



IFIC

annual report

2012



IFIC

annual report

2012

30 YEARS OF
DYNAMIC STRIVE

Registered Office

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Dhaka-1000, Bangladesh.

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Letter of
Transmittal

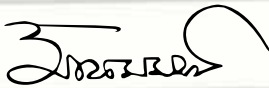
All Shareholders of IFIC Bank Limited
Bangladesh Securities and Exchange Commission
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited
Registrar of Joint Stock Companies & Firms

Annual Report for the year ended 31st December 2012

Dear Sir,

We are pleased to present before you a copy of the Annual Report 2012 along with audited financial statements including consolidated and separate balance sheet as at 31st December 2012, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year ended 31st December 2012 with the notes thereto of IFIC Bank Limited and its subsidiaries for your kind information and record.

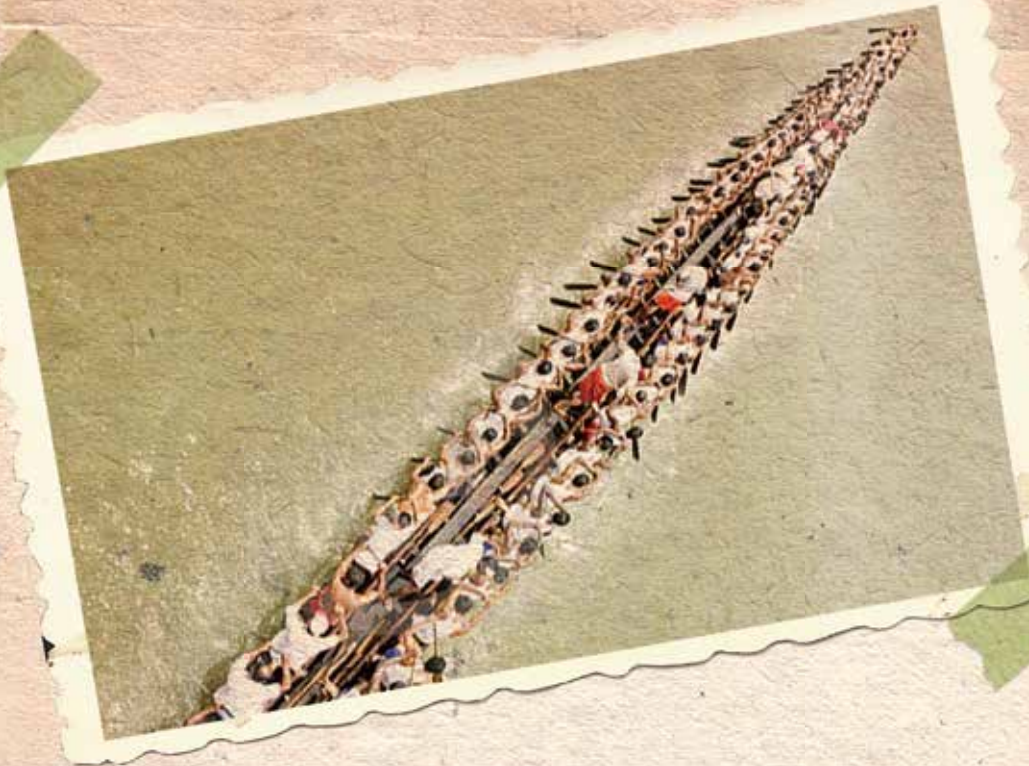
Yours sincerely,



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



Our Mission

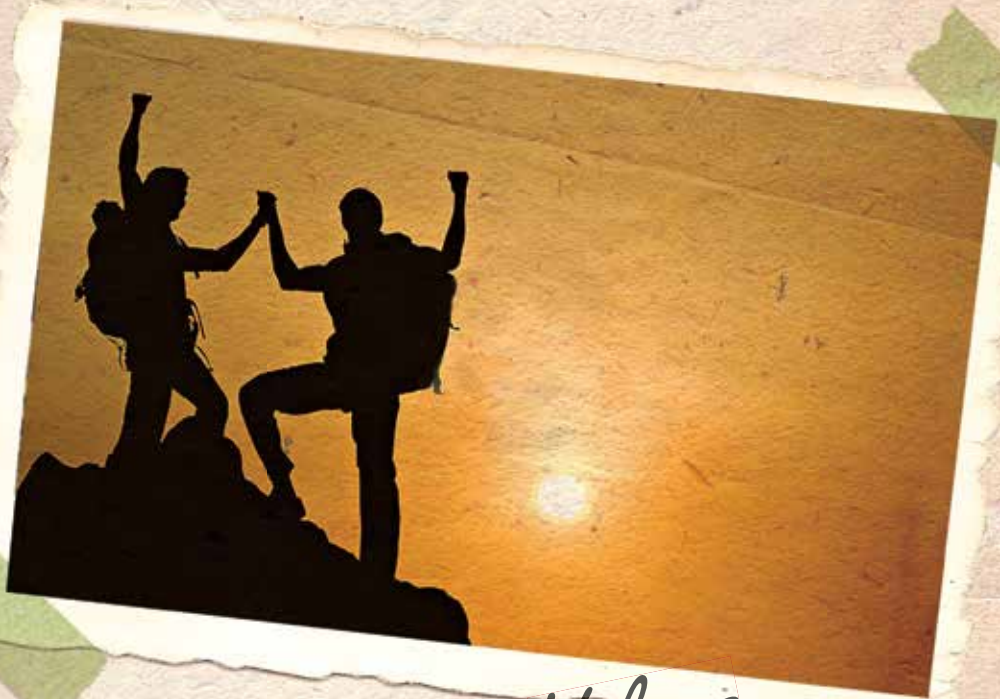


Our Mission is to provide service to our clients with the help of a skilled and dedicated workforce whose creative talents, innovative actions and competitive edge make our position unique in giving quality service to all institutions and individuals that we care for.



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.

- 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.



Our Core Values



Code of Conduct

IFIC Bank's 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 mount 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 facilitate mobility in banking by upgradation of Internet and Mobile Banking
12. 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 the 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;
- Unfavourable 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. 20,000 million

Paid up Capital

Tk. 3460.50 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

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

Howladar Yunus & Co.
Chartered Accountants

Legal Advisor

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 & CEO

M. Shah Alam Sarwar

Name of CFO

S. M. Abdul Hamid

Name of Company Secretary

A.K.M. Mozharul Hoque

No. of the Employees

2422

No. of Branches

106

No. of SME Service Center

01

No. of Shareholders

40295

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.
- 1980 - Commenced operation of 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 at Karachi in Pakistan
- 1993 - Set up its second overseas branch at Lahore in Pakistan
- 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.
- 2012 - Inauguration of 100th Branch at Tejgaon-Gulshan Link Road in Dhaka



Board of Directors

Chairman

Salman F Rahman

Directors

Mohammad Lutfar Rahman

Monirul Islam
(Independent Director)

Syed Anisul Huq
(Independent Director)

Mohammed Nayem Syed
(Independent Director)

Jalal Ahmed
(Govt. Nominated Director)

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

Arijit Chowdhury
(Govt. Nominated Director)

Managing Director & CEO

M. Shah Alam Sarwar

Directors' Profile



Mr. Salman F Rahman
Chairman

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



Mr. Mohammad Lutfar Rahman
Director

Mr. Mohammad Lutfar Rahman is a Bachelor of Commerce of Dhaka University. He is the Chairman of Nepal Bangladesh Bank Ltd. and IFIC Money Transfer (UK) Ltd. He is also the Chairman & CEO of New England Equity Ltd., Shore Cap Holdings Ltd. Mr. Rahman is also the Managing Director of Latif Securities Ltd, Business Capital Shares & Securities Ltd, and LR Agro Farms Ltd. He is also a Director of Union Insurance Company Ltd., National Television Ltd. (RTV), International Television Ltd. (NTV) and Al-Manar Hospital (Pvt.) Ltd. He has keen interest in various sports, especially cricket. He is a permanent member of Mohammedan Sporting Club Ltd. and ex-chairman of Cricket Committee of Mohammedan Sporting Club Ltd. Mr. Rahman is the Chairman, Governing Body of Victoria Sporting Club, Dhaka. He has been associated with Kurmitola Golf Club, Dhaka Club, Gulshan Club and Uttara Club for long. Currently, he is the Chairman of the Executive Committee of the Board of Directors of IFIC Bank Ltd.



