	58,895.93	54,404.63	39,766.63	35,520.23
16	Non-interest Earning Assets	12,852.58	10,669.27	8,497.23	5,962.84	4,393.92
17	Return on Investment (ROI)	16.91%	17.19%	13.96%	13.59%	13.56%
18	Return on Assets (ROA)	0.89%	2.37%	1.43%	1.44%	2.42%
19	Income from Investment	1,777.94	1,312.56	1,061.51	691.44	569.53
20	Earning per Share	2.58	5.95	4.13	3.80	7.19
21	Income per Share	36.85	40.93	37.24	41.20	77.48
22	Net Asset Value (NAV)	6,567.89	5,748.47	4,197.46	3,196.73	2,613.78
23	Net Asset Value (NAV) Per Share	23.72	26.37	24.07	23.83	38.97
24	Net Operating Cash Flow Per Share (NOCFPS)	23.34	(16.39)	67.35	7.02	9.70
25	Price Earning Ratio (Times)	26.19	18.81	17.84	24.26	16.13

Off-shore Banking Units

Balance Sheet

As at 31 December 2011

Particulars	Note	31-Dec-11		31-Dec-10	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash		-	-	-	-
Cash in hand (including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)		-	-	-	-
Balance with other Banks and financial institutions	3.00	-	-	-	-
In Bangladesh		-	-	-	-
Outside Bangladesh		-	-	-	-
Money at call on short notice		-	-	-	-
Investments		-	-	-	-
Government securities		-	-	-	-
Other investments		-	-	-	-
Outside Bangladesh		-	-	-	-
Loans and advances	4.00	13,233,506	1,083,200,857	17,849,240	1,262,828,375
Loans, cash credits, overdrafts, etc.		6,737,606	551,492,604	11,000,000	778,246,700
Bills purchased and discounted	5.00	6,495,900	531,708,253	6,849,240	484,581,675
Fixed assets including premises, furniture and fixtures	6.00	-	-	-	-
Other assets	7.00	88,610	7,253,014	172,916	12,233,772
Non Banking Assets		-	-	-	-
Total assets		<u>13,322,117</u>	<u>1,090,453,871</u>	<u>18,022,156</u>	<u>1,275,062,147</u>
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from other banks, financial Institutions and its agents	8.00	12,913,285	1,056,989,841	17,782,229	1,258,087,388
In Bangladesh		12,913,285	1,056,989,841	17,782,229	1,258,087,388
Outside Bangladesh		-	-	-	-
Deposit and other accounts	9.00	-	-	-	-
Current deposits and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
Other liabilities	10.00	-	-	-	-
Total liabilities		<u>12,913,285</u>	<u>1,056,989,841</u>	<u>17,782,229</u>	<u>1,258,087,388</u>
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Other reserve		-	-	-	-
Surplus in Profit and Loss Account	11.00	408,831	33,464,030	239,927	16,974,760
Total shareholders' equity		<u>408,831</u>	<u>33,464,030</u>	<u>239,927</u>	<u>16,974,760</u>
Total liabilities and shareholders' equity		<u>13,322,117</u>	<u>1,090,453,871</u>	<u>18,022,156</u>	<u>1,275,062,147</u>

Off-shore Banking Units

Balance Sheet

As at 31 December 2011

Particulars	Note	31-Dec-11		31-Dec-10	
		USD	Taka	USD	Taka
OFF BALANCE SHEET ITEMS					
Contingent liabilities	12.00				
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Commitments:					
Documents credit and short term trade -related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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



Managing Director



Director



Director



Director

As per our separate report of even date annexed.



M. J. ABEDIN & CO
Chartered Accountants

Date : April 29, 2012

Place : Dhaka

Off-shore Banking Units

Profit and Loss Account

For the year ended 31 December 2011

Particulars	Note	31-Dec-11		31-Dec-10	
		USD	Taka	USD	Taka
Interest income	13.00	629,386	51,517,062	372,651	26,364,926
Less: Interest paid on deposits, borrowings, etc.	14.00	220,555	18,053,032	132,724	9,390,166
Net Interest income		408,831	33,464,030	239,927	16,974,760
Income from investment		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		-	-	-	-
Total operating income		408,831	33,464,030	239,927	16,974,760
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, lighting and travelling		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamp, telegram and telephone		-	-	-	-
Auditors' fee		-	-	-	-
Stationery, printing and advertisement		-	-	-	-
Charges on loan loss		-	-	-	-
Managing Director's salary		-	-	-	-
Directors' meeting fee		-	-	-	-
Repair, maintenance and depreciation of assets		-	-	-	-
Other expenses		-	-	-	-
Total operating expenses		-	-	-	-
Profit before provision		408,831	33,464,030	239,927	16,974,760
Provision for loans & advance, other assets & off BS items		-	-	-	-
Profit before taxation		408,831	33,464,030	239,927	16,974,760

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



Managing Director



Director



Director



Director

As per our separate report of even date annexed.



M. J. ABEDIN & CO
Chartered Accountants

Date : April 29, 2012
Place : Dhaka

Off-shore Banking Units

Cash Flow Statement

For the year ended 31 December 2011

Particulars	Note	31-Dec-11		31-Dec-10	
		USD	Taka	USD	Taka
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received in cash		629,386	51,517,062	372,651	26,364,926
Interest payments		(220,555)	(18,053,032)	(132,724)	(9,390,166)
Dividend received		-	-	-	-
Fees and commission received in cash		-	-	-	-
Recovery of loans and advances in cash previously written-off		-	-	-	-
Cash paid to employees		-	-	-	-
Income tax paid		-	-	-	-
Cash received from other operating activities		-	-	-	-
Cash paid for other operating activities		(239,927)	(16,974,760)	-	-
Cash flows before charges in operating assets and liabilities		168,904	16,489,270	239,927	16,974,760
Increase / Decrease in operating assets and liabilities					
Loans and advances to customers		4,615,734	179,627,518	(17,849,240)	(1,262,828,375)
Other assets	15 00	84,306	4,980,758	(172,916)	(12,233,772)
Borrowing from Banks		(4,868,944)	(201,097,546)	17,782,229	1,258,087,388
Deposits from other Banks		-	-	-	-
Deposit from customers		-	-	-	-
Other Liabilities		-	-	-	-
		(168,904)	(16,489,270)	(239,927)	(16,974,760)
Net cash from operating activities					
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of securities		-	-	-	-
Cash payments for purchase of securities		-	-	-	-
Purchase/ Sale of property, Plant & equipment of fixed assets		-	-	-	-
Sales of fixed assets		-	-	-	-
Net cash from investing activities					
CASH FLOWS FROM FINANCING ACTIVITIES					
Received from issue of loan, capital and debts security		-	-	-	-
Net Cash from Financing activities					
Net increase/(decrease) in cash and cash equivalent					
Opening cash and cash equivalent					
Closing cash and cash equivalent					

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



Managing Director



Director

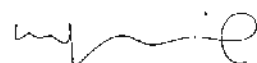


Director



Director

As per our separate report of even date annexed.



M. J. ABEDIN & CO
Chartered Accountants

Date : April 29, 2012
Place : Dhaka

Off-shore Banking Units

Notes to the Financial Statements

For the year ended 31 December 2011

1.01 Status of the units

Off-shore Banking Units of IFIC Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (P-3) 744 (104)/2009-4233 dated 17 November 2009. The Bank commenced the operation of its Off-shore Banking Unit from May 06, 2010. Presently the Bank has 1 (one) units in Dhaka.

1.01.1 Principal activities

The principal activities of the units are to provide all kinds of commercial banking services to its customers through its off-shore Banking Units in Bangladesh.

1.02 Significant accounting policies and basis of preparation of financial statements

1.02.1 Basis of accounting

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

1.02.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

1.02.3 Foreign currency transaction

(a) Foreign currencies transaction

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent.

(b) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

(c) Transaction gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account, except those arising on the translation of net investment in foreign subsidiary.

1.02.4 Cash flow statement

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

1.02.5 Reporting period

These financial statements cover from January 01 to December 31.

1.03 Assets and basis of their valuation

1.03.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the unit management for its short-term commitments.

1.03.2 Loans and advances / investments

- (a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.
- (b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

1.03.3 Fixed assets and depreciation

- (a) All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and nonrefundable taxes.
- (b) Depreciation is charged for the year at the following rates on reducing balance method on all fixed assets.

Category of Fixed Assets	Rate
Furniture and fixtures	10%
Office equipment	20%

- (c) For additions during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.

1.04 Basis for valuation of liabilities and provisions

1.04.1 Benefits to the employees

The retirement benefits accrued for the employees of the units as on reporting date have been accounted for in accordance with the provisions of Bangladesh Accounting Standard-19, "Employee Benefit". Bases of enumerating the retirement benefit schemes operated by the bank.



1.04.2 Provision for liabilities

A provision is recognized in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

1.05 Revenue recognition

1.05.1 Interest income

In terms of the provisions of the BAS-18 "Revenue", the interest income is recognized on accrual basis.

1.05.2 Fees and commission income

Fees and commission income arises on services provided by the units are recognized on a cash receipt basis.

Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

1.05.3 Interest paid and other expenses

In terms of the provisions of the BAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2.00 General

- (a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- (b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 81.8529 (closing weighted average rate as at 31 December 2011) represents the year end.

	31-Dec-11		31-Dec-10	
	USD	Taka	USD	Taka
3.00 Balance with other Banks and Financial Institutions				
In Bangladesh (Note -3.01)	-	-	-	-
Outside Bangladesh (Note -3.02)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3.01 In Bangladesh	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3.02 Outside Bangladesh				
Current Account	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4.00 Loans and advances				
i) Loans, cash credits, overdrafts, etc				
Term Loan	6,737,606	551,492,604.07	11,000,000	778,246,700
Lease Finance	-	-	-	-
T.R. Loan	-	-	-	-
	<u>6,737,606</u>	<u>551,492,604</u>	<u>11,000,000</u>	<u>778,246,700</u>
ii) Bills purchased and discounted (note-5)				
Inside Bangladesh				
Inland bills purchased and discounted	6,495,900	531,708,253	6,849,240	484,581,675
Outside Bangladesh	-	-	-	-
Foreign bills purchased and discounted	-	-	-	-
	<u>6,495,900</u>	<u>531,708,253</u>	<u>6,849,240</u>	<u>484,581,675</u>
	<u>13,233,506</u>	<u>1,083,200,857</u>	<u>17,849,240</u>	<u>1,262,828,375</u>
4.01 Geographical location-wise Loans and Advances				
Dhaka	13,233,506	1,083,200,857	17,849,240	1,262,828,375
Chittagong Division	-	-	-	-
Sylhet	-	-	-	-
Rajshahi Division	-	-	-	-
Khulna	-	-	-	-
Barisal	-	-	-	-
	<u>13,233,506</u>	<u>1,083,200,857</u>	<u>17,849,240</u>	<u>1,262,828,375</u>
4.02 Classification of Loans and Advances				
Unclassified :				
(i) Standard	13,233,506	1,083,200,857	17,849,240	1,262,828,375
(ii) Special mention account	-	-	-	-
Classified :				
(i) Substandard	-	-	-	-
(ii) Doubtful	-	-	-	-
(iii) Bad / Loss	-	-	-	-
	<u>13,233,506</u>	<u>1,083,200,857</u>	<u>17,849,240</u>	<u>1,262,828,375</u>

	31-Dec-11		31-Dec-10	
	USD	Taka	USD	Taka
5.00 Bills purchased and discounted				
In Bangladesh	6,495,900	531,708,253	6,849,240	484,581,675
Outside Bangladesh	-	-	-	-
	<u>6,495,900</u>	<u>531,708,253</u>	<u>6,849,240</u>	<u>484,581,675</u>
6.00 Fixed assets including premises, furniture and fixtures				
Cost				
Furniture and fixtures	-	-	-	-
Office equipment and machinery	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7.00 Other assets				
Advance deposits and advance rent	-	-	-	-
Interest receivable on Term loan	37,746	3,089,618	124,591	8,814,757
Interest receivable on Bills discount	50,864	4,163,396	48,326	3,419,015
	<u>88,610</u>	<u>7,253,014</u>	<u>172,916</u>	<u>12,233,772</u>
8.00 Borrowing from other banks, financial Institutions and its agents				
IFIC Bank Limited	12,913,285	1,056,989,841	10,782,229	762,839,488
Bangladesh Bank	-	-	7,000,000	495,247,900
	<u>12,913,285</u>	<u>1,056,989,841</u>	<u>17,782,229</u>	<u>1,258,087,388</u>
9.00 Current deposits and other accounts				
IFIC Bank Limited	-	-	-	-
Bangladesh Bank	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10.00 Other liabilities				
Interest on bills discount	-	-	-	-
Due to Head Office	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
11.00 Surplus in Profit and Loss Account				
Opening balance	239,927	16,974,760	-	-
Less: Adjustment/ payment for the year	(239,927)	(16,974,760)	-	-
Add: Addition during the year	408,831	33,464,030	239,927	16,974,760
	<u>408,831</u>	<u>33,464,030</u>	<u>239,927</u>	<u>16,974,760</u>
12.00 Contingent liabilities				
12.01 Acceptance & endorsement				
Back to Back bills	-	-	-	-
Less: Margin	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	31-Dec-11		31-Dec-10	
	USD	Taka	USD	Taka
12.02 Letters of credits				
Letters of credits	-	-	-	-
Back to Back letter of credit	-	-	-	-
Less: Margin	-	-	-	-
12.03 Letters of guarantee				
Letters of guarantee (Local)	-	-	-	-
Letters of guarantee (Foreign)	-	-	-	-
Foreign counter guarantees	-	-	-	-
Less: Margin	-	-	-	-
12.04 Bills for collection				
Outward local bills for collection	-	-	-	-
Inward foreign bills for collection	-	-	-	-
Less: Margin	-	-	-	-
13.00 Interest income				
Term Loan	482,255	39,474,002	324,325	22,945,911
LTR loan	-	-	-	-
Bills discount	147,131	12,043,060	48,326	3,419,015
Others	-	-	-	-
Interest on loans and advances	629,386	51,517,062	372,651	26,364,926
Interest on balance with other banks and financial institutions	-	-	-	-
Interest received from foreign banks	-	-	-	-
Total Interest income	629,386	51,517,062	372,651	26,364,926
14.00 Interest paid on deposits, borrowings, etc.				
Interest paid on IFIC Bank Limited	125,363	10,261,325	57,608	4,075,766
Interest paid on Bangladesh Bank	95,192	7,791,707	75,116	5,314,401
	220,555	18,053,032	132,724	9,390,166
15.00 Other Assets				
Opening other assets	172,916	12,233,772	-	-
Less : Closing other assets	(88,610)	(7,253,014)	(172,916)	(12,233,772)
	84,306	4,980,758	(172,916)	(12,233,772)



Annexure-G
IFIC Securities Limited



Auditors' Report

To the Shareholders of IFIC Securities Limited

Introduction

We have audited the accompanying Financial Statements of IFIC Securities Limited, which comprise the Statement of Financial Position as at December 31, 2011 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of IFIC Securities Limited from November 02, 2010 to December 31, 2011 and its financial performance and its cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the Statement of Financial Position and Statement of Comprehensive Income dealt with the report are in agreement with the books of accounts and returns;
- d) the expenditure incurred and payments made were for the purpose of the Company's business for the period.

Harun-ur-Rashid & Co.,
Chartered Accountants

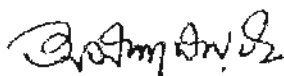
Dated February 26, 2012
Dhaka

Statement of Financial Position


As on December 31, 2011

Particulars	Notes	31.12.11 BDT.
ASSETS:		
Non Current Assets		
Property Plant and Equipments	2	11,488,655
		74,989,000
Intangible Assets	3	74,989,000
		97,996,150
Investments	4	97,996,150
Current Assets		
Margin loan to clients	5	2,180,764,511
Accounts receivable (DSE)		52,608,537
Advance Deposits and Prepayments	6	33,906,005
Cash & cash equivalents	7	63,507,378
TOTAL ASSETS		2,515,260,236
EQUITY AND LIABILITIES		
Shareholders Equity		
Share Capital	8	800,000,000
Retained Earnings	9	87,071,080
General Provision	10	22,966,595
LIABILITIES:		
Non Current Liabilities		
Current Liabilities		
Clients payable		93,362,236
DSE payable		202,886
Suspense Account		23,523,066
Bank Loan	11	1,433,774,567
Provision & Liabilities	12	3,264,297
Provision for income tax		50,978,175
Sundry Payable	13	117,334
TOTAL EQUITY AND LIABILITIES		2,515,260,236

The annexed notes from an integral part of these financial statements.



Chief Executive Officer



Director



Director

Hawaladar Sumon & Co,
Chartered Accountants

Signed as per our annexed report of event date


Dated: Dhaka
February 26, 2012

Statement of Comprehensive Income

For the Period From November 02, 2010 to December 31, 2011

Particulars	Notes	02.10.10 to 31.12.11 BDT.
Income:		375,843,891
Operating Income	14	369,707,087
Other Income	15	6,136,804
Expenses:		213,157,731
Operating Expenses	16	15,349,216
Office & administrative exp.	17	26,044,022
Financial Charges	18	171,764,493
Profit/ (loss) before provisions & tax		162,686,160
Less: Provisions	19	75,615,080
Distributable Profit		87,071,080

The annexed notes from an integral part of these financial statements.



Chief Executive Officer

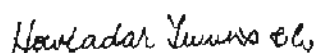


Director



Director

Signed as per our annexed report of event date.



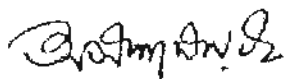
Chartered Accountants

Dated: Dhaka
February 26, 2012

Statement of Cash Flows

For the Period From November 02, 2010 to December 31, 2011

Particulars	Notes	02.10.10 to 31.12.11 BDT.
A) Cash flows from operating activities:		
Net profit before tax		162,686,160
Add: Non cash transaction		27,325,363
Provision for expenses		1,593,987
Suspense for non-transaction		23,523,066
Sundry Payable		117,333
Depreciation		2,090,977
Add: Increase in accounts payable		93,362,236
Add: Increase in DSE Payable		202,886
Less: Increase in accounts receivable		(52,608,538)
Less: Advance Deposit and Prepayments		(33,906,005)
Net cash flows from operating activities		197,062,103
B) Cash Flows From Investing Activities:		
Investments in Securities		(97,996,150)
Membership at cost		(74,989,000)
Purchase of premises & fixed asset		(13,579,630)
Loan to client		(2,180,764,512)
Net Cash Flows From Investing Activities		(2,367,329,292)
C) Cash Flows From Financing Activities:		
Issue of share capital		800,000,000
Loan from Dhaka Bank Ltd.		40,186,900
Loan from IFIC Bank Ltd.		1,393,587,667
Net cash flows from financing activities		2,233,774,567
D) Net increase in cash and cash equivalents (A+B+C)		63,507,378
E) Opening cash and cash equivalents		-
Closing cash and cash equivalents (D+E)		63,507,378



Chief Executive Officer



Director



Director

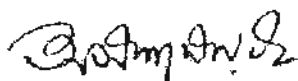
Dated: Dhaka, February 26, 2012

Statement of Changes in Equity

For the Period From November 02, 2010 to December 31, 2011

Particulars	Share Capital	Retained Earnings	Total
Opening Balance	-	-	-
Increase Share Capital	800,000,000	-	800,000,000
Profit made during the period	-	87,071,080	87,071,080
Balance as on December 31, 2011	800,000,000	87,071,080	887,071,080

The annexed notes from an integral part of these financial statements.



Chief Executive Officer



Director



Director

Dated: Dhaka, February 26, 2012

Notes to the Accounts

For the Period from November 02, 2010 to December 31, 2011

1.00 LEGAS STATUS, ACCOUNTING POLICIES AND MATERIAL INFORMATION:

1.01 Status and legal form of the company

IFIC Securities Limited was incorporated in Bangladesh and registered with Joint Stock Companies and Firms vide its registration number C-87904/10 27456 on November 02, 2010 as a public limited company with an Authorized Capital of Tk. 3,000,000,000 divided into 300,000,000 ordinary shares of Tk. 10 each.

1.02 Nature of business activities

The principal objectives of the company for which it was established are to carry on the business of stock brokers, dealers in relation to shares and securities dealing and other services as mentioned in the Memorandum and Articles of Association of the Company.

1.03 Significant Accounting policies:

1.03.01 Basis of preparation of financial statements

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention in accordance with generally accepted accounting principles. Wherever appropriate, such principles are explained in succeeding notes.

1.03.02 Components of these financial statements

Following are the components of these financial statements:

- a) Statement of financial position
- b) Statement of comprehensive income
- c) Statement of changes in equity
- d) Explanatory notes to the above financial statements which also describe accounting policies adopted and followed by the company.

1.03.03 Transactions in foreign currencies

There are no other material liabilities or gains or loss contingencies that are required to be accrued or disclosed, other than those accrued or disclosed in the financial statements, nor are there any accruals for loss contingencies included in the statement of financial position that are not in conformity with the company's existing practices.

1.03.04 Liabilities, provisions and disclosures

There are no other material liabilities or gains or loss contingencies that are required to be accrued or disclosed, other than those accrued or disclosed in the financial statements, nor are there any accruals for loss contingencies included in the statement of financial position that are not in conformity with the company's existing practices.

1.03.05 Post balance sheet events

No material events occurring after balance sheet date came to our notice which could affect the values reported in the financial statements.

1.04 Depreciation

Fixed assets have been stated at cost less depreciation. Depreciation has been charged on reducing balance method on all fixed Assets. The rates are as follows:

Furniture & Fixture	10%
Electric Goods	20%
Computer & Equipments	20%
Office Renovation	10%
Other Assets	40%

31.12.11

2.00 Property, Plant & Equipment:	
Furniture and Fixture	3,757,961
Electric Goods	2,372,825
Computer and Equipments	3,450,309
Office Renovation	1,897,316
Other Assets	10,244
	<u>11,488,655</u>
3.00 Intangible Assets:	
Membership with DSE	74,989,000
	<u>74,989,000</u>
Membership of Dhaka Stock Exchange (DSE) was purchased from IFIC Bank Ltd. which has shown as intangible assets.	
4.00 Investments:	
Investment in Shares	97,996,150
	<u>97,996,150</u>
For Details Please Refer to Annexure - B	
5.00 Margin Loan to Clients:	
Margin Loan allowed to 3,162 clients as per the Directive # SEC/CMRRCD/2009-193/92 dated January 01,2011 of the Securities and Exchange Commission of which 373 clients have crossed the approved limit as on balance sheet date due to fall of share price.	
6.00 Advance Deposit and Prepayments	
Advance Income Tax	30,328,670
Bank Gurantee	1,109,478
Pre-paid Rent	2,467,857
	<u>33,906,005</u>
7.00 Cash & cash equivalents	
IFIC Bank LTd. Motijheel Branch, A/c No. 1001-365185-001	245,956
IFIC Bank LTd. Motijheel Branch, A/c No. 1001-354511-001	63,251,728
Dhaka Bank Ltd. Foreign Exchange Branch. A/c No. 2031.10.11050	271
Cash in Hand	9,424
	<u>63,507,378</u>
8.00 Share Capital	
Authorized Capital:	
30,00,00,000 Ordinary Shares of Tk 10/- each	<u>3,000,000,000</u>
8.01 Issued, Subscribed, & Paid-up Capital	
80,00,00,000 Ordinary Share of Tk 10/- each	<u>800,000,000</u>
At 31 December 2011, shareholding position of the Company was as under:	

Shareholder	Number of shares	Face value/Taka
IFIC Bank Limited	79,999,400	799,994,000
Mr. Mohammad Abdullah	100	1,000
Mr. Syed Zahidul Islam	100	1,000
Mr. S.M. Abdul Hamid	100	1,000
Mrs. Zaitun Sayef	100	1,000
Mr. Sk. Rashid Ahmed	100	1,000
Mr. Fariduddin Al Mahmud	100	1,000
	80,000,000	800,000,000

31.12.11

9.00 Retained Earnings:		
Opening balance		-
Profit during the year		87,071,080
Closing Balances		<u>87,071,080</u>
10.00 General Provision		
Provision for Margin loan (1% on Margin Loan)		21,807,645
Provision for Investment		1,158,950
		<u>22,966,595</u>
11.00 Bank Loan :		
Loan From IFIC Bank Ltd, Motijheel Branch		1,393,587,667
Loan From Dhaka Bank Ltd, Foreign Excahnge Branch		40,186,900
		<u>1,433,774,567</u>
12.00 Provision & Liabilities		
Provision for Bonus		1,670,310
Provsion for Exp.	12.01	1,593,987
		<u>3,264,297</u>
12.01 Provsion for Exp.		
Mobile/ Telephone Allowance		13,267
Fuel Allowance		40,940
Electric Bill		80,000
CDBL Bill		1,150,000
Water Bill		16,800
Newspaper Bill		4,000
Auditors Bill		100,000
Printing & Stationery		146,980
Cleaners Bill		3,000
Insurance Exp.		23,000
DSE Bill		16,000
		<u>1,593,987</u>
13.00 Sundry Payable		
Leads Corporation		66,700
Vat Payables		12,434
Tax Payable		38,200
		<u>117,334</u>