Mr. Monirul Islam
Independent Director

Mr. Monirul Islam is a post-graduate from Dhaka University. He is a successful entrepreneur of the country having years of experience as an industrialist. He is the Managing Director of Cosmo Sizing & Weaving Mills Ltd. and a Director of Ramna Chinese & Thai Foods Ltd. He is also a member of the Audit Committee and the Executive Committee of the Board of Directors of IFIC Bank Ltd.



Mr. Syed Anisul Huq
Independent Director

Mr. Syed Anisul Huq, a Bachelor of Commerce of University of Dhaka, is a well-known personality in the banking industry of Bangladesh. In his colourful banking career of 04 (four) decades, he held many important positions including the Managing Director of Southeast Bank Limited and President & Managing Director of Bank Asia Ltd. Currently he is the Chairman of the Audit Committee of the Board of Directors of the Bank. He is also a member of the Executive Committee of the Board.



Mr. Mohammed Nayem Syed
Independent Director

Mr. Mohammed Nayem Syed is an MBA & CFA. He is the Managing Director of Karnaphuly Printers Ltd. and Kuliarchar (UK) Ltd. He is also one of the Directors of Red-Sea International Ltd. He is a member of the Audit Committee of the Board of Directors of the Bank and a Director of IFIC Money Transfer (UK) Ltd.



Mr. Jalal Ahmed
Director

Mr. Jalal Ahmed is an Additional Secretary to the Government of the Peoples' Republic of Bangladesh. He was nominated as Director to the Board of IFIC Bank on November 13, 2012 by the Ministry of Finance, Government of Bangladesh. Mr. Jalal did his Honours & Masters in Public Administration from the University of Dhaka. He is also one of the Directors of BTCL, BATBC, IPDC and Bangladesh Services Ltd. He is a member of the Audit Committee of the Board of Directors of IFIC Bank Ltd. He is also a Director of IFIC Money Transfer (UK) Ltd.



Mr. A.R.M. Nazmus Sakib
Director

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



Mr. Arijit Chowdhury
Director

Mr. Arijit Chowdhury is a Joint Secretary to the Government of the Peoples' Republic of Bangladesh. He was nominated as Director to the Board of IFIC Bank Ltd. on June 19, 2012 by the Ministry of Finance, Government of Bangladesh. Mr. Arijit did his Honours & Masters in History from the University of Dhaka. He also obtained M.Sc. in Development Finance from Birmingham University, U.K. He is a member of the Audit Committee of the Board of Directors of the Bank.



Mr. M. Shah Alam Sarwar
Managing Director

Mr. M Shah Alam Sarwar joined as Managing Director of IFIC Bank Limited on December 02, 2012. Mr. Sarwar started his career as Management Trainee at ANZ Grindlays Bank in 1982 and held senior management positions at ANZ Grindlays Bank, Standard Chartered Bank, American Express Bank. He served as Additional Managing Director and Deputy CEO of UCBL. He was also the Managing Director and CEO of IPDC, Bangladesh Limited and Premier Bank Limited. Prior to his joining in IFIC Bank Limited, he was the Managing Director of Trust Bank Limited. He is a Postgraduate in Economics from Dhaka University and holds MBA degree from Victoria University of Australia. He obtained the highest level of accreditation in credit risk management and is a Six Sigma Belt holder. He attended various Training, Seminars and Conferences in Bangladesh as well as in the foreign countries like, United Kingdom, Australia, United States, Singapore, Hong Kong, Dubai and Malaysia, etc.

Executive Committee of the Board

Chairman

Mohammad Lutfar Rahman

Directors

Monirul Islam

Syed Anisul Huq

A.R.M. Nazmus Sakib

Managing Director & CEO

M. Shah Alam Sarwar

Audit Committee of the Board

Chairman

Syed Anisul Huq

Members

Monirul Islam

Mohammed Nayem Syed

Jalal Ahmed

Arijit Chowdhury

Secretary

A.K.M. Mozharul Hoque

Senior Management

Managing Director

M Shah Alam Sarwar

Deputy Managing Director

Mati-Ul-Hasan
Zaitun Sayef
Wakar Hasan

Senior Executive Vice President

A.K.M Mozharul Hoque
S.M. Abdul Hamid
Syed Zahidul Islam
Narayan Chandra Roy
Fariduddin Al Mahmud
Alkona K. Choudhuri

Executive Vice President

Shaikh Rashid Ahmed
Md. Abul Hossain
Md. Bader Kamal
Md. Sharifur Rahman
Harun-Ar-Rashid
Khondkar Rafiq-Uz-Zaman
Sajjad Zabir
Shah Md. Moinuddin
Abu Nasser Al-Razi

Senior Vice President

Gopal Chandra Guha Roy
Kazi Saifuddin Ahmed
Md. Shahjahan Miah
Mohammad Shahed Shah Munnah
Md. Mohidur Rahman
Md. Rafiqul Bari Chowdhury
Shahjahan Kabir
Chowdhury Akhtar Asif
Md. Badrul Alam
Shamsul Alam
Mohammad Shamim Murshed
Iqbal Parvez Chowdhury
Shaik Sohail Khurshid
A.K.M Jeur Rahman
Syed Fazle Ahmed
Nurul Basher Abdul Mamun
Ataus Samad

First Vice President

Parimal Roy
M. Mozibar Rahman
A.F.M. Asaduzzaman
Mir. Golam Mowla (Pinto)
Shahab Rashid Khan
Md. Manirul Islam
Raihan Uddin Ahmed
S.M Shafiqul Haider
Zulfiquar Ali Khan

Vice President

Ahmed Jaffer Imam
Moklesur Rahman
Wasima Akhter
Khan Asaduzzaman
Shaikh Rebeka Rahman
Arzoo Mand Parveen Banu
Md. Bahauddin
Jesmin Akhter
Mir Iqbal Hossain
Navedul Islam
Ahmed Sayeed
Md. Abdullah Al Masum
Shah Md. Humayun Kabir
A.M.Mahmud Hossain
Shafaiat Ahmed Chowdhury
Helal Ahmed
Md. Selim Talukder
Ekram Elahi
Mra Sha Thun
Mustafizur Rahaman
Md. Habibur Rahman
Kazi Nowshaduzzaman
Sohel Mahmud Zahiduzzaman
A.H.M. Kamal
Mohammad Sahin Uddin
Md. Mizanur Rahman
Md. Anowar Khalid
Nuruddin Ahmed
Md. Akbar Ali
Mohoshin Uddin Ahmed
Md. Zulfiquer Ali Chakder

5 Years at a Glance

Taka in Million

	2008	2009	2010	2011	2012
Authorized Capital	1,600	5,350	5,350	5,350	20,000
Paid-up Capital	1,341	1,744	2,180	2,768	3,460
Reserve Fund	1,856	2,454	3,569	3,834	3,407
Deposits	36,092	50,018	54,660	73,106	92,433
Loans & Advances	33,018	37,794	47,563	64,641	77,160
Investments	5,230	9,083	8,835	12,199	15,671
Gross Income	5,527	6,494	8,921	10,244	13,991
Gross Expenditure	3,905	4,535	5,094	7,525	11,284
Net Profit before taxation	1,317	1,650	3,167	1,861	1,390
Import Business	50,337	43,717	62,467	71,517	80,710
Export Business	66,557	54,244	55,981	83,846	84,147
Foreign Remittance	12,277	13,145	13,455	12,724	14,305
Number of Employees	2,110	2,193	2,315	2,383	2,422
Number of Branches	74	82	95	99	106
Number of Shareholders	31,915	34,152	37,773	38,007	40,295



Chairman's Message

Dear Shareholders,

Assalamu Alaikum.

It gives me immense pleasure to welcome you all, on behalf of the members of the Board of Directors of the Bank in the 36th 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. Without your kind collaboration and advice, it would have been simply impossible for us to attain strong footing in the business arena.

In 2012, the global economy has passed an edgy new phase. Global activities have weakened and become more uneven, confidence has fallen sharply, and saggy risks are growing. For this, the year 2012 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 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 2012.