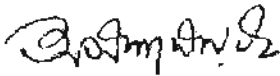
02.10.10 to
31.12.11

14.00	Operating Income		
	Brokerage Commission		98,904,161
	Interest on Margin Loan	14.01	270,802,926
			<u>369,707,087</u>
14.01	Interest on Margin Loan		
	Interest on Margin Loan		294,325,992
	Less: Suspense for non-transaction		<u>(23,523,066)</u>
	Net Interest Income		<u>270,802,926</u>
15.00	Other Income		
	Documentation Charge		232,500
	Account Opening Fee		169,500
	CDBL Income		5,734,804
			<u>6,136,804</u>
16.00	Operating Expenses		
	Howla		884,276
	Laga		5,611,495
	CDBL Bill (Provisional)		8,853,445
			<u>15,349,216</u>
17.00	Office & administrative expenses		
	Salary and Allowances	17.01	12,068,169
	Director's Remuneration		150,000
	Board Meeting Exp.		41,370
	Entertainment		563,480
	Conveyance		42,160
	Auditors Fee		191,000
	Printing Stationery		402,690
	DSE Bill		99,410
	Office Rent		5,507,303
	Electric Bill (Provisional)		229,976
	Regulatory Expenses		139,668
	Repair and Maintenance		93,284
	Rates and Taxes		62,500
	Legal Exp.		249,285
	Newspaper Bill		20,606
	Cleaner's Bill		5,400
	Water Bill		62,840
	Courier/Advertise		2,000
	Office Rent Vat9%		411,187
	Cookaries		5,610
	Advertisement		34,505
	Software Maintenance		200,000
	Connectivity Bill		384,600
	Rent (Provisional Exp.)		158,760
	Amortization Of Pre. Exp.		2,624,835
	Depreciation on Equipment (Provisional)		2,090,977
	Other Expenses		202,407
			<u>26,044,022</u>

02.10.10 to
31.12.11

17.01 Salary and Allowances	
Basic Salary	9,765,649
Car Maintenance Bill	260,420
Fuel Allowance	340,115
Utility Bill	221,000
Bonus	1,113,540
Insurance Vechile	23,000
Leave Fare Assistance	77,500
Casual Worker Wages	91,500
Telephone and Mobile Bill	175,445
	<u>12,068,169</u>
18.00 Financial Charges:	
Bank Charges	105,414
Bank Guarantee Charge	2,786,598
Interest Charge on Loan	168,872,481
	<u>171,764,493</u>
19.00 Provisions	
Income Tax	50,978,175
Incentive Bonus (3 Bonus)	1,670,310
Provision for Margin loan (1% on Margin Loan)	21,807,645
Investment Provision	1,158,950
	<u>75,615,080</u>

The annexed notes from an integral part of these financial statements.



Chief Executive Officer



Director



Director

Dated Dhaka, February 26, 2012

Schedule of fixed assets

For the Period From November 02, 2010 to December 31, 2011

Annexure-1

Particulars	Opening Balances	Cost			Rate of depreciation	Depreciation			Written Down Value
		Addition	Disposal	Closing Balances		Opening Balances	For the Year	Closing Balances	
Furniture and Fixture	-	4,175,512	-	4,175,512	10%	-	417,551	417,551	3,757,961
Electric Goods	-	2,966,031	-	2,966,031	20%	-	593,206	593,206	2,372,825
Computer and Equipments	-	4,312,886	-	4,312,886	20%	-	862,577	862,577	3,450,309
Office Renovation	-	2,108,129	-	2,108,129	10%	-	210,813	210,813	1,897,316
Other Assets	-	17,073	-	17,073	40%	-	6,829	6,829	10,244
Total		13,579,632	-	13,579,632		-	2,090,977	2,090,977	11,488,655

Statement of Investment in Shares

For the Period From November 02, 2010 to December 31, 2011

Annexure-2

Sl. No.	Name of the company	Opening Balances			Buy during the Year			Bonus Share	Right Share	Capital gain	Closing Balance			MR 29.12.11	Market Value	Provision
		No. of Shares	Unit Cost	Total Cost	No. of Shares	Unit Cost	Total Cost				No. of Shares	Unit Cost	Total Cost			
1	Generation Next Fashions Limited	-	-	-	2,000,000	35.00	70,000,000	-	-	-	2,000,000	35.00	70,000,000	35	70,000,000	-
2	Titas Gas	-	-	-	397,000	70.52	27,996,150	-	-	-	397,000	70.52	27,996,150	68	26,837,200	(1,158,950)
Total							97,996,150								96,837,200	

Annexure-H

IFIC Money Transfer (UK) Limited



Report of the Directors

For the period 16 September 2010 to 31 December 2011

The Directors present their report with the financial statements of the company for the period 16 September 2010 to 31 December 2011.

INCORPORATION

The company was incorporated on 16 September 2010 and commenced trading on 1st August 2011.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of money service business including international money transfers.

DIRECTORS

The directors who have held office during the period from 16 September 2010 to the date of this report are as follows:

Mahmudul Huq Bhuiyan	- appointed
Arastoo Khan	- appointed
Mohammed Nayem Syed	- appointed
Mohammad Lutfar Rahman	- appointed
Anwaruzzaman Chowdhury	- appointed

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



Mohammed Nayem Syed - Director
14 January 2012



Report of the Accountants to the Directors

As described on the balance sheet you are responsible for the preparation of the financial statements for the period ended 31 December 2011 set out on pages you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited statements in order to assist you to fulfill your statutory responsibilities, from the accounting records and information and examinations supplied to us.

Ahmed & Co

Ahmed & Co
Ferrari House (2nd Floor),
102 College Road,
Harrow, Middlesex, HA1 1ES

14 January 2012

Profit & Loss Account

For the period ended 16 September 2010 to 31 December 2011

	Note	2011 £
Turnover		57
Administrative expenses		25,796
Operating loss on ordinary activities before taxation	2	(25,739)
Tax on loss on ordinary activities	3	-
Loss for the financial period		<u>(25,739)</u>

The notes form part of these financial statements

Balance Sheet

As at 31 December 2011

	Note	2011 £
Current Assets		
Cash at Bank		131,884
Creditors Amounts falling due within one year	4	6,623
Net Current Assets		<u>125,261</u>
Total Assets less current liabilities		<u>125,261</u>
Capital and Reserves		
Called up share capital	5	151,000
Profit and loss account	6	(25,739)
Shareholders' Funds		<u>125,261</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 December 2011.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2011 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 14 January 2012 and were signed on its behalf by:



Mohammed Nayem Syed - Director

The notes form part of these financial statements

Notes to the Financial Statements

For the period 16 September 2010 to 31 December 2011

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

2011

2. OPERATING LOSS

The operating loss is stated after charging:

Formation costs

£

330

Directors' remuneration and other benefits etc

-

3. TAXATION

Analysis of the charge

No liability to UK corporation tax arose on ordinary activities for the period.

4. CREDITORS: Amounts falling due within one year

£

Taxation and social security

243

Other creditors

6,380

6,623

5. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:

Class:

Nominal value:

£

151,000

Ordinary

£ 1

151000

151,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

6. RESERVES

Profit and
loss account
£

Deficit for the period

(25,739)

At 31 December 2011

(25,739)

7. ULTIMATE CONTROLLING PARTY

The company is fully owned and controlled by IFIC Bank Limited, a company incorporated in Bangladesh.

Important Events 2011



Governor of Bangladesh Bank Dr. Atiur Rahman visited the stall of IFIC Bank during the SME Fair held last year at Chittagong. He also exchanged views with senior executives and officials during the visit.

Honourable Chairman of the Board of Directors of IFIC Bank Mr. Salman F. Rahman is seen addressing the Annual Managers' Conference 2011 held at Pan Pacific Sonargaon Hotel on January 24, 2011. Members of the Board of Directors, Managing Director, Deputy Managing Directors (DMDs), top executives and branch managers attended the conference.



Chairman of the Board of Directors of IFIC Bank Limited Mr. Salman F. Rahman presided over the 34th Annual General Meeting (AGM) of the bank at Bashundhara Convention Centre at Basundhara Residential Area in the capital. Shareholders, Members of the Board of Directors, Managing Director and Company Secretary are, among others, attended the AGM.



Chairman of Executive Committee of the Board Mr. Mohammad Lutfar Rahman inaugurated the ATM booth at Islam Chamber at Motijheel C/A. Managing Director, Deputy Managing Director (Business) and other senior executives of the Bank also attended the inaugural ceremony.



Former Governor of Bangladesh Bank and President of the Board of Trustee of East West University Dr. Mohammed Farashuddin is seen addressing the foundation course for 12th Batch probationary officers of IFIC Bank. Chairman of Executive Committee of the Board Mr. Mohammad Lutfar Rahman and Managing Director Mr. Mohammad Abdullah were also present at the program held at bank's Academy at Motijheel.



Chairman of IFIC Bank Mr. Salman F Rahman is seen receiving a crest from Mr. Warith Mubarak Said Al-Kharusi, Chairman of Oman International Exchange LLC, a joint venture exchange company of IFIC Bank, after the 58th Board Meeting in Dhaka.



Chairman of Executive Committee of the Board Mr. Mohammad Lutfar Rahman inaugurated the Mohammadpur Branch on December 05, 2011 at Ring Road in Mohammadpur, Dhaka. Member of the Board of Directors Mr. Monirul Islam, Managing Director of the Bank Mr. Mohammad Abdullah, Deputy Managing Director Mr. Mati-ul Hasan and top executives were also present at the inaugural ceremony.

The IFIC Bank Limited signed a deal with Vistaara Architects (Pvt.) Ltd., a leading design consultancy firm, on July 20, 2011 for the construction and decoration works of the most modern multi-storied IFIC Bank Tower in the capital.



IFIC Bank's Member of the Board of Directors Mr. Monirul Islam inaugurated the 99th Branch at Bhola Sadar in Bhola district. Deputy Managing Director (Business) Mr. Mati-ul Hasan and senior executives were also present at the inaugural ceremony.

Managing Director of the Bank Mr. Mohammad Abdullah inaugurated the 97th Branch of IFIC Bank at Chandina, Comilla at a simple ceremony. Deputy Managing Director (Business) Mr. Mati-ul Hasan, senior executives and local dignitaries also attended the program.



The Extra-ordinary General Meeting (EGM) of IFIC Bank Limited was held at Officers Club at Bailey Road on November 23, 2011. Honourable Chairman of the Board of Directors of the Bank Mr. Salman F. Rahman presided over the meeting where Members of the Board of Directors, Managing Director and Company Secretary of the Bank were also present.

IFIC Bank signed an agreement with Banglalion for its internet service bill collection through the Bank branches. Top officials from both sides attended the signing ceremony that took place at the Bank's Head Office.





IFIC Bank signed an agreement with Uddipan for using the NGO's channel to distribute remittance among the recipients.

IFIC Bank organized a workshop on Card Operation at the IFIC Bank Academy at Motijheel C/A. Deputy Managing Director (Business) Mr. Mati-ul Hasan inaugurated the workshop while senior executives attended the program.



The Half-Yearly Managers' Conference – 2011 of IFIC Bank Limited was held on July 30, 2011 at IFIC Bank Academy at Motijheel. Managing Director of the Bank and top officials attended the Half-Yearly Managers' Conference.



IFIC Bank participated in the BATEXPO-2011 of BGMEA, SME Fair of FBCCI and Remittance Fair of the Ministry of Expatriate Welfare & Overseas Employment last year.



IFIC Bank Employees Contributory Welfare Fund recently provided cash rewards to meritorious children of its employees who obtained GPA-5 in the S.S.C & H.S.C examinations and outstanding result in "O" level and "A" level examinations in 2011 at a simple function at the IFIC Bank Academy at Motijheel.



World-wide Correspondents Network

World-wide

Correspondents Network of
IFIC Bank Limited



Afghanistan
Bank Alfalah Limited



Argentina
HSBC Bank Argentina SA



Australia
BNP Paribas SA
Citibank Limited
Citibank NA
Commonwealth Bank of Australia
Sydney
HSBC Bank Australia Limited
JPMorgan Chase Bank NA
KEB Australia Limited



Austria
Bank Austria Creditanstalt AG
Bank of Tokyo-Mitsubishi UFJ
(Holland) NV
Erste Bank Der Oesterreichischen
Sparkas
Erste Group Bank AG
Raiffeisen Zentral Bank
Oesterreich AG



Bahrain
BNP Paribas SA
ICICI bank Limited
Korea Exchange Bank
Standard Chartered Bank



Belgium
Bank J. Van Breda and Co NV
Bank of America NA
BNP Paribas SA
CommerzBank, Belgium SA/NV,
The Deutsche Bank AG
Dexia Bank SA
Fortis Banque SA/NV



Bhutan
Bank of Bhutan



Brazil
Banco de Tokyo-Mitsubishi UFJ
Brasil S.A.
Banco Keb do Brasil S.A.
Banco Santander Brasil SA
HSBC Bank Brasil-Banco Multiplo



Canada
Bank of Nova Scotia
BNP Paribas Canada
Habib Canadian Bank
HSBC Bank Canada
Korea Exchange Bank of Canada
Royal Bank of Canada



China, People's Republic
Bank of China
Bank of Hebei Co. Ltd. (Formerly:

Bank of New York, The
Bank of Nova Scotia, The
BNP Paribas
China Everbright Bank
CITI BANK N.A.
CommerzBank AG
HongKong & Shanghai Banking
Corp Ltd, The
Jiangsu Wujin Rural Commercial
Bank Co.L
JPMorgan Chase Bank(China)
Company Ltd
Korea Exchange Bank
Laishang Bank Co., Ltd.
Ningbo Yuyao Rural Cooperative
Bank
Shenzhen Development Bank
Co.Ltd.
Standard Chartered Bank
Wachovia Bank, NA
Worn Bank (China) Limited
Zhejiang Tailong Commercial
bank Co.Ltd



Czech Republic
Ceska Sporitelna A.S.
CommerzBank AG



Denmark
Danske Bank AS
Nordea Bank Denmark A/S.
Spar Nord Bank
Sydbank AS



Egypt
Bank Audi SAE
MasreqBank



Finland
Danske Bank
Danske Bank A/S
Nordea Bank Finland Plc
PohjolaPankkiOy (Pohjola Bank Plc)



France
BNP Paribas SA
CommerzBank AG
Credit Agricole Indosuez
Fortis Banque France
JPMorgan Chase Bank NA
Korea Exchange Bank
Monte Paschi Banque SA
Natexis
Union De Banques Arabes Et
Francais



Germany
Bankas Carl F. Plump & Co.
Bayerische Hypo-Und Vereins
Bank AG
Berenberg, Joh, Fossler Und Co
CommerzBank AG
Danske Bank A/S

Deutsche Bank 24 AG
Deutsche Bank AG
Deutsche Bank Trust AG
Dresdner Bank AG
DZ Bank AG Deutsche Zentral
HSBC Trinkaus UND Burkhardt
KGAA
HSH Nord Bank AG
ING BHF-Bank Aktiengesellschaft
JPMorgan AG
Korea Exchange Bank
Landesbank Baden-Wuerttemberg
Sparkasse Hannover
Sparkasse Krefeld
Sparkasse Nuernberg
Volksbank Remscheid-Soligen eG
Volksbank Reutlingen EG



Hong Kong
Axis Bank Limited
Banca Intesa SPA
Banca Monte Dei Paschi Di Siena
SpA
Bank of America, N.A.
Bank of Nova Scotia, The
Bank of Tokyo-Mitsubishi UFJ
Ltd, The
Bayensche Hypo-UND
VereinsBank AG
BNP Paribas
Citibank N.A.
Fortis Bank
HBZ Finance Limited
HongKong and Shanghai Banking
Corp.
ICICI bank Limited
JPMorgan Chase Bank NA
Korea Exchange Bank
Mashreq Asia Limited
Mizuho Corporate Bank Ltd.
Nanyang Commercial Bank Ltd.
National Bank of Pakistan
Skandinaviska Enskilda Banken AB
(publ)
Societe Generale
Standard Chartered Bank
Sumitomo Mitsui Banking
Corporation
Svenska Handelsbanken AB
Wachovia Bank, NA
Wells Fargo Bank N.A.
Wing Hang Bank Ltd.



Hungary
Budapest Bank RT
Central-EuropeanInternational
Bank Ltd
CommerzBank (Budapest) RT
Raiffeisen Bank RT



India
AB Bank Limited
Axis Bank Limited
Bank of America NA
Bank of Nova Scotia, The
Bank of Tokyo-Mitsubishi
UFJ, Ltd. The
BNP Paribas India
Citibank NA
HongKong & Shanghai Banking
Corp. Ltd
ICICI Bank Limited
JPMorgan Chase Bank, N.A.
MasreqBank
Sonal Bank Ltd.
Standard Chartered Bank
State Bank of India
Syndicate Bank
Tamilnad Mercantile Bank Limited
Union Bank of India
United Bank of India



Indonesia
Bank of Tokyo-Mitsubishi UFJ
Ltd. The
Citibank NA
HongKong and Shanghai banking
Corp. Ltd.
JPMorgan Chase Bank, N.A.
Korea Exchange Bank Danamon
PT Bank Mandiri (Persero) TBK
Standard Chartered Bank



Iran, Islamic Republic
Export Development Bank of Iran
Karafarin Bank



Ireland
ABN AMRO Bank NV
Citibank NA
National Irish Bank
Wachovia Bank, NA



Italy
Banca Antonveneta SPA
Banca Carim-Cassa Di Risparmio
Di Rimini
Banca Delle Marche SPA
Banca Intesa SPA
Banca Monte Dei Paschi Di Siena SpA
Banca Popolare Dell'Emilia
Romagna
Banca Popolare Di Marostica
Banca Popolare Di Sondrio
Banca Popolare di Vicenza SCPA
Banca Popolare Valconca
Banca Popolare Dell'Etruria E Dell
Lazio
Banca UAE SPA
Banca Di Napoli SPA
Banca Popolare Di Verona E
Novara SCRL
Banca Popolare Soc. Cooperative

<p>Bank of Tokyo-Mitsubishi UFJ Ltd., The Cassa Di Risparmio Del Veneto SPA Cassa di Risparmio di Cesena SpA Cassa di Risparmio di Venezia SPA CommerzBank AG Credito Bergamasco SPA Iccrea Banca ICCREA Banca-Istitu Centrale del Credito JPMorgan Chase Bank NA Mizuho Corporate Bank Ltd. UBI Banca (Unione di Banche Italiane) SCP Unicredit Banca SPA Unicredit Corporate Banking SPA Unicredit private Banking SPA Unicredito Italiano SPA Unipol Banca SPA</p>	<p> Nepal Himalayan Bank Limited Nepal Bangladesh Bank Ltd</p>	<p> Slovenia Nova Kreditna Banka Maribor D.D. Slovenska ZadrznaKmetijska BankaDD Unicredit Banka Slovenija D.D.</p>	<p> FinansBank A.S. Fortis Banque SA/NV HSBC Bank A.S. Turk Ekonomi Bankasi A.S</p>
<p> Japan Bank of Nova Scotia,The Bank of Tokyo-Mitsubishi UFJ Ltd.,The Bayrische Hypo-Und Vereinsbank AG Citibank NA HongKong and Shanghai Banking Corp.Ltd. JPMorgan Chase Bank NA Korea Exchange Bank Mizuho Corporate Bank Ltd. Standard Chartered Bank Sumitomo Mitsui Banking Corporation The Bank of New York Mellon The Okazaki Shinkin Bank UBAF-Union De Banques Arabes Et Fra Wachovia Bank, NA Standard Chartered Bank</p>	<p> Netherlands Bank of America N.A. CommerzBank AG Kantoor Amsterdam Deutsche Bank AG Hollandsche Bank-Unie N.V. ING Bank NV Korea Exchange Bank The Royal Bank of Scotland N.V.</p>	<p> South Africa Citibank N.A. FirstRand Bank Limited Nedbank Limited</p>	<p> U.A.E. Axis Bank Limited Citibank NA Emirates NBD Bank PJSC Habib Bank AG Zurich Habib Bank Limited HSBC Bank Middle East MashreqBank PSC Standard Chartered Bank</p>
<p> Korea, Republic Bank of Nova Scotia,The Daegu Bank Ltd.,The Hana Bank HongKong & Shanghai Banking Corp.Ltd JPMorgan Chase Bank NA Kookmin Bank Korea Exchange Bank National Bank of Pakistan Pusan Bank Shinhan Bank Standard Chartered Bank The Kwangju Bank Limited Wachovia Bank, NA Woori Bank</p>	<p> New Zealand Bank of New Zealand</p>	<p> Spain Banco De Sabadell S.A. Banco Espanol De Credito Banco Pastor SA Caja de Ahorros de Galicia Caja Espana De Inversiones Caja Laboral Popular CommerzBank AG HSBC Bank PLC La Caixa D'estalvis I Pensions De Barcel</p>	<p> U.S.A. ABN Amro Bank N.V. Bank of America, N.A. Bank of New York,The Bank of the West Bank of Tokyo-Mitsubishi UFJ Ltd., The BNP Paribas Brown Brothers Hariman and Co. Cathay Bank Citibank NA Citizens Bank of Rhode Island Deutsche Bank Trust Company Americas Habib Bank Limited HSBC Bank USA HSBC Republic International Bank JPMorgan Chase Bank NA MasreqBank PSC Mizuho Corporate Bank Ltd Standard Chartered Bank Standard Chartered Bank Los Angeles Sterling National Bank Sumitomo Mitsui Banking Corporation UMB Bank N.A Union Bank of California Int'l Union Planters Bank N.A. US Bank N.A. Wachovia Bank, NA Wells Fargo Bank N.A Woori Bank</p>
<p> KSA Islamic Development Bank The National Commercial Bank The Saudi British Bank, Riyadh, KSA</p>	<p> Norway Danske Bank Nordea Bank Norge ASA Sparebanken Rogaland</p>	<p> Sri Lanka ICICI Bank Limited Nations Trust Bank Ltd. Seylan Bank Limited Standard Chartered Bank</p>	<p> Ukraine Credit Dnepr Bank</p>
<p> Kuwait Citibank NA National Bank of Kuwait</p>	<p> Oman Bank Dhofar (S.A.O.G) Oman International Bank SAOG</p>	<p> Sweden Danske Bank Nordea Bank Sweden AB Skandinaviska Enskilda Banken Svenska Handelsbanken Swedbank</p>	<p> United Kingdom Bank of America N.A Citibank NA CommerzBank AG Danske Bank A/S Habib Bank AG Zurich Habib-UK Plc HSBC Bank Plc JPMorgan Chase Bank NA Korea Exchange Bank MasreqBank PSC Mizuho Corporate Bank Ltd. Northern Bank Sonal Bank (UK) Ltd. Standard Chartered Bank United National Bank Ltd. Wachovia Bank, NA</p>
<p> Luxembourg Danske Bank International A/S Malaysia Bank of Nova Scotia Berhad Citibank Berhad HSBC Bank Malaysia Berhad,</p>	<p> Panama Korea Exchange Bank</p>	<p> Switzerland ABN Amro Bank N.V. Banque Cantonale De Geneve Banque De Commerce Et De Placements BNP Paribas(Suisse) SA Credut Suisse Habib Bank AG Zurich HSBC Private Bank (Suisse) S.A. UBS AG United Bank AG (Zunch) Valiant Bank Zurcher KantonalBank</p>	<p> Uzbekistan Central Bank of the Republic Uzbeki National Bank for Foreign Economic</p>
<p> Malaysia JPMorgan Chase Bank Berhad Malayan Banking Berhad (Maybank) Standard Chartered Bank</p>	<p> Philippines Asian Development Bank Hongkong and Shanghai Banking Corp.Ltd. Korea Exchange Bank</p>	<p> Taiwan Bank of New York,The Bank of Nova Scotia Chang Hwa Commercial Bank Ltd. Citibank NA Deutsche Bank AG HongKong and Shanghai Banking Corp. Ltd. International Commercial Bank of China JPMorgan Chase Bank NA Standard Chartered Bank Standard Chartered Bank(Taiwan) Ltd. Sumitomo Mitsui Banking Corporation Taishin International Bank Wachovia Bank, NA</p>	<p> Vietnam Bank for Investment & Development oViet HongKong&Shanghai Banking Corp.Ltd. JPMorgan Chase Bank, N.A. Korea Exchange Bank Vietnam Technological and Commercial Joi Woori Bank</p>
<p> Maldives Bank of The Maldives (Plc)</p>	<p> Poland ABN AMRO Bank (POLSKA) S.A. Bank Handlowy W Warszawie SA Bank Polska Kasa Opieki SA Bre Bank S.A. Danske Bank A/S</p>	<p> Thailand Bangkok Bank Public Company Ltd. Bank of Ayudhya Public Company Limited Bank of Tokyo-Mitsubishi UFJ Ltd.,The Citibank N.A. Credit Agncole Indosuez Export-Import Bank of Thailand HongKong & Shanghai Banking Corp.Ltd. JPMorgan Chase Bank, N.A. Mizuho Corporate Bank Ltd Standard Chartered Bank Sumitomo Mitsui Banking Corporation</p>	<p> Turkey AKbank T.A.S. Alternatifbank AS Asya Katilin Bankasi AS</p>
<p> Malta AKbank T.A.S.</p>	<p> Qatar Doha Bank Masreq Bank Standard Chartered Bank</p>	<p> Reunion Island Credit Agricole SA</p>	
	<p> Romania UniCredit Tiriac Bank SA</p>	<p> Singapore Axis Bank Limited Bank of America, N.A. Bank of Nova Scotia, The Bank of Tokyo-Mitsubishi UFJ Ltd.,The Bayrische Hypo-Und Vereinsbank AG BNP Paribas BNP Paribas Private Bank Citibank N.A. Deutsche Bank AG Emirates NBD Bank PJSC First Commercial Bank Habib Bank Limited Hongkong and Shanghai Banking Corp. ICICI bank Limited JPMorgan Chase Bank NA Korea Exchange Bank Mizuho Corporate Bank Ltd. Nordea Bank Finland PLC Skandinaviska Enskilda Banken AB(publ) Standard Chartered Bank Sumitomo Mitsui Banking Corporation The National Bank of Kuwait S.A.K. United Overseas Bank Ltd.</p>	



Branch Network of IFIC Bank Ltd.