The Banking Industry of Bangladesh passed through many challenges throughout the year 2012. 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 2012.

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 26% in Deposits over the preceding year which stood at Tk. 9,229 crore as of December 31, 2012. Total outstanding Loans and Advances of the Bank also stood at Tk. 7,845 crore as on December 31, 2012, marking an increase of 20% over the previous year. The Bank earned an Operating Profit of Tk. 346 crore in 2012. Bank's Classified Loan Ratio also stood at 5.31% of total Loans and Advance at the end of the year. Capital Adequacy Ratio (CAR) of the Bank as per Basel-II framework was 10.21% as against required minimum of 10.00%. Consolidated Earnings Per Share of the Bank stood at Tk.1.20 against face value of Tk.10.00 for the year 2012.

In the year 2012, IFIC Bank made direct contribution of Tk. 87 crore 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.

The Bank has undertaken very big plans for strengthening its Retail Banking Business Division to penetrate in the Retail Banking financial market. The Bank has also started 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 has also opened some new branches in the year 2012 to offer its financial services in different geographical locations of the

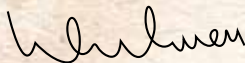
country. IFIC Bank also focused on handling remittance businesses and with that aim in view opened rural branches where remittance business concentrates. In addition to the opening of exchange house at UK IFIC Bank has agreement with various exchange houses for inward foreign remittances of the wage earners.

You will be glad to learn that IFIC Bank carried out a number of CSR activities in different sectors in the year 2012. In environmental sector, the Bank donated Tk. 16 lac for renovation of Karwan Bazar underpass, Tk. 1 lac for the Bangladesh Bannya Prani Seba Foundation. The Bank donated Tk.10 lac for IFIC Shahitto Puroshkar-2011 to its two winners. In education sector, the Bank donated Tk.5 lac to Bishwa Sahitya Kendra for purchasing books and Tk.30 lac to form IFIC Bank Trust Fund for stipends to poor students in Dhaka University and Tk.50 lac to PROYASH for education of autistic & disabled children. In health sector, the Bank donated Tk. 4.45 lac to Uttara Medical College for purchasing a scanner, Tk.35 lac to Hope & Care Centre in Chittagong for installing a self sufficient lab for HIV/AIDS patients, distributed blankets among the distressed people for Tk.4.92 lac. In the Sports sector, the Bank donated Tk.41 lac to National Shooting Competition and Tk. 2 lac to Bangladesh Association of Banks for special Olympic for Autistic. The Bank also donated Tk. 20 lac to 'Prime Minister's Relief Fund' for financial assistance to the affected Buddhists at Ramu in the year 2012 as part of its Corporate Social Responsibility.

Last but not the least, I, on behalf of the Board, would like to express my heartfelt thanks and appreciation to the employees of the Bank for the Business Performance in 2012. The confidence that the shareholders and customers have reposed on us has always been the source of our strength. 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 2013 will be a successful year for the Bank.

Allah Hafez.



Salman F Rahman
Chairman

Managing Director's Review



Dear Respected Shareholders,

It is a great honor to present a round-up of financial and operating performance of IFIC Bank Limited for the year 2012.

Underlying Economic Environment

The year 2012 was eventful. The financial sector of our country experienced external challenges namely: rising cost of fund, bearish capital market, introduction of new classification guidelines etc. These factors impacted the industry both from viewpoint of profitability and stability. However, Bangladesh economy fared comparatively well in the year with a GDP growth of 6.3 percent. We, under the able guidance of the respected Board of Directors and support from shareholders, depositors, customers and regulators, achieved significant growth in its core banking business. In addition, the Bank made notable progress in capacity building and introduction of simplified Business Process. By and large, 2012 was a successful year for IFIC Bank.

Financial Performance

Total deposit of the Bank reached at Tk.9,229 crore in 2012 against Tk.7,304 crore in 2011, demonstrating a growth of 26%. Loans & advances increased to Tk.7,845 crore from Tk. 6,543 crore, posting a growth of 20%. The foreign exchange business grew by 7% from Tk.16,808 crore to Tk.17,916 crore. Because of circular enforced by central bank, NPL ratio of the Bank increased from 4.06% in 2011 to 5.31% in 2012 against estimated increase of 2% due to new classification criteria. However, we will put in our best effort to reduce the NPL ratio in 2013.

Due to rise in cost of fund, fall in income from secondary market & recovery, Operating Profit could not grow as expected. The Bank earned operating profit of Tk. 346 crore in 2012 showing an increase of 9% over 2011.

Balance sheet of the Bank stood at Tk.114.77 billion (eqvt. USD 1.43 billion approximately) in 2012 from Tk. 91.80 billion in 2011.

Capital Adequacy

In the year, total shareholders' equity stood at Tk. 8,032 million, which is 3% higher than that of 2011. The Bank maintained Capital Adequacy Ratio (CAR) of 10.21% under Basel-II guidelines as against minimum requirement of 10.00% set by Bangladesh Bank.

Growth initiatives undertaken in 2012

- Undertook various initiatives to bring changes in Business Process.
- Continuous development made in IT set up. Introduced "Internet Banking" for Balance Checking & Statement Generation by the customers through secured access system within and outside the country. Implemented live operation of "Disaster Recovery Centre".
- To explore business potential through financial inclusion of un-banked population, set up a new "Mobile Banking Unit" in the Bank.
- Undertook various initiatives for HR development and procured HR software for total automation of HR management of the Bank.
- Opened 7 new branches in the country, making a total network of 106 branches.
- Undertook massive expansion program of ATM and opened 38 new ATMs in 2012 raising the total ATM to 46.
- Expanded CSR activities in different fields and for the first time, ceremonially handed over "IFIC Bank Shahitto Puroskar" to the winners.

Award

As a mark of recognition of excellence, IFIC Bank has been awarded Certificate of Merit in the Private Sector Banks for Best Presented Annual Reports 2011 by the Institute of Chartered Accountants of Bangladesh (ICAB).

CSR Activities / Social Cause

IFIC Bank undertook diversified programs to make a positive and meaningful contribution to the society. The large number of welfare initiative of the Bank reflects its commitment and responsibility to the society. The CSR activity of the Bank encompasses the major sectors like Environment, Education & Culture, Health, Sports and Disaster Relief. Some of these initiatives are outlined below:


- The Bank donated Tk.2.00 Crore to "Prime Minister's Relief Fund" for financial assistance to the affected Buddhists at Ramu.
- The Bank donated Tk. 30.00 Lac to form "IFIC Bank Trust Fund" in Dhaka University for stipends to poor and meritorious students. The Bank also donated to Bishwa Sahitya Kendra for purchasing books.

- The Bank made a contribution of significant amount to “Proyash” (run under patronization of Bangladesh Army) for education of autistic & disabled children. Also made contribution to Bangladesh Association of Banks for Special Olympic for Autistic.
- We extended support to Hope & Care Centre in Chittagong for installing a self-sufficient pathological lab for proper treatment and follow up of HIV/AIDS patients. Also donated a Scanner Machine to Uttara Medical College for Women & Hospital.
- We sponsored events organized by National Shooting Federation, Bangladesh.
- We contributed to renovation & beautification work of Kawran Bazar underpass being used by general public.
- For the first time, we ceremonially handed over IFIC Bank Shahitto Puroskar-2011 to the winners. This Award is the highest one in the field in terms of amount.
- We distributed good number of Blankets through our branches located in northern & south western areas to save people from severe cold wave.

Commitments for 2013

- Our operating vision is to achieve long term sustainable growth. In line with that we are pursuing strategy through proper management of Balance Sheet and maintenance of liquidity and long term solvency. The Bank is reducing dependency on large ticket deposits and trying to get retail deposits through diversified products and services.
- In case of financing, we are focused on providing credits to SME, productive corporate and to those companies which have lower risk. We shall intensify effort to reduce the NPL ratio.
- To improve further on areas such as Robust Core Banking solutions, centralized processing, real time monitoring, control and MIS, improved process to enhance service, reduce cost and real time control.
- To gradually build required network for financial inclusion, the Bank will open more branches and ATMs.
- Implement “Mobile Banking” to bring the unbanked population in the formal banking channel.
- Comply regulatory and internal requirement at all time.
- Initiate more CSR activities including continuation of IFIC Bank Shahitto Puroskar.