Dhaka Division	= 50
Chittagong Division	= 20
Rajshahi Division	= 09
Rangpur Division	= 03
Khulna Division	= 09
Barisal Division	= 02
Sylhet Division	= 08
Total Branches	= 101

Including 2 SME Service Centres

Dhaka Division

Motijheel Branch

Islam Chamber
125/A, Motijheel C/A, Dhaka-1000
Tel : 9565215-18, 7111923-26,
Mobile:01713083690
Fax : 880-2-9566352
E-mail : ificmoti@ificbankbd.com
Date of opening: 24.06.1983

Federation Branch

FBCCI Building 60, Motijheel C/A.
Dhaka-1000
Tel : 9561141-3, 9552176, 7169576,
9552175, 7169578
Mobile:01713-229809, 01678010051
Fax : 880-2-9567488
E-mail : ificfeda@ificbankbd.com
Date of opening: 18.08.1987

Moulvibazar Branch

6/1, Mokim Katra, Dhaka
Tel : 7316891, 7316097,7316421
Fax : 7315934, Mobile:01713038736
E-mail: ificb@bol-online.com
ificmoul@ificbankbd.com
Date of opening: 17.02.1984

Dhanmondi Branch

Royal Plaza (1st & 2nd floor)
House # 8A, Road # 4, Mirpur Road,
Dhanmondi, Dhaka-1205
Tel : 8628381, 8628379,
9660320, 9660336
Mobile:01713229815, 01678010053
Fax : 880-2-9615861
E-mail : ificdhan@ificbankbd.com
SWIFT: IFICBDDH006
Date of opening: 11.10.1986

Shantinagar Branch

24, Shantinagar
Chamelibag, Dhaka.
Tel : 8317839, 8318728, 9356094
Mobile:01713-229827, 01678010054
Fax: 9353759
E-mail: ificshan@ificbankbd.com
Date of opening: 29.11.1986

Gulshan Branch

R.M. Centre (First Floor)
101, Gulshan Avenue
Gulshan Model Town, Dhaka-1212.
Tel : 8814912, 9896031,
8828187, 9896056
Mobile:01713-229828, 01678010056
Fax : 880-2-8826682
E-mail : ificguls@ificbankbd.com
Date of opening: 27.01.1986

Islampur Branch

Paradise Bhan(2nd floor),
104, Islampur Road, Dhaka
Tel :7391607, 7391369
Fax: 7391240, Mob: 01713-229829
E-mail: ificisla@ificbankbd.com
Date of opening: 09.12.1984

Bangshal Branch

29/1, Nazira Bazar Lane
North South Road, Dhaka
Tel : 9563679, 9566407
Mobile:01713229830, 01678010058,
Fax: 7166365
E-mail: ificbang@ificbankbd.com
Date of opening: 27.11.1988

Elephant Road Branch

73/1, Elephant Road
(1st Floor), Dhaka
PABX: 9676151-2, 9672119
Mobile:01711-431981
Fax: 8613361
E-mail: ificelep@ificbankbd.com
Date of opening: 30.11.1989

Naya Paltan Branch

Orchard Plaza
72, Naya Paltan (3rd Floor), Dhaka
Tel : 8361338, 8362765,
Mobile:01713229831, 01678010060
Fax: 8317263
E-mail: ificnaya@dhaka.net
Date of opening: 05.12.1993

Kawran Bazar Branch

3, Kawran Bazar
Petro Centre Building, Dhaka
Tel : 8115435, 8115423, 8116580
Mobile:01713229832
Fax: 8115423,
SWIFT: IFICBDDH017
E-mail: ifickawr@ificbankbd.com
Date of opening: 30.04.1991

Malibagh Branch

91- B, Khilgaon
Malibagh Chowdhury Para
DIT Road, Dhaka-1219
Tel : 9343796, 9356431, 9362737
Mobile: 01713011054, 01711678466
Fax: 9362737
E-mail: ificmali@ificbankbd.com
Date of opening: 07.12.1992

Uttara Branch

ABC Heritage (1st floor)
02 & 04, Jasimuddin Avenue, Sector –
03, Urrata, Dhaka-1230
Tel :8917883, 8950224
Mobile: 01713229826
Fax: 8950224
SWIFT: IFIC BD DH 024
E-mail: ificbuttara@ificbankbd.com
Date of opening: 10.01.2002

Lalmatia Branch

House # 405E, Road No.16(New),
27(Old), Dhanmondi R/A, Dhaka.
Tel :9128746, Mobile:01730097279
Fax: 8150801
E-mail: ificlalm@ificbankbd.com
Date of opening: 12.01.2002

Pallabi Branch

Kashem Chamber
(1st & 2nd floor), Plot # 11,
Main Road # 3,
Section # 7, Pallabi, Mirpur, Dhaka
Tel: 9016441, 8061258
Mobile # 01713035111, 01678010065,
Fax: 9001276
E-mail: ificpall@ificbankbd.com
Date of opening: 10.12.2003

North Brook Hall Road

58-60, North Brook Hall Road
(1st floor),
Sutrapur, Dhaka-1100
Tel: 7172178, 7176741
Mobile # 01713011719, 01678010067,
Fax: 7172179
E-mail: ificnort@ificbankbd.com
Date of opening: 17.12.2003

Nawabpur Road Branch

Barek Plaza
63, Nawabpur Road
P.S. Sutrapur, Dhaka.
Tel : 9561036, 9561094
Mobile: 01713064289, 01678010068
Fax: 7125268
E-mail: ificnawa@ificbankbd.com
Date of opening:

Narayanganj Branch

66/1, Bangabandhu Road
Narayanganj
Tel : 7645000-3, 7631960, 7633541,
7633206, 7645004-5
Mobile: 01730034886
Fax : 7633485
E-mail: ificnara@ificbankbd.com
Date of opening: 25.11.1983

Netaiganj Branch

28, R.K. Das Road, Netaiganj,
Narayanganj
Tel : 7632464, 7632943
Fax: 7632943
Mob: 01713229834
E-mail: ificneta@ificbankbd.com
Date of opening: 09.05.1991

Konabari Branch

Konabari Plaza, Konabari
Neelnagar, Gazipur Sadar, Gazipur
Tel : 9297133
Mobile: 01711-436078, 01678010074,
Fax: 9298727
E-mail: ificcona@ificbankbd.com
Date of opening: 02.12.1993

Muktarpur Branch

Muktarpur
P.O. Panchasar, Dist. Munsiganj
Tel : 027611390
Fax: 027611390
Mobile No.01713229835
E-mail: ificmukt@ificbankbd.com
Date of opening: 29.12.1990

Narsingdi Branch

Nayan Tara Plaza (1st floor)
137/1, C & B Road, Narsingdi Sadar,
Narsingdi
Tel : 9462617, 9462761
Mobil # 01713229836, 01678010076
Fax # 9462985
E-mail: ificnars@ificbankbd.com
Date of opening: 05.01.1988

Ghorasal Branch

Ghorasal Bazar,
Ghorasal, Narsingdi
Tel : 06254, 74301
Mobile # 01713229837, 01678010078,
Fax: 06254-74301
E-mail: pnsharifhossain@gmail.com
Date of opening: 04.01.1988

Madhabdi Branch

Mitali Building (1st Floor)
35, Madhabdi Bazar,
Dist. Narsingdi
Tel : 02-9446498
Mob: 01711436624
Fax: 02-9446498
E-mail: ificmadh@ificbankbd.com
Date of opening: 28.10.1991

Bajitpur Branch

215, Bajitpur Bazar
P.O. Bajitpu
Dist. Kishoreganj
Tel : 0942364329
Mobile: 01713229839
Fax: 09423-64329
E-mail: ificbajit@ificbankbd.com
Date of opening: 12.12.1988

Mymensingh Branch

52, Choto Bazar 1st Floor,
Mymensingh.
Tel : (091) 66883, (091) 66873, (091)
66926, Fax: 09166883
Mobile No.01713019545
E-mail: ificmsin@ificbankbd.com
Date of opening: 23.11.1994

Faridpur Branch

Razzaque Plaza (1st Floor)
118, Thana Road, Faridpur
Tel : (0631) 62101, 64051
Fax: 063164051
Mobile No.01711434947
E-mail: ificfari@ificbankbd.com
Date of opening: 06.04.1997

Takerhat Branch

Sufi Janab Ali Road (Laker
Market),Rajoir, Madaripur.
Dist. Madaripur.
Tel: 06623-56324
Mobile # 01713-010614
Fax: 0662356324
E-mail: ificktkt@ificbankbd.com
Date of opening: 30.11.2003

Ashulia Branch

"Rifat Square Plaza"
Jamgora, Ashulia, Dhaka
Tel: 7788411
Mobile No. 01713423767,
01678010069, Fax: 7788412
E-mail: ificashu@ificbankbd.com
Date of opening: 26.11.2007

Rupganj Branch

"Manik Villa"(1st floor)
Tarabo Bazar, Rupganj, Narayanganj
Tel: 03895750505
Mobile No. 01714166955
Fax: 03895788502
E-mail: ificrupg@ificbankbd.com
Date of opening: 28.11.2007

Banani Branch

26.02.2008
"Glowing Stone"
House No. 54, Road No. 11, Block-C,
Banani, Dhaka
Tel: 8836486, 8858057
Mobile No. 01730019781,
01678010070, Fax: 8858064
E-mail: ificbana@ificbankbd.com
Date of opening:

Keranigonj Branch

"Bikrampur Plaza" (1st floor),
Shahid Delwar Hossain Road,
East Aganagar, Keranigonj, Dhaka
Tel: 7762738, 7762737
Mobile No. 01730019788
Fax: 7762736
E-mail: ifickern@ificbankbd.com
Date of opening: 30.11.2008

Shariatpur Branch

469, Tulasar Sadar Road,
Shariatpur Sadar, Shariatpur
Tel: 060161496
Mobile No. 01730332032,
Fax: 060161497
E-mail: ificshar@ificbankbd.com
Date of opening: 24.12.2008

Mohakhali Branch

"Gulshan Bhaban"
Plot No.355,
A.K. Khandaker Sarak, Gulshan, Dhaka
Tel: 9899503, 9899507,
Mobile No. 01730332033
Fax: 9899503
E-mail: ificmoha@ificbankbd.com
Date of opening: 28.12.2008

Dania Branch

"Al-Madina Shopping Complex"
(1st floor),
Gobindapur Bazar, Dania,
Jatrabari, Dhaka
Tel: 7546218, 7546268
Mobile No. 01730332034,
01678018352, Fax: 7546218
E-mail: ificdani@ificbankbd.com
Date of opening: 28.12.2008

SME Service Centre, Mirpur

"Rabeya Commercial complex"
Plot No.33,Block-Kha, M.R. - 1,
Section-6, Mirpur ousing Estate,Mirpur,
Mobile No. 01713109105
Fax: 9006756
Date of opening: 30.11.2008

Tongi SME/Krishi Branch

22, Muktijodhya Samsad Road,
Tongi Bazar, Tongi, Gazipur
Tel: 9816354
Mobile No. 01730332035
Fax:9816354
E-mail: ifictong@ificbankbd.com
Date of opening: 30.12.2008