While concluding, I would like to express my 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. I am expressing my sincere thanks and gratitude to the members of the Board of Directors for their policy guidelines and adequate support to the management to implement those. Thanks are due to our respected shareholders, valued customers, patrons and all other stakeholders for their trust and confidence in the Management of the Bank. Finally, thanks to my beloved colleagues of IFIC Bank Limited for their efforts and dedication in achieving these results.



M Shah Alam Sarwar
Managing Director & CEO

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) as well as Bangladesh Securities and Exchange Commission (BSEC) and the Listing Regulations 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 usually 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 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 BSEC's Notification dated August 07, 2012, 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/Bangladesh Accounting Standards/International Financial Reporting Standards/Bangladesh Financial Reporting Standards, as applicable in Bangladesh, have been followed in preparation of financial statements with appropriate disclosures;
- There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed;

- Significant deviations from the last year's operating results of the issuer company should be highlighted and reasons thereof should be explained;
- Key operating and financial data of at least preceding 05 (five) years shall be summarized;
- If the issuer company has not declared dividend (Cash or Stock) for the year, the reasons thereof shall 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 BSEC Notification No. SEC/CMRRCD/2006-158/134/Admn/44 dated August 07, 2012.

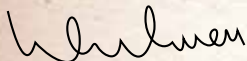
Meetings

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 2012, a total of 30 (thirty) 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 BSEC Notification NO. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 have been furnished separately.

On behalf of the Board of Directors,



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 589th Meeting held on 18.07.2012 with the following 04 (four) Members:

Mr. Mohammad Lutfar Rahman	Chairman
Mr. Monirul Islam	Member
Mr. Syed Anisul Huq	Member
Mr. A.R.M. Nazmus Sakib	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:

- All business proposals other than large loans are placed before the Executive Committee for consideration and approval.
- 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 2012, a total of 08 (eight) Meetings of the Executive Committee were held where a total of 113 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 2012	Total attendance	Remarks
Mr. Mohammad Lutfar Rahman	Chairman	08	08	The Directors who could not attend any Meeting were granted leave of absence.
Mr. Aminur Rahman	Member (Upto 21.05.2012)	03	Nil	
Mr. Syed Anisul Huq	Member	07	05	
Mr. Mohammed Nayem Syed	Member (Upto 21.05.2012)	03	01	
Mr. Monirul Islam	Member	08	08	
Mr. Arastoo Khan	Member (Upto 23.08.2012)	04	03	
Dr. Mohammad Ali Khan, ndc	Member (Upto 19.06.2012)	03	03	
Mr. A.R.M. Nazmus Sakib	Member (Since 18.07.2012)	04	03	

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



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 its 589th Meeting held on July 18, 2012 in accordance with the BRPD Circular Letter Number 08 dated June 19, 2011 issued by Bangladesh Bank and the notifications of Bangladesh Securities and Exchange Commission vide Notification No. SEC/CMRRCD/2006-158/134/admin/44 dated August 07, 2012.

The Audit Committee of IFIC Bank Limited is comprised of 05 (five) members from the Board of Directors including 03 (three) Independent Directors. The composition of the present Board Audit Committee is as follows:

Mr. Syed Anisul Huq	Independent Director	-Chairman
Mr. Monirul Islam	Independent Director	-Member
Mr. Mohammed Nayem Syed	Independent Director	-Member
Mr. Jalal Ahmed	Director	-Member
Mr. Arijit Chowdhury	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 07 (seven) Audit Committee Meetings were held during the year 2012.

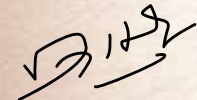
The particulars of attendance of the members of the Audit Committee are given below:

Name of the Director	Position	Total number of meetings held during 2012	Total attendance	Remarks
Mr. Mahmudul Huq Bhuiyan	Convenor (upto 19.06.2012)	04	04	The Directors who could not attend any meeting were granted leave of absence.
Mr. Syed Monjurul Islam	Member (upto 13.11.2012)	06	06	
Mr. Anwaruzzaman Chowdhury	Member (upto 21.05.2012)	03	Nil	
Mr. Monirul Islam	Member	07	07	
Mr. Syed Anisul Huq	Chairman (since 18.07.2012)	03	03	
Mr. Mohammed Nayem Syed	Member (since 18.07.2012)	03	01	
Mr. Jalal Ahmed	Member (since 13.11.2012)	01	01	
Mr. Arijit Chowdhury	Member (since 18.07.2012)	03	02	

The Audit Committee, in the above 07 (seven) meetings, discussed many issues, some of which are :

- | Compliance Report on observations, recommendations and decisions of the Audit Committee Meetings.
- | Self-Assessment of Anti Fraud Internal Control System in Banks
- | Summary Report on Bangladesh Bank Comprehensive Inspection Reports on Uposhohor, Kushtia, Baneshwar, Gulshan, Banani, Pallabi, Ghorashal and Jessore Branches as on the position of 31.03.2012 respectively.
- | Summary Report on Bangladesh Bank Comprehensive Inspection on Foreign Exchange dealings on Head Office Divisions, Narayanganj and Gulshan Branches as on the position of 04.03.2012, 08.03.2012 and 20.02.2012 respectively
- | Status of Compliance on regularization of lapses/ errors and omissions in Internal Audit & Inspection Reports of 29 (twenty nine) Branches conducted for the Quarter ended on 30.09.2012.
- | Statement of fraud and forgeries occurred in the Bank as on 30.06.2012 and 30.09.2012.
- | Un-audited Accounts for the third quarter ended on 30.09.2012.
- | Brief Highlights on Audit & Inspection Reports of some Branches conducted by Internal Control & Compliance Division.
- | Annual Report on the Health/Overall Status of IFIC Bank Ltd. for the year-2011.
- | Brief Highlights on Audit & Inspection Reports of some Branches/Divisions of Head Office conducted by Internal Control & Compliance Division.
- | Highlights from Bangladesh Bank Inspection Reports on Foreign Exchange dealing on Motijheel, Federation and Dhanmondi Branches as on the position of 31.12.2011.
- | Recommendations of Bangladesh Bank Inspection on Asset Liability Management on Head Office and Gulshan Branches as on the position of 30.06.2012.
- | Status of Compliance on irregularities and lapses/errors and omissions observed in Internal Audit & Inspection Reports of 48 (Forty Eight) Branches conducted for the Quarter ended on 31.03.2012 and 30.06.2012.
- | Summary Report on the findings of Audit & Inspection of Branches of the Bank conducted by Audit & Inspection Department of ICC during the year 2011.
- | Statement of fraud and forgeries occurred in the Bank upto 31.03.2012.
- | Format on Brief Highlights of Internal Audit & Inspection Report of the Branches.
- | Disposal of 63(sixty three) Execution Cases under Centralized System of Law and Legal Affairs Division.
- | Branch-wise Recovery Position of Non-Performing Loans (NPL) upto April, 2012.
- | Recommendations of Bangladesh Bank Special Inspection Report on i) Foreign Exchange Risk Management, ii) Credit Risk Management, iii) Consumer Financing, iv) Internal Control & Compliance and v) ICT Security as on the position of 30.06.2011.
- | Highlights from Bangladesh Bank Comprehensive Inspection Report on Motijheel Branch of the Bank.
- | 26th Comprehensive Bangladesh Bank Inspection Report on the Bank as on the position of 31.03.2011.
- | Fraudulent withdrawal of Tk.13.70 lac from the Savings Deposit A/C No. 3046223371-031 of Mr. Mohammad Shawakat Ali maintained with Moulvibazar (Dist) Branch through transferring to SB A/C No. 1006-366519-031 of Mr. Nazmul Hasan maintained with Dhanmondi Branch.
- | Fraudulent withdrawal of money amounting to Tk.74.71 lac by depositing cheques in the name of Dhaka Printers & Cartons Ltd. into the account of M/s. Dhaka Printers & Cartons, a proprietorship firm bearing no. 1001-375442-001 at Motijheel Branch
- | Un-audited Accounts for the first quarter ended on 31.03.2012.
- | Summary report on findings of Audit & Inspection of the Branches of the Bank conducted by Audit & Inspection Department of ICC during the year 2011.
- | Auditors' Report and Audited Financial Statements for the year ended 31st December, 2011.
- | Management Report on the Financial Statements of the Bank for the year 2011.
- | Draft Directors' Report-2011.
- | Presentation on Improvement in Auditing System of the Bank.
- | Proposed Agenda for Meetings of the Audit Committee to be held during the month from January to December, 2012.
- | Brief Highlights on Audit & Inspection Reports of Stock Exchange, Fatikchari, Sreemongal, Shantinagar, Belkuchi, Pabna and Shariatpur Branches conducted by Internal Control & Compliance Division.
- | Brief Highlights on Audit & Inspection Report of Head Office Divisions/ Departments conducted by Internal Control & Compliance Division.
- | Highlights from Bangladesh Bank Inspection Report on Foreign Exchange Business & Transactions of Head Office, Agrabad, Terri Bazar and Comprehensive Inspection Reports of Shah Amanat Market, Benapole, Noapara, Boro Bazar and Mymensingh Branches.
- | Statement of fraud & forgeries occurred in the Bank upto 31.12.2011.
- | Risk Based Internal Audit & Inspection Plan of the Bank for the year 2012.
- | Issuance of Circular on High Risk/Major Irregularities/Lapses.
- | Branch-wise Recovery position of Non-Performing Loans (NPL) for the year 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 2012.



Syed Anisul Huq
Chairman, Audit Committee

*Certificate on
Compliances of Conditions of the
Corporate Governance Guidelines
to the Shareholders of IFIC Bank Limited*

We have examined the compliances of conditions of The Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by IFIC Bank Limited (the "Bank") as stipulated in clause 7(i) of BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.

The compliances of conditions of The Corporate Governance Guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the Bank's Management. Our examination for the purpose of issuing this certification is limited to the checking of procedures and implementations thereof, adopted by the Bank for ensuring the compliance of conditions of Corporate Governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

To the best of our information and according to the explanations given to us, we certify that, except as reported on the attached status of compliance statement, the bank has complied with the conditions of Corporate Governance stipulated in the above mentioned BSEC notification dated 7 August 2012.

Howladar Yunus & Co.
Howladar Yunus & Co.
Chartered Accountants

Dated: March 28, 2013
Dhaka

Compliance Report on BSEC Notification

Condition No.	Title	Compliance Status		Explanation for non-compliance with the condition
		Complied	Non complied	
1.00	Board of Directors			
1.1	Board's Size	√		
1.2	Independent Directors			
1.2(i)	No. of Independent Directors	√		
1.2(ii) a)	Holding of shares by Independent Directors	√		
1.2 (ii) b)	Non-connection of Independent Directors with Bank's sponsors/directors/shareholders	√		
1.2 (ii) c)	Non-relationship of Independent Directors with the company or its subsidiary/associated companies.	√		
1.2 (ii) d)	Non-association of Independent Directors with any Stock Exchange.	√		
1.2 (ii) e)	Non-association of Independent Directors with any member of Stock Exchange/intermediary of Capital Market.	√		
1.2 (ii) f)	Non-association of Independent Directors with Bank's statutory Audit Firm	√		
1.2 (ii) g)	Independent Directorship in not more than 03 (three) listed companies.	√		
1.2 (ii) h)	Non-conviction by the Court as a defaulter.	√		
1.2 (ii) i)	Non-conviction for a criminal offence involving moral turpitude.	√		
1.2 (iii)	Appointment of Independent Directors	√		
1.2 (iv)	Vacancy in the post of Independent Directors	√		
1.2 (v)	Code of Conduct of Board Members and its compliance	√		
1.2 (vi)	Tenure of Office of Independent Directors	√		
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Knowledge base of Independent Director	√		
1.3 (ii)	Qualification and experience of Independent Director	√		
1.3 (iii)	Relaxation of qualification of Independent Director			Not applicable
1.4	Chairman of the Board and Chief Executive Officer	√		
1.5	The Directors' Report to Shareholders			
1.5 (i)	Industry outlook.	√		
1.5 (ii)	Segment-wise or product-wise performance.	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on COGS, Gross Profit Margin and Net Profit Margin	√		
1.5 (v)	Discussion on continuity of any extra-ordinary gain/loss	√		
1.5 (vi)	Basis for related party transactions.	√		
1.5 (vii)	Utilization of proceeds from public/rights issues/other instruments.	√		
1.5 (viii)	Explanation when financial results deteriorate after IPO, RPO, Rights Offer, Direct Listing, etc.	√		
1.5 (ix)	Explanation about the variance in quarterly and annual financial statements.	√		
1.5 (x)	Remuneration to Directors including Independent Directors.	√		
1.5 (xi)	The financial statements present fairly the state of affairs, result of operations, cash flows and changes in equity of the Bank.	√		
1.5 (xii)	Proper books of account of the Bank are maintained.	√		

Condition No.	Title	Compliance Status		Explanation for non-compliance with the condition
		Complied	Non complied	
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of financial statements and the accounting estimates are based on reasonable and prudent judgment.	√		
1.5 (xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed.	√		
1.5 (xv)	The system of Internal Control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	There are no significant doubts upon the Bank's ability to continue as a going concern.	√		
1.5 (xvii)	Explanation regarding significant deviations from last years operating results.	√		
1.5 (xviii)	Summary of key operating and financial data of preceding 05 (five) years.	√		
1.5 (xix)	Reasons for not declaring dividend for the year.			Not applicable
1.5 (xx)	Disclosure on no. of Board Meetings held during the year and attendance by each Director.	√		
1.5 (xxi) a)	Disclosure on no. of shares held by parent/ subsidiary/associated companies and other related parties	√		
1.5 (xxi) b)	Disclosure on no. of shares held by Directors, CEO, CS, CFO, Head of Internal Audit and their spouses and minor children.	√		
1.5 (xxi) c)	Disclosure on no. of shares held by Executives.	√		
1.5 (xxi) d)	Disclosure on no. of shares held by the shareholders holding 10% or more voting interest in the Bank.	√		
1.5 (xxii) a)	Brief resume of the director	√		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas.	√		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
2.00	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)	√		
2.1	Appointment	√		
2.2	Requirement to attend the Board Meetings	√		
3.00	Audit Committee			
3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		

Condition No.	Title	Compliance Status		Explanation for non-compliance with the condition
		Complied	Non complied	
3.1(iv)	Filling-up the vacancy of the Audit Committee	√		
3.1(v)	The Company Secretary shall act as the Secretary of the Committee.	√		
3.1(vi)	The quorum of the Audit Committee Meeting shall not constitute without at least 1 (one) Independent Director.	√		
3.2	Chairman of the Audit Committee.			
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be the Chairman of the Audit Committee, who shall be an independent director	√		
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)			Shall be invited to remain present in the 36th AGM.
3.3	Role of the Audit Committee			
3.3(i)	Oversee the financial reporting process.	√		
3.3(ii)	Monitor choice of accounting policies and principles	√		
3.3(iii)	Monitor Internal Control Risk Management process	√		
3.3(iv)	Oversee hiring and performance of external auditors.	√		
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
3.3(vi)	Review along with the management, the quarterly and half yearly financial statement before submission to the Board for approval.	√		
3.3(vii)	Review the adequacy of internal audit function.	√		
3.3(viii)	Review statement of significant related party transactions submitted by the management.	√		
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	√		
3.3(x)	Disclosure to the Committee regarding uses/ application of funds by major category in case of raising of fund through IPO/RPO/ Rights Issue.			Not applicable.
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1(ii) a)	The Audit Committee shall immediately report to the Board of Directors on report on conflicts of interests;	√		
3.4.1(ii) b)	The Audit Committee shall immediately report to the Board of Directors on suspected or presumed fraud or irregularity or material defect in the internal control system	√		
3.4.1(ii) c)	The Audit Committee shall immediately report to the Board of Directors on suspected infringement of laws, including securities related laws, rules and regulations;	√		
3.4.1(ii) d)	The Audit Committee shall immediately report to the Board of Directors on any other matter which shall be disclosed to the Board of Directors immediately.	√		
3.4.2	Reporting to the Authorities			No such event took place.
3.5	Reporting to the Shareholders and General Investors.	√		
4.	External/Statutory Auditors			
4 (i)	Appraisal or valuation services or fairness opinions.	√		
4 (ii)	Financial information systems design and implementation.	√		