Tanbazar Branch

"Amin Market" (1st floor)
7, S.M. Maleh Road,
Tanbazar, Narayangonj
Tel: 7630891
Mob: 01730003591, 01678018360
Fax:027630892
E-mail: ifictanb@ificbankbd.com
Date of opening: 02.09.2009

Stock Exchange Branch

16, Motijheel C/A, Dhaka
Tel: 9515791-3, FAX: 9515794
Mob: 01730006635, 01678018361
Fax:02-9515794
E-mail: ificstocgb@ificbankbd.com
Date of opening: 07.10.2009

Savar Bazar Branch

74, Lohapotty, Savar Bazar, Dhaka
Tel: 7744809, FAX: 7744808
Mob: 01730003599, 01678018363
E-mail: ificsava@ificbankbd.com
Date of opening: 26.10.2009

Panchaboti Branch

"Gafur Super Complex"
Panchaboti, Hariharpara, Enayetnagar,
Fatullah, Narayangonj
Tel: 7670033, FAX: 7610032
Mob: 01730330896,01914064768
E-mail: ificpnc@ificbankbd.com
Date of opening: 18.11.2009

Progoti Sarani Branch

2nd Level of AJ Height's Building,
Cha-72/1/D, Progoti Sarani,
Uttar Badda, Dhaka-1212
Tel: 8835408, 8822742,
FAX: 8822743
Mob: 01730006641, 01678018364
E-mail: ificprog@ificbankbd.com
Date of opening: 23.12.2009

Nawabgonj SME/Krishi Branch

Nawabgonj Adhunik Banijjik Biponi
(1st floor), Union Parisad-Kolakopa,
P.S./Upa-zilla-Nawabgonj, Dist.- Dhaka
Tel:06225-56230
Mob: 01730338570
Fax:06255-56229
E-mail: ificnawg@ificbankbd.com
Date of opening: 24.12.2009

SME Service Centre Dholaikhal

Al-Noor Steel Market,
25, Goalghat Lane,
Dholaikhal New Road, Dhaka.
Tele:9556004
Mob: 01730318278
Date of opening: 27.12.2009

Board Bazar Branch

Monsur plaza (1st floor) national
University,Gazipur.
Tel: 9293274
Mob: 01811421949
Fax:9293276
E-mail: ificboar@ificbankbd.com
Date of opening: 09.11.2010

Tangail Branch

"Laso Plaza" (1st floor)
Khalpar Road, Tangail, P.S.- Tangail
Sadar,
Pouroshova – Tangail,
Municipal Holding No.59, Dist.-Tangail
Tel:0921-51435
Mob: 01713043925
Fax:0921-50434
E-mail: ifictang@ificbankbd.com
Date of opening: 11.11.2010

Dhamrai SME/Krishi Branch

"Haji Monir Plaza" (1st floor), Dhamrai
Bazar, Dhamrai, P.S. & Pouroshova-
Dhamrai, Ward No. 3, Holding No.24,
Dist.-Dhaka,
Tel:7730-935,7730-936
Mob: 01730709797, 01913472825
Fax:887730-936
Email: ificdham@ificbankbd.com
Date of opening: 09.12.2010

Mirpur Branch

"Rabeya Commercial Complex"
(1st floor)
Plot No.33, Block- Kha, Section- 6
Mirpur, Dhaka
Tel: 8031790,8054447
Mobile No. 01713109105
Fax: Not Available
E-mail: ificmirp@ificbankbd.com
Date of opening: 27.12.2010

Bashundhara Branch

Ka 7/1, 7/2, Jagannathpur, Bashundhara Road, Ward No.17, Dhaka City Corporation, P.S. Badda, Dhaka.
Tel:8417767,8417766
Mob: 01755543548
Fax:8417766
E-mail:ificbash@ificbankbd.com
Date of opening: 31.07.2011

Mohammadpur Branch

Ring Tower (1st floor) Plot No.32-35, Probal Housing, Ring Road, Adabor, Dhaka-1207.
Tel: 88-02-9104472,88-02-910447
Mobile No. 01755543540
Fax: 88-02-9104473
E-mail: ificmohm@ificbankbd.com
Date of opening: 05.12.2011

Chittagong Division

Agrabad Branch

30, Agrabad C/A, Chittagong
Tel : 031-712347, 712348, 717937, 711036
Mob: 01713229814
Fax : 880-31-710078, 726727
E-mail : ificagra@colbd.com
Date of opening: 21.07.1984

Khatunganj Branch

249/250, Khatunganj Road, Chittagong
Tel : 031-612904, 619809, 613056,632288
Mob: 01713229841
Fax : 880-31-610290
E-mail: ificktg@colbd.net
Date of opening: 09.12.1983

Laldighi Branch

"Jamal Complex" (1st floor)
8, Laldighirpar, (East)
Ward No.32 Andorkilla ward, Chittagong City Corporation, P.S. Kotwali, Chittagong
Tel : 031-620931, 638307, 636498,
Mob: 01713229842, 01678010087
Fax : 880-31-610078
E-mail: ifictbr@colbd.com
Date of opening: 28.12.1988

Noju Miah Hat Branch

Burichar, Nur Ali Bari, Hathazari, Chittagong
Tel : 031- 670908
Mob: 01713121031
Fax: 031-2570611
E-mail: ificnojuu@ificbankbd.com
Date of opening: 08.05.1985

Hathazari Branch

Haji M.Siddique Market Block#B(1st floor),Rangamati Road, Hathazari, Chittagong
Tel : 0312601430
Mobile: 01713229843
Fax: 031-2601193
E-mail: ifichath@ificbankbd.com
Date of opening: 27.12.1988

Chawk Bazar Branch

Shahzada Market
68, College road
Chawk Bazar, Chittagong
Tel : 031-621160, 616539
Mobile: 01713229844
Fax: 031-611177
E-mail: ificbchawkbazar@gmail.com
Date of opening: 26.10.1991

Shan Amanat Market Branch

624/A, Shah Amanat Municipal Super Market (Ground Floor), Jubilee Road, Reazuddin Bazar, Chittagong
Tel : 031-614244, 619516
Fax: 031-614244
Mobile # 01713229845
E-mail: ificshah@ificbankbd.com
Date of opening: 13.12.1992

Sheikh Mujib Road Branch

Azmal Arcade (1st floor)
1806, Sk. Mujib Road
Pathantuli, Chittagong.
Tel : (031) 721972,2510455,
Mobile: 01714031228,01678010093
Fax: 031-713981
E-mail: ificskmr@ificbankbd.com
Date of opening: 28.11.1994

Cox's Bazar Branch

158, Main Road (1st Floor)
Ali Arcade, Cox's Bazar
Tel : 0341-64573, 63856
Mobile: 01713229846
Fax: 0341-64573
E-mail: ificbcox@gmail.com
Date of opening: 30.11.1994

Brahmanbaria Branch

Ground floor, 4. Court Road
P.O. Box No. 09, Brahmanbaria
Tel : (0851) 58655, 59738
Mobile: 01711439720
Fax: 0851-58552
E-mail: ificbbar@ificbankbd.com
Date of opening: 03.06.1986

Comilla Branch

190/193 Rajgonj, Crossing, Chatipatty, Comilla
Tel : (081) 68662, 77044
Mobile: 01713229812
Fax: 081-71402
E-mail: ificcomi@ificbankbd.com
Date of opening: 04.08.1986

Companiganj Branch

15, West Nabipur
P.O. Companiganj,
P.S. Muradnagar
Dist. Comilla.
Tel:0802659123
Mobile # 01714080176, 01678010098
Fax: 080-2659037
E-mail:ificcomp@ificbankbd.com
Date of opening: 20.11.2003

Feni Branch

99, Islampur Road (1st Floor), Feni
Tel : (0331) 73179, 61764
Mobile: 01713229847, 01678010201
Fax: 0331-73150
E-mail: ificfeni@ificbankbd.com
Date of opening: 15.01.1992

Choumuhani Branch
667/785, South Bazar,
Choumuhani, Begumgonj, Noakhali
Tel : (0321) 52778, 52779
Mobile: 01713107230
Fax: 0321-52778
E-mail: ificchou@ificbankbd.com
Date of opening: 24.10.2005

Fatikhari Branch
"Haque Market" (1st Floor)
Bibirhat, Fatikhari, Chittagong.
Tel: 0302256202
Mobile No.
01713423765,01678010094
Fax: 030-2256203
E-mail: ificfatk@ificbankbd.com
Date of opening: 11.12.2007

CDA Avenue Branch
1005/2/1872, CDA Avenue
East Nasirabad, Panchlaish, Chittagong
Tel: 031-2555919, 2555920
FAX: 031-2555918
Mob: 01730329087, 0678018365
E-mail: ificcaa@ificbankbd.com
Date of opening: 13.12.2009

Madam Bibir Hat Branch
Madam Bibir Hat, Bhatiary,
Sitakundu, Chittagong
Tel: 031-2780919, 2780920
FAX: 031-2780921
Mob: 01730317373, 01678018366
E-mail: ificmada@ificbankbd.com
Date of opening: 13.12.2009

Aulankar More Branch
Ayub Ali Complex (1st floor)
P.C road, pahartali, Chittagong
Tele:031-2773116,031-2773115
Mob: 01730709795
Fax:031-2773117
E-mail: ificalan@ificbankbd.com
Date of opening: 28.12.2010

Ashugonj Branch
Sheria Sayed Tower (1st floor),
Ashugonj Bazar, Post Office Road,
Asuganj, Brahmanbaria
Tele:08528-74621
Mob: 01730709794,01755520716
Fax:08528-74623
E-mail: ificasug@ificbankbd.com
Date of opening: 29.12.2010

Chandina Branch
Aziz Plaza (1st floor), Chandina Bazar,
Village - Nabiabad, P.O. - Chandina,
P.S.- Chandina, Dist.-Comilla,
Mob: 01819438183
Date of opening: 28.11.2011

Rajshahi Division

Rajshahi Branch
3, Shaheb Bazar, Ghoramara, Rajshahi
Tel : (0721) 774586, 774856, 774396,
Mob: 01711405660, 01678010206
Fax: 0721-774556
E-mail: ificrajs@ificbankbd.com
Date of opening: 12.05.1985

Naogaon Branch
263, Main Road
Thakur Mansion (1st floor)
Naogaon
Tel : (0741) 62769, 62868
Mobile: 01713229848
Fax: 074162867
E-mail: ificnaog@ificbankbd.com
Date of opening: 04.12.1993

Pabna Branch
Chamber Building
Benai Patty, (Sona Patty), Pabna
Tel : (0731) 66053
Mobile: 01713200818
Fax: 073164122
E-mail: ificpabn@ificbankbd.com
Date of opening: 11.05.1991

Bogra Branch
Modhu Metro Tower (1st floor)
Kabi nazrul Islam Road,
Sathmatha, Bogra.
Tel : (051) 66080, 65324
Mobile No.01713229850,01678010213
Fax: 051-66080
E-mail: ificbogr@yahoo.com
Date of opening: 08.01.1986

Chapai Nawabganj Branch
21, Daudpur Madrasha Road (1st Floor),
Puratan Bazar, Chapainawabganj
Tel : (0781) 52081
Mobile: 01713202488
Fax: 0781-55081
E-mail: ificchap@ificbankbd.com
Date of opening: 09.04.1997

Baneshwar Branch
Baneshwar Islamia High School Market
Baneshwar, P.S. Puthia, Dist. Rajshahi.
Tel : (0644) 7290190
Mobile: 01713201692 01556331977,
Fax: Not available
e-mail: ificbans@ificbankbd.com
Date of opening: 21.11.2005

Belkuchi Branch
"Bhuiyan Plaza" (1st floor)
Mukundagati, Belkuchi,
Sirajgonj
Tel: 07522-56446,
FAX: 07522-56437
Mob: 01730019787, 01678018359
E-mail: ificbelk@ificbankbd.com
Date of opening: 12.10.2009

Kashinathpur SME/Krishi Branch
Hazi Zaman Shopping Complex,
Haridevpur, P.S.- Bera, Dist. -Pabna,
Tele:07332-54422
Mob: 01730705100,01755520719
Fax:07332-54411
E-mail: ifickash@ificbankbd.com
Date of opening: 11.10.2010

Joypurhat Branch
(1st floor), Joypurhat Sadar Road,
Joypurhat, P.S.- Joypurhat,
Pouroshova - Joypurhat.
Tele:0571-51163,51164
Mob: 01730709796
Fax:0571-51165
E-mail: ificjoyp@ificbankbd.com
Date of opening: 23.12.2010