Condition No.	Title	Compliance Status		Explanation for non-compliance with the condition
		Complied	Non complied	
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	√		
4 (iv)	Broker-dealer services.	√		
4 (v)	Actuarial services.	√		
4 (vi)	Internal audit services	√		
4 (vii)	Any other services that the Audit Committee determines.	√		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
5	Subsidiary Company			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	√		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	√		
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
6.00	Duties of Chief Executive Officer(CEO) and Chief Financial Officer(CFO)			
6 (i) a)	Certification regarding review of financial statements for the year to the effect that these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
6 (i) b)	Certification regarding review of financial statements for the year to the effect that these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6 (ii)	Certification to the effect that there are, to the best of knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal, or violation of the Bank's code of conduct.	√		
7.00	Reporting and compliance of corporate Governance			
7 (i)	The company shall obtain a certificate from the practicing Professional Accountant/ Secretary (Chartered Accountant/Cost and Management Accounting/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√		

**Compliance of Section 1.5 (xx) of Notification No.
BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012**

Board meetings held during 2012 and attendance by each Director

Sl. No.	Name of the Director	No. of Meetings held	No. of Meeting attended	Remarks
1.	Mr. Salman F Rahman	30	26	The Directors who could not attend any meeting were granted leave of absence.
2.	Mr. Mohammad Lutfar Rahman	30	25	
3.	Mr. Aminur Rahman (Upto 21.05.2012)	12	8	
4.	Mr. Syed Anisul Huq	24	19	
5.	Mr. Mohammed Nayem Syed	24	3	
6.	Mr. Anwaruzzaman Chowdhury (Upto 21.05.2012)	12	1	
7.	Mr. Monirul Islam	30	30	
8.	Mr. Mahmudul Huq Bhuiyan (Upto 19.06.2012)	14	14	
9.	Mr. Arastoo Khan (Upto 23.08.2012)	19	10	
10.	Mr. Syed Monjurul Islam (Upto 13.11.2012)	25	22	
11.	Dr. Mohammad Ali Khan, ndc (Upto 19.06.2012)	14	13	
12.	Mr. Jalal Ahmed (Since 13.11.2012)	5	4	
13.	Mr. A.R.M. Nazmus Sakib (Since 18.07.2012)	16	13	
14.	Mr. Arijit Chowdhury (Since 18.07.2012)	16	15	

Compliance of Section 1.5 (xxi) : The pattern of Shareholding as on 31.12.2012

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	* 6,922,900	Mrs. Syeda Rubaba Rahman	* 2,382,687
02.	Mr. Mohammad Lutfar Rahman	9,792,475	Mrs. Shoma Alam Rahman	1,05,89,686
03.	Mr. Monirul Islam	Nil	Mrs. Rifat Sultana	Nil
04.	Mr. Syed Anisul Huq	Nil	Mrs. Nasreen Huq	Nil
05.	Mr. Mohammed Nayem Syed	Nil	Mrs. Fatima Syed	Nil
06.	Mr. A.R. M. Nazmus Sakib**	Nil	Mrs. Fetematuj Jahera	Nil
07.	Mr. Jalal Ahmed**	Nil	Mrs. Farah Diba Ahmed	Nil
08.	Mr. Arijit Chowdhury**	Nil	Mrs. Sangita Chowdhury	Nil

* The ownership of 6,875,775 nos. shares of Mr. Salman F Rahman and 2,382,687 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 against its holding of 113,325,525 nos. shares of the Bank.

Managing Director (Chief Executive Officer)	- Mr. M. Shah Alam Sarwar	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	1,675

Shareholders holding ten percent (10%) or more voting interest in the Company : Govt. of the People's Republic of Bangladesh holds 113,325,525 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 2011, IFIC Bank Limited declared 25% Stock Dividend and 5% Cash Dividend for its shareholders. The announcement was made at the 35th Annual General Meeting of the Bank held on Wednesday, July 11, 2012 at Bashundhara Convention Centre-2, 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-2011 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.

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.

In the 2nd phase, the bank has formulated sector specific environmental policies to protect environmental degradation, improved In-House Environment Management, Environmental Risk Management and disclosed reporting of Green Banking activities.

Environmental and Climate Change Risk have also been incorporated in the existing credit risk methodology for assessing prospective borrowers. Environmental Risk Rating System has been introduced and 1184 number of borrowers have been rated during 2012 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. Solar energy system has been set up at 4(four) branches.

The Bank has allocated a budget of Tk.262 crore which includes Green Financing, Climate Risk Fund & Marketing/Training/Capacity Building for the year 2012. and Tk.219.50 crore has been utilized for Green Finance. Some other issues like introducing Green Products, Green Marketing, mobile banking, supporting employee training & consumer awareness building relating to Green Banking activities are going on/under process.

Corporate Social Responsibility



CSR: A Cornerstone of IFIC Bank

IFIC Bank undertook a good number of programmes in the field of Corporate Social Responsibility (CSR) in order to address the needs of common people for making a positive and meaningful contribution to the society.

01. Contribution of Tk 2.00 Crore to PM's Relief Fund



Buddhists temples and adjoining communities were affected by mob attack at Ramu in Cox's Bazar last year. The Bank contributed Tk 2.00 crore to the 'Prime Minister's Relief Fund' for the financial assistance to affected Buddhists at Ramu.

02. IFIC Bank Literary Award-2011



IFIC Bank introduced the IFIC Literary Award to promote and patronize creative writing in Bengali language. Two writers named Mr. Syed Shamsul Haque & Mr. Faruq Mainuddin were selected for the award last year. Each of them received Tk 5.00 lac along with a crest and a certificate. Information Minister Mr. Hasanul Huq Inu MP was the Chief Guest while Governor of Bangladesh Bank Dr. Atiur Rahman and FBCCI President Kazi Akramuddin Ahmed was Special Guests in the function.

03. Contribution of Tk 16.00 Lac to ATN News for beautification of Karwan Bazar Underpass



IFIC Bank contributed **Tk 16.00 Lac** to ATN News for the renovation and beautification of Karwan Bazar underpass, which was renamed as Projapoti Guha (butterfly cave). ATN News received the permission from Dhaka City Corporation for the maintenance of the underpass. After completion of the project, the environment and aesthetic beauty of the area improved significantly. Among others, State Minister for LGRD Mr. Jahangir Kabir Nanok MP and Chairman of Executive of the Board of IFIC Bank Mr. Mohammad Lutfar Rahman joined the inauguration ceremony.

04. Donation of Tk 30.00 Lac to form the biggest-ever Trust Fund in Dhaka University



Dhaka University is the largest public university in Bangladesh. Around 33,000 students are studying in 71 different departments under 13 faculties. Most of the students of this university are poor, but meritorious. The Bank provided a donation of Tk 30.00 lac to form the 'IFIC Bank Trust Fund' in Dhaka University. From the interest of the fund, every year a certain member of stipends and/or research grants will be provided to the deserving students or teachers.

05. Contribution of Tk 1.00 Crore for Bangladesh Games 2013



Managing Director & CEO of IFIC Bank Mr. Shah A Sarwar handed over a cheque of Tk 1.00 Crore to Honourable Finance Minister Mr. AMA Muhit MP at his office. The Bank contributed the money for organizing the upcoming 8th Bangladesh Games -2013.

06. Contribution of Tk 25 Lac for a documentary & publication on Liberation War



Chairman of IFIC Bank Mr. Salman F Rahman handed over a cheque of Tk 25.00 Lac to GOC of 66 Infantry Division & Area Commander of Rangpur Cantonment Major General Md. Salahuddin Miaji, psc at a ceremony at Rangpur Cantonment. Managing Director and CEO of IFIC Bank Mr. Shah A Sarwar was also present at the ceremony.

07. Donation of Tk 35.00 Lac for the treatment of HIV/AIDS patients in Chittagong



Hope Care Centre is a non-profit voluntary clinical care centre for HIV/AIDS patients in Chittagong. More than 300 HIV positive patients are getting treatment from the centre free of cost. The authority of the Centre requested the Bank to donate Tk 35.00 lac for establishing the lab. The Bank responded positively to their request by providing Tk 35.00 Lac.

08. Distribution of blankets among the cold-hit people



During the severe cold wave from November 2011 to January 2012, IFIC Bank distributed blankets among the poorest people in different districts through our branches as a part of our CSR activities. The Bank spent significant amount of money for this purpose.

09. Contribution of Tk 41.00 Lac to National Shooting Federation, Bangladesh



National Shooting Federation, Bangladesh is one of the most celebrated sport organisations which earned many prestigious awards & medals for the country in the highest international sports event like Commonwealth Games and Asian Games. Under a memorandum of understanding (MoU), the Bank sponsored their various events in the year 2012 with Tk 41.00 Lac.

10. Contribution of Tk 5.00 Lac to Biswashahitya Kendra



Biswashahitya Kendra is a reputed institution. They are performing various educational activities for the last 32 years all over the country. Last year, they initiated some new activities. Country-Specific Excellence Program is one of the most important activities. IFIC Bank sponsored the said program with Tk 5.00 lac.

11. Donation Tk 4.45 Lac to Medical & Health Welfare Trust



Medical College for Women & Hospital, a first generation medical institution for women, was established in 1992 under supervision of the Medical & Health Welfare Trust. All activities of this Trust are dedicated to welfare of people. Considering the importance of its activities, the Bank donated Tk 4.45 Lac to purchase a scanner machine for medical purposes.

12. Contribution of Tk 50.00 lac to 'PROYASH'

'PROYASH' is an institute for children with special needs and disability. This institute is being run under the patronization of Bangladesh Army for the well-being of autistic and disabled children. The main focus of its activities is to train and educate those children, empower and rehabilitate them in the society. Considering the importance of their activities, IFIC Bank contributed Tk 50.00 lac in favour of 'PROYASH'.

13. Contribution of Tk 2.00 lac to BAB for 'Special Olympic for Autistic'

Bangladesh Association of Banks (BAB) supported the 'Special Olympic for Autistic' in 2012. IFIC Bank contributed Tk 2.00 lac to Bangladesh Association of Banks for sponsoring the programme.

14. Donation of Tk 1.00 Lac to Bangladesh Bannya Prani Seba Foundation

Bangladesh Bannya Prani Seba Foundation is a Sylhet based local animal rescue centre. The Foundation is also working to protect the wild animals in the region. But its activities hampered due to shortage of funds. Like other commercial banks, IFIC Bank also donated Tk 1.00 Lac for implementing its activities.

Employee Compensation & Benefits

The current competitive conditions in the banking industry in Bangladesh make it difficult to acquire and retain the top talents. The Salary & Benefits strategy is extremely important part of the overall HR Strategy to keep the company competitive and successful. On the other hand, the Salary & Benefits strategy is important to keep the HR budget under the control and to manage the jobs in the right salary (pay) brackets. The Management of IFIC Bank believes that the excellent Salary and Benefits strategy does not just differentiate the organization from the other organizations on the job markets, it brings the differentiation into the organization as well as the employees and top talents feel their success in their pockets. Considering the strategic importance of an effective pay packages IFIC Bank conduct both formal & informal salary survey and keep its package competitive.

Monthly Gross Salary:

Salary package is designed in such a way that attracts, reward and retain superior employees. Monthly gross salary is designed considering the macro economic factors like Cost of Living expenditure, industry practices, Banks capability etc. Every year the nominal salary is adjusting by COLA so that real salary remained same which in fact ensure the purchasing capacity of the employees.

Pay for Performance:

These programs, sometimes referred to as variable pay programs, generally offer compensation incentives based on employee performance or on the performance of a team. Pay for performance rewards high performance and does not reward mediocre or low performance. Bank has the policy to motivate the real performer by providing very good yearly variable performance Bonus.

Employee Benefits:

Employees today are not willing to work only for the cash alone, they expect 'extra'. This extra is known as employee benefits also known as fringe benefits. IFIC Bank provides a number of benefits to keep the employees motivation level high. The Bank provides Staff House Building Loan, Car Loan with a discounted interest rate so that eligible employees can avail the accommodation and car comfortably. Bank also ensures the medical facilities by providing hospitalization insurance facilities. The group life insurance facilities ensure the social security for employee's family.

Service Benefits:

Bank's compensation and Benefits strategy focuses not only the short term benefits but also the long term benefits. IFIC Bank has contributory Provident Fund, Gratuity Fund, and Welfare Fund. All those facilities are designed in such a way that employees will have a handsome amount of benefits after their retirement to enjoy a decent life with family.

IFIC Bank awards two writers

SPECIAL CORRESPONDENT

DHAKA, DEC 23: Two litterateurs, Syed Shamsul Haque and Faraz Moynuddin, were awarded the IFIC Bank Literary Award 2011 as a function at Hotel Parkson last this evening. They were each given a cheque of five lakh taka and a cash. The award is the highest in the country in terms of amount of money.

IFIC Bank introduced the award under its Corporate Social Responsibility (CSR) program. This is the inaugural year for the prize and the bank authority said they would continue to support literary activities.



IFIC Bank opens branch at Konapara in Demra

BUSINESS DESK

IFIC Bank Limited opened its 105th branch at Konapara in Demra on Monday with an aim to bring the state-of-the-art and customer-oriented services to the area.



Mohammad Lutfar Rahman, Chairman of the Board of Directors of IFIC Bank, is seen cutting the ribbon at the inauguration of the 105th branch of the bank at Konapara in Matuail under the Demra thana Monday.



IFIC Bank managing director Mohammad Abdullah from chief guest and finance minister Abul Moul Abdul Muhit during the 12th ICAB National Award giving ceremony for 'Best Presented Annual Reports 2011' held at a city hotel recently. Commerce minister GM Quader was present, among others.



Barrister Rafiqul Haque inaugurating the 102nd branch in Kaliakoir under Gazipur district. Managing Director Abdullah, among others, was present on the occasion.



রাজধানীতে আইএফআইসি ব্যাংকের কনটাক্ট সেন্টার উদ্বোধন

নির্বাহী প্রতিবেদক

রাজধানীর প্রগতি সরণির এজে আইসিএ পলকলে সোমবার আইএফআইসি ব্যাংকের কনটাক্ট সেন্টার উদ্বোধন করা হয়। এদিন দুইটি প্রধান অতিথিগত ভূমিকা পালন করেছেন। ব্যাংকের উপপরিচালক (বিজনেস) খতি-উল হাসান, উপপরিচালক (অপারেশন) ডায়াকার হাসানসহ উল্লেখিত কর্মকর্তারা এ সময় উপস্থিত ছিলেন। এ সেন্টারে সেক্ষেত্রে ফোন থেকে ১৬২৫৫ অথবা ০৪৪৭২০, ১৬২৫৫ নম্বরে কল করে যেকোনো সময় অ্যাকাউন্ট, কার্ড, লোনসম্পর্কিত তথ্য, শাখা ও এটিএম বুকের অবস্থান, ব্যাংক ট্রেজারি, বিশেষ মুদ্রার কেনাকাটার নামসহ ব্যাংকিং সম্পর্কে অনুসন্ধান ও পরামর্শ নিতে পারবেন গ্রাহকরা। অনুষ্ঠানে খতি-উল হাসান বলেন, আইএফআইসি ব্যাংকের সেবা বহুমুখীকরণ হচ্ছে। এ লক্ষ্যে স্ট্রিক্ট সেন্টার প্রতিষ্ঠা করা হয়েছে। গ্রাহকদের স্বার্থের জন্য ভবিষ্যতে নতুন নতুন সেবা করা হবে।



INDUCTION PROGRAM IN MANAGEMENT TRAINEE (13th BATCH)

Mohammad Abdullah, Managing Director of IFIC Bank is seen among the Dhaka Sunday.



Deputy Managing Director (Business) of IFIC Bank Mufid Hossain handing over a cheque for Tk 2.5 million to President of Society for AIDS Care and Support, Bangladesh Dr AQIR Sirajul Islam in Chittagong recently for the free treatment of AIDS patients. Senior officials of both the organisations were present on the occasion.