Rangpur Division

Rangpur Branch

Sarker Super Market (1st Floor)
41/42, Dewan Bari Road
Betpatty, Rangpur
Tel : (0521) 63453, 62607
Mobile: 01713229811, 01678010211
Fax: 052162607
E-mail: ificbrang@yahoo.com
Date of opening: 21.09.1985

Dinajpur Branch

Maldahpatty, Sadar,
Dinajpur
Tel : (0531) 51632, 63414
Fax: 0531-51632
Mobile # 01713229849
E-mail: ificdina@ificbankbd.com
Date of opening: 21.07.1986

Shetabgonj SME/Krishi Branch

(1st floor), School Road,
Murshidhat, Shetabgonj,
P.S. – Bochagonj,
Pouroshova-Shetabgonj,
Ward No.3, Holding No.521,
Dist. Dinajpur
Tele: 05325-73202
Mob: 01730729872
Fax: 05325-73203
E-mail: ificshet@ificbankbd.com
Date of opening: 15.12.2010

Khulna Division

Khulna Branch

Fatema Building
81, Lower Jessore Road,
Khulna
Tel : (041) 720396, 720397
Fax: 720399
Mobile: 0171-3229851
E-mail: ifickhul@ificbankbd.com
Date of opening: 25.01.1986

Boro Bazar Branch

1, Sir Iqbal Road
Kalibari, Khulna.
Tel: (041) 812099, 812100
Mobile: 01713229852
Fax: 041-812099
E-mail: ificboro@ificbankbd.com
Date of opening: 02.11.2003

Jessore Branch

59, N.S.C. Road
(Garikhana Road), Jessore
Tel : (0421) 68762, 68764, 68765,
Fax: 0421-68763
Mobile # 01713403300, 01678010218,
E-mail: ificjess@ificbankbd.com
Date of opening: 30.04.1986

Benapole Branch

Bandar Complex, C&F Agent
Association Road, Benapole, Jessore
Tel : (04228) 75001-2
Mobile: 0171-3229810
Fax: 04228-75002
E-mail: ificbena@ificbankbd.com
Date of opening: 26.12.2002

Satkhira Branch

Najmul Sarani (1st Floor)
Satkhira
Tel : (0471) 62602, 65429
Mobile: 01713400254
Fax: 0471-63319
E-mail: ificshat@ificbankbd.com
Date of opening: 14.09.1994

Noapara Branch

Dhaka-Khulna Highway,
97 Noapara Bazar,
Jessore.
Tel : (04222) 71397
Mobile: 0171-3400537, 01678010221
Fax: 0422271397
SWIFT: IFICBDDH063
E-mail: ificnoap@ificbankbd.com
Date of opening: 26.12.1990

Kushita Branch

2, Siraj-Ud-Dowla Road
Abdul Hamid Market
N.S. Road, Kushtia.
Tel : (071) 62550, 61895, 71307,
Fax: 071-61895,
Mob: 01713400380, 01678010223
E-mail: ifickust@ificbankbd.com
Date of opening: 20.05.1986

SME Service Centre

Kaligonj
Sheikh Super Market (1st floor),
Nimtola Boro Bazar,
P.O.- Noldanga, Kaligonj,
Jhenidah
Mob: 01730318277
Date of opening: 29.12.2009

Poradah Branch

"Khan Super Market" (1st floor),
Poradah Bazar, Kushtia.
Mob: 01711573136
E-mail: ificpora@ificbankbd.com
Date of opening: 11.10.2010

Barisal Division

Barisal Branch

95, Sadar Road, Barisal
Tel : (0431) 64013, 64305
Fax: 0431-64305
Mob: 01714067409, 01678010224
E-mail: ificbari@ificbankbd.com
Date of opening: 21.11.1991

Bhola Branch

Amena plaz(1st floor), Sadar Road-
Bhola,
Holding No-3442/1, Bhola,
Tele:0491-61397,61399
Fax:0491-61399
Mob: 01714098303
E-mail: ificbhol@ificbankbd.com
Date of opening: 26.12.2011

Sylhet Division

Sylhet Branch

Laldighirpar, Sylhet
Tel : (0821) 715489, 715490
Fax : 880-821-722022
Mobile: 01711-438372, 01678010225
Fax:0821-722022
E-mail: ificsylh@ificbankbd.com
Date of opening: 17.11.1984

Beani Bazar Branch

Zaman Square(1st floor),
Main Road, Beani Bazar
Sylhet Tel: 08223-56179
Mob: 01711922493, 01678010226
Fax: 08223-56179
E-mail: ificbean@ificbankbd.com
Date of opening: 18.12.1988

Tultikar Branch

Point View Shopping Center (1st floor)
Amberkhana, Sylhet.
Tel : (0821) 714357, 721729
Fax: 082172
Mob: 01713301067
E-mail: ifictult@ificbankbd.com
Date of opening: 27.12.1989

Subid Bazar Branch

Hannan Shopping Centre (1st Flr),
Subid Bazar, Sylhet
Tel : (0821) 712898, 712832
Mobile: 01713229838, 01678010228
Fax: 0821-712898
E-mail: ificsubd@ificbankbd.com
Date of opening: 24.04.1994

Uposhohor Branch

Sattar Mansion (1st floor) Mendibagh
C/A.
Uposhohor, Dist. Sylhet.
Tel: (0821) 727224
Mobile: 0171-3300202
Fax: 0821-727109
E-mail: ificuposhohor@gmail.com,
ificupos@ificbankbd.com
Date of opening: 28.12.2003

Moulvi Bazar (Dist.) Branch

69;M.Saifur Rahman Road
Paschim Bazar. Moulvi Bazar
Tel : (0861) 52392, 52363
Fax: 086152363
Mobile # 01711435687, 01678010230
E-mail: ificmoud@ificbankbd.com
Date of opening: 27.11.1994

Sreemongal Branch

Razzaque Cosmopolitan Super Market
(1st Floor), Hobigonj Road,
Shreemongal, Moulvi Bazar
Tel : (08626) 71924
Mobile: 01711401728
Fax: 08626-71924
E-mail: ificsmg@ificbankbd.com
Date of opening: 21.12.2002

Goala Bazar

"Haji Nasibullah Market", Goalabazar,
Osmaninagar, Dist. – Sylhet
Tele:08242-56404,56743
Mobile No. 01713257277,
01678010233
Fax: 08242-56044
E-mail:ificgoal@ificbankbd.com
Date of opening: 04.12.2007

Particulars of Branches of Oman International Exchange LLC, Oman

Head Office/Main Office

Post Box No.994 Hay Al Mina
Postal Code No.114
Ruwi Souk Street, Hamriya,
(opposite Muscat Pharmacy)
Muscat,
Sultanate of Oman
Fax: (968) 2483 5036
Ph: (968) 2483 2197
E-mail: obecmct@omantel.net.om

Muscat Branch

Post Box No.994 Hay Al Mina
Postal Code No.114
Ruwi Souk Street,
Hamriya,
(opposite Muscat Pharmacy)
Muscat, Sultanate of Oman
Ph: (968) 2483 0893
Fax: (968) 2483 5141

Salalah Branch

Post Box No.2039
Postal Code No.211
Al Nadha Street, Salalah,
Sultanate of Oman
Ph: (968) 2329 0282
Fax: (968) 2329 3185

Sur Branch

Post Box No.276
Postal Code No.411
Sur Souk,
Sultanate of Oman
Ph: (968) 2554 1467
Fax: (968) 2554 4035

Sohar Branch

Post Box No.862
Postal Code No.311
Sohar Hospital Road, Sohar,
Sultanate of Oman
Ph: (968) 2684 6339
Fax: (968) 2684 1519

Nizwa Branch

Post Box No.718
Postal Code No.611
Nizwa Souk,
Sultanate of Oman
Ph: (968) 2541 3084
Fax: (968) 2541 1741

Suwaiq Branch

Post Box No.497
Postal Code No.315
Suwaiq Roundabout,
Next to Bank Muscat
Muscat – Sohar Highway,
Suwaiq
Sultanate of Oman
Ph: (968) 2686 1893
Fax: (968) 2686 0793

Ghubra Branch

Post Box No.897
Postal Code No.133
Ghubra Roundabout (inside)
After bank Muscat,
Ghubra
Sultanate of Oman
Ph: (968) 2449 0360
Fax: (968) 2449 2273

Mabelah Counter

Post Box No.994
Postal Code No.114
Near Oman Oil Petrol Station
Muscat – Sohar Highway, Mabelah
Sultanate of Oman
Ph: (968) 2445 0613
Fax: (968) 2445 0612

Barka Counter

Post Box No.696
Postal Code No.320
Adjacent to Oman Oil Petrol Station
Barka
Sultanate of Oman
Fax: (968) 2688 5143

Sohar Branch

Post Box No.70
Postal Code No.311
Sohar Industrial Estate
Next to Doha Shopping Centre
Sohar – Muscat Highway
Sultanate of Oman
Fax: (968) 2675 1420

Saham Branch

Post Box No.878
Postal Code No.319
Saham
Beside Omantel Office
Sultanate of Oman
Ph: (968) 2685 5442
Fax: (968) 2685 5446

Ruwi Branch

Post Box No.1585
Postal Code No.114
Hay Al Mina
Ruwi Souq Street
Sultanate of Oman
Ph: (968) 2479 4792
Fax: (968) 2479 6792

Particulars of Branches of Nepal Bangladesh Bank Limited, Kathmandu

Main Branch

Bijuli Bazar
New Baneshwor
Kathmandu, Nepal
PO Box # 9062
Kathmandu, Nepal
PABX: 4783972, 4783975, 4783976
Ext No.207, 270
Tel: 4781195, 4780698, 4782767,
4780770
Direct : 4783977, 4780189
Mobile: 9851022609
Fax: 00977-1-4784326

Putali Sadak Branch

Kathmandu Plaza, 1st floor
Kathmandu
Tel: 4258307, 4258308, 4258310,
4258313, 4248182
Fax : 977-4258309

New Road Branch

Meera Home
Khichapokhari
Kathmandu
Tel: 4241368, 4224390, 4224477,
4256734
Fax : 977-4241384

Battar Bazar Branch

Bidur Municipality Ward No.3
Battar Bazar, Nuwakot
Tel: 010-560754, 010-560367
Fax: 977-10-560256

Bhainsepati Branch

Sainbu, Bhainsepati
Lalitpur, Kathmandu
Tel: 5520028
Fax: 977-5544630

Janakpur Branch

Bhanuchowk, Janakpurdham, Nepal
Tel: 041-523385, 041-521548,
041-522747
Fax: 041-521549

Kalimati Branch

Kalimati, Kathmandu
Tel: 4277298, 4277396, 4284930
Fax: 977-1-4277396

Butwal Branch

Traffic Chowk, Butwal
Tel: 071-544906, 071-544845
Fax: 977-71-544774

Hetauda Branch

Main Road, Hetauda, Nepal
Tel: 057-524936, 057-523034
Fax: 977-57-525282

Birgunj Branch

Alakhiya Road, Birunj
Tel: 051-523494, 051-523689
Fax: 977-51-24860

Nepalgunj Branch

Dhamboji, Surkhet Road
Nepalgunj
Tel: 081-523135, 081-523341
Fax: 081-523135

Biratnagar Branch

Dadhiram Market
Rangeli Road, Biratnagar
Tel: 021-530523, 021-524263, 021-
522614
Fax: 021-530509

Tatonani Branch

Kodarilipani, Liping,
Sindhupal Chowk, Nepal
Tel: 011-662350, 0087376188-6880
Fax: 00873761886881

Dhangadhi Branch

Dhangadhi Municipality Ward No.2
Chauraha, Main Road,
Dhanadhi, Kailah, Nepal
Tel: 091-521785, 091-521532
Fax: 091-523393

Pokhara Branch

Pokhara Sub-Metropolitan
Ward No.9, Chipledhaunga
B.P. Mar a, Pokhara
Tel: 061-533134, 061-533135
Fax: 061-521810

Lalitpur Branch

Kumaripati
Lalitpur, Nepal
Tel: 5535497
Fax: 5535497

Dharan Branch

Dharan, Mahendra Path
Sunsari, Nepal
Tel: 025-5-24729
Fax: 025-5-30166

NIB Bank Ltd. Pakistan

Registered Office

Muhammadi House
11, Chundrigar Road
P.O. Box No.6942, Karachi – 74000,
Pakistan
Tel : 021-111-333-111
Fax : 021-2417503
E-mail : info@nibpk.com
Website : www.nibpk.com

NIB has a network of 244 branches
and more than 100 ATMs in over
60 cities and towns.
For details please visit the website.



Notice of AGM



IFIC BANK
LIMITED
ইণ্টারন্যাশনাল ফাইন্যান্স ইনবেস্টমেন্ট এন্ড কমার্স ব্যাংক লিমিটেড

Head Office: BDBL Bhaban (8th-10th, 16th-19th Floors), 8, Rajuk Avenue, Dhaka-1000

Notice of the 35th Annual General Meeting

Notice is hereby given to the Members of International Finance Investment and Commerce Bank Limited (IFIC Bank Limited) that the 35th Annual General Meeting of the Company will be held on **Wednesday, July 11, 2012 at 11.00 a.m. at Bashundhara Convention Centre-2, Block #C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka** to transact the following business and adopt necessary resolutions:

A. Ordinary Business:

- 1) To receive, consider and adopt the Directors' Report and Audited Financial Statements of the Bank for the year ended 31st December 2011 together with the Auditors' Report thereon.
- 2) To approve dividend for the year ended 31st December 2011 as recommended by the Board of Directors.
- 3) To elect/re-elect Directors.
- 4) To appoint new External Auditors of the Bank for the year 2012 and fix-up their remuneration.

B. Special Business:

The following Special Resolutions will be placed for consideration and approval of the Members:

- 1) To approve the proposal for increasing the Authorized Capital of the Bank from existing Tk.535.00 crore to Tk.2,000.00 crore [for which 'No Objection (NOC)' from Bangladesh Bank has been obtained] by adopting the following Special Resolution:

Resolved

"that to increase the Authorized Capital of the Bank from existing Tk.535.00 crore to Tk.2,000.00 crore, the following proposed amendments of the Memorandum and Articles of Association of the Bank are hereby approved :

AMENDMENT OF THE MEMORANDUM OF ASSOCIATION

TO AMEND CLAUSE '6' OF THE MEMORANDUM OF ASSOCIATION

Existing Clause	Proposed Amendment
The authorized capital for the company is Tk.535,00,00,000.00 divided into 53,50,00,000 shares of Taka 10.00 each with the rights and privileges and conditions attached thereto as are provided by the Articles of Association of the company for the time being with power to increase and reduce the Capital of the Company.	The authorized capital for the company is Tk.2000,00,00,000.00 divided into 200,00,00,000 shares of Taka 10.00 each with the rights and privileges and conditions attached thereto as are provided by the Articles of Association of the company for the time being with power to increase and reduce the Capital of the Company.

AMENDMENT OF THE ARTICLES OF ASSOCIATION

TO AMEND CLAUSE '5' OF THE ARTICLES OF ASSOCIATION

Existing Clause	Proposed Amendment
The authorized share capital of the Company shall be Tk.535,00,00,000.00 (Taka five hundred thirty five crores) divided into 53,50,00,000 (Fifty three crore fifty lac) ordinary shares of Tk.10.00 (Taka ten) each.	The authorized share capital of the Company shall be Tk.2000,00,00,000.00 (Taka two thousand crores) divided into 200,00,00,000 (Two hundred crore) ordinary shares of Tk.10.00 (Taka ten) each.

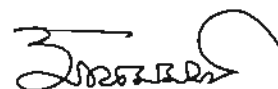
- 2) To approve the proposal for raising the Paid-up Capital of the Bank by issuing Rights Shares at the ratio of 3R:4 i.e. 03(three) Rights Shares for every 04(four) existing shares at an issue price of Tk.20.00 per share (including a premium of Tk.10.00 each) on paid-up capital after considering bonus shares by adopting the following Special Resolution:

RESOLVED

"that the proposal for issuance of Rights Shares at the ratio of 3R:4 i.e. 03(three) Rights Shares for every 04(four) existing shares at an issue price of Tk.20.00 per share (including a premium of Tk.10.00 each) on Paid-up Capital after considering bonus shares is hereby approved subject to the approval of the Securities & Exchange Commission."

- C. To transact any other related business with the permission of the Chair.

By order of the Board of Directors



(A. K. M. Mozharul Hoque)
SEVP & Company Secretary

Dated: June 07, 2012

Notes :

- a) The Record Date : Thursday, May 17, 2012.
- b) The Shareholders whose names appeared in the Share Register of the Bank and/or Depository (CDBL) Register on May 17, 2012 (Record Date) shall be eligible to attend the AGM and will be entitled to the Dividend.
- c) For determination of entitlement of the proposed Rights Shares, another Record Date shall be declared after obtaining approval from the Securities & Exchange Commission.
- d) The Board of Directors has recommended Cash Dividend @5% and Stock Dividend @25% for the year ended 31st December 2011 for approval of the Shareholders in the 35th Annual General Meeting of the Bank.
- e) A Member eligible to attend and vote at the AGM may appoint a Proxy to attend and vote on his/her behalf. Proxy Form duly stamped and signed by the member must be submitted to the Registered Office of the Company at least 72 (seventy two) hours before the time fixed for holding of the Meeting for attestation. Upon receipt of attested Proxy Form, the nominated person or attorney or authorized person from a Company/Corporation may attend/vote in the Annual General Meeting.
- f) The retiring Directors shall be eligible for election/re-election as per provision laid down in the Articles of Association of the Bank.
- g) Honourable Shareholders are requested to update change of address (if any) through their respective Depository Participant (DP).
- h) For convenience of the Honourable Shareholders and Proxy-holders, the Registration Counters of the Annual General Meeting shall remain open from 9.00 a.m. to 11.30 a.m. on July 11, 2012.



Attendance Slip



Head Office: BDBL Bhaban (8th-10th, 16th-19th Floors), 8, Rajuk Avenue, Dhaka-1000

ATTENDANCE SLIP

I hereby record my attendance at the 35th Annual General Meeting of International Finance Investment & Commerce Bank Limited being held on Wednesday, July 11, 2012 at 11.00 a.m. at Bashundhara Convention Centre-2, Block #C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka.

Name of the Shareholder(s):

Folio/BO ID No.

Signature of the Shareholder

Note: Honourable Shareholders attending the Meeting in person is requested to complete the Attendance Slip and deposit the same to the 'Registration Counter' at the AGM venue. Signature in the Attendance Slip must tally with the signature recorded with the Company (In case of folio, signature recorded with the Share Department and for BO holders, signature received from the CDBL).



Proxy Form



Head Office: BDBL Bhaban (8th-10th, 16th-19th Floors), 8, Rajuk Avenue, Dhaka-1000

PROXY FORM

Affix
Revenue
Stamp of
Tk.10/-

I/We

Folio/BO ID No.

Address :
being a Shareholder of International Finance Investment & Commerce Bank Limited, do hereby appoint

Mr./Ms

of

as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the 35th Annual General Meeting of the Company scheduled to be held on Wednesday, July 11, 2012 at 11.00 a.m. at Bashundhara Convention Centre-2, Block #C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka and at any adjournment thereof.

In witness whereof I/We set my/our hand(s) on this theday of 2012.

1. Signature of the Proxy.....

2. Signature of the Shareholder(s).....

No. of shares held.....

Note : The Proxy Form duly stamped and completed in all respect must be deposited to the Share Department of the Company at least 72(seventy two) hours before the schedule time of the Meeting for attestation. Signature of the Shareholder(s) must tally with the signature recorded with the Company (In case of folio, signature recorded with the Share Department and for BO holders, signature received from the CDBL).



Head Office: BDBL Bhaban (8th-10th, 16th-19th Floors), 8, Rajuk Avenue, Dhaka-1000

ATTENDANCE SLIP FOR PROXY-HOLDER

I hereby record my attendance at the 35th Annual General Meeting of International Finance Investment & Commerce Bank Limited being held on Wednesday, July 11, 2012 at 11:00 a.m. at Bashundhara Convention Centre-2, Block #C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka.

Name of the Shareholder(s):

Folio/BO ID No.

No. of Shares held

Name of the Proxy-holder

Signature of the Proxy-holder

Signature of the Shareholder(s)

Signature of the approving
Official of IFIC Bank Limited

Note : The Proxy-holder attending the Meeting is requested to deposit the Attendance Slip to the 'Registration Counter' at the AGM venue



IFIC BANK
LIMITED

ইস্টাশ্বনালাল কাহিলাল ইনকোৰ্পোৰেটেক লিমিটেড

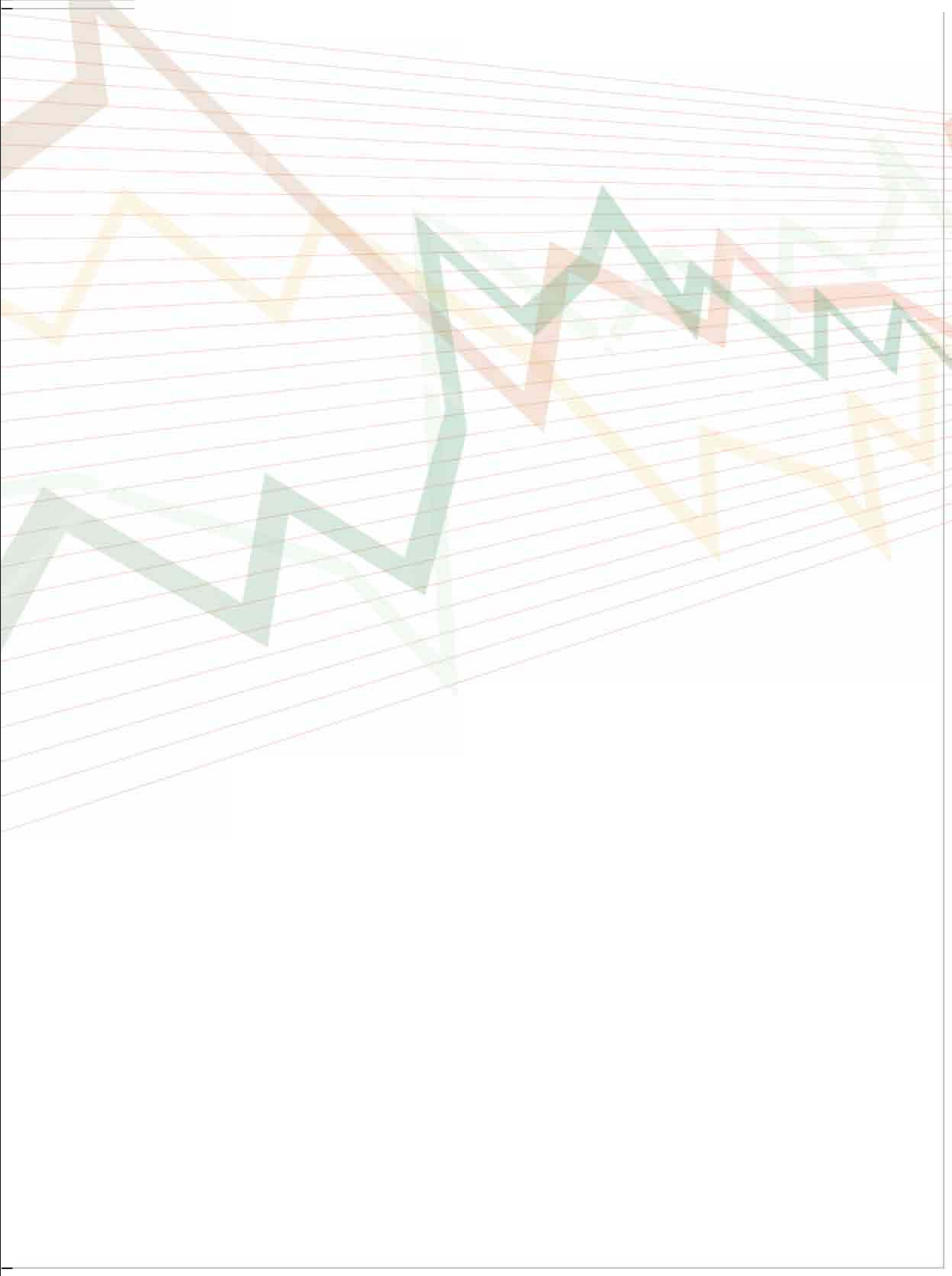
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ইন্টারন্যাশনাল ফাইন্যান্স ইনস্টিটিউট লিমিটেড

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IFIC BANK
LIMITED

ইন্টারন্যাশনাল রাইন্যান্স ইনভেস্টমেন্ট এন্ড কমার্স ব্যাংক লিমিটেড

Head Office: BDBL Bhaban (8th-10th, 16th-19th Floors)

8, Rajuk Avenue, GPO Box No. 2229, Dhaka-1000, Bangladesh

Phone: PABX: 7162992, 7162994-6, 9563020, 9562060, 9562062, 9562068

Fax : 880-2-9562015, 880-2-9560349 (Dealing Room)

Web: www.ificbankbd.com, E-mail: info@ificbankbd.com