এই ব্যাংকটিতে চাকরি গ্রহণে সক্ষম হবে। এতে প্রয়োজনীয় প্রযুক্তি ও যন্ত্রপাতিসহ প্রশিক্ষিত ও অভিজ্ঞ স্টাফকে নিয়োগ হয়েছে, যাতে উন্নত সেবা দেয়া যায়।

IFIC Bank poses with participants of an induction program at its training institute in Dhaka on Sunday. Managing Director, was also present.



Handing over of Tk 70.00 Lac to Dhaka University for...
 Vice Chancellor of Dhaka University (DU) Dr A A M S Arefin Siddique received a ceremonial check from IFIC Bank Chairman of EC of IFIC Bank Mohammad Lutfar Rahman, Managing Director of Board of Directors Syed Anisul Huq and Monirul Islam to form the big...



... Mohammad Lutfar Rahman, chairman of executive committee of IFIC Bank, inaugurates its 104th branch in Dhaka yesterday. Mohammad Abdullah, Managing Director, was also present.

IFIC gets new MD

STAR BUSINESS DESK

Shah A Sarwar has joined IFIC Bank Ltd as its managing director, the bank said in a statement yesterday. He was serving as the managing director of Trust Bank Ltd prior to this appointment. Sarwar started his career as management trainee at ANZ Grindlays Bank in 1987 and has since worked with Standard Chartered Bank, American Express Bank and United Commercial Bank Ltd. He has also served as managing director and chief executive officer of Industrial Promotion & Development Company Bangladesh Ltd and Premier Bank.



Shah A Sarwar



IFIC Bank managing director Mohammad Abdullah and Manikganj municipal mayor Mohammad Ramzan Ali, among other guests, are seen at the inaugural ceremony of the bank's 103rd branch at sadar upazila in Manikganj on Sunday.



Deputy Managing Director (Business) of IFIC Bank Abdul Hameed handing over a cheque for Tk 2.5 million to President of Society for AIDS Care with Support, Bangladesh Dr AGM Saikat Hossain in Chittagong recently for the 2nd 'Treatment of AIDS Patients' Seminar...



আইএফআইসি ব্যাংকে এগ্রি ফাইন্যান্সিং বিষয়ে কর্মশালা

আইএফআইসি ব্যাংক ট্রেনিং ইন্সটিটিউট কর্তৃক আয়োজিত 'এগ্রি ফাইন্যান্সিং' বিষয়ক কর্মশালায় ব্যাংকের উপ-ব্যবস্থাপনা পরিচালক (বিজনেস) মতি-উল-হাসান উদ্বোধনী বক্তৃতা প্রদান করছেন। ছবিতে মোঃ মনিরুল ইসলাম, এফভিপি এবং হেড অব এমএসএমই, মোঃ শাহ আলম ভূইয়া, এসএভিপি এবং এ. কে. মনির রহমান, এসএভিপি-কে দেখা যাচ্ছে।



Wakar Hasan, Deputy Managing Director (Operations) of IFIC Bank, is seen with the participants of a training programme. Saroja Koirala, Managing Partner of SENSEI International conducted the programme. HRM Division recently organised the programme on 'Continuous improvement for its future leaders at BRAC CDM, Rajendrapur.



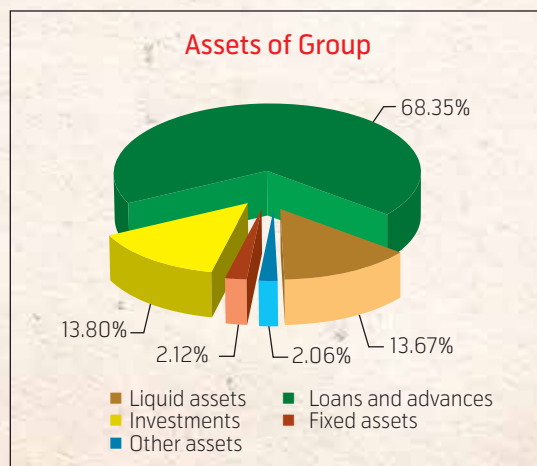
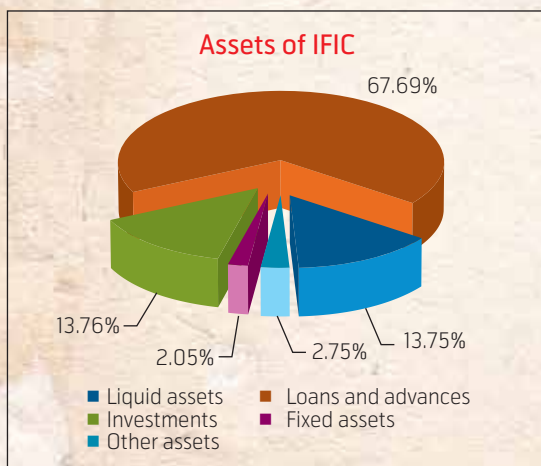
Participants of a training workshop seen with Deputy Managing Director of IFIC Bank Wakar Hasan. The workshop on Relationship Management & Key Account Development was organised recently in the city in collaboration with TACK International, UK.

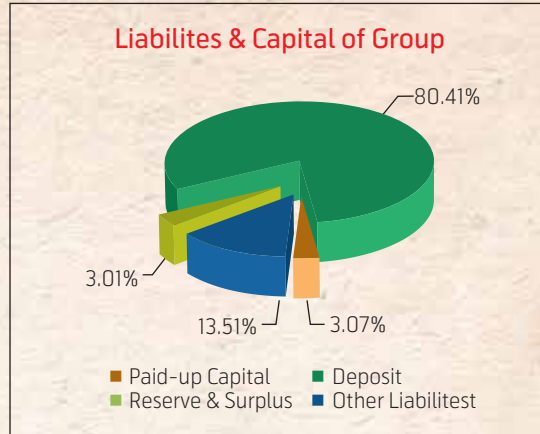
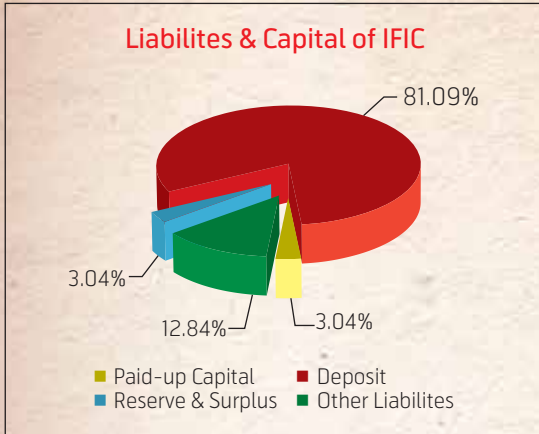
Shareholders' Information

Financial Highlights - Group

Taka in million

	IFIC Bank Limited			Group		
	2012	2011	Change	2012	2011	Change
Performance during the year						
Interest income	10,443	6,696	56%	10,520	6,798	55%
Profit before provision and tax	2,707	2,718	-0.40%	2,828	2,878	-1.74%
Provision for loans and assets	1,317	857	54%	1,366	882	55%
Profit after provision before tax	1,390	1,862	-25%	1,462	1,996	-27%
Tax including deferred tax	1,002	1,114	-10%	1,046	1,164	-10%
Profit after tax	388	748	-48%	417	832	-50%
At the year end						
Total shareholders' equity	6,867	6,602	4%	6,980	6,686	4%
Deposits	92,433	73,106	26%	92,291	73,042	26%
Loans and advances	77,160	64,641	19%	78,446	65,428	20%
Investments	15,671	12,199	28%	15,836	12,372	28%
Property, plant and equipment	2,342	2,204	6%	2,368	2,215	7%
Total assets	113,995	91,541	25%	114,773	91,797	25%
Statutory Ratios (%)						
Capital adequacy ratio	10.18	10.01	2%	10.21	10.13	1%
Share Information						
Earnings Per Share in Taka (Restated for 2011)	1.12	2.16	-48%	1.20	2.40	-50%
Dividend (%) (Recommended for the year 2012)	10	30	-67%	10	30	-67%
Net Assets Value (NAV) per share (Taka)	19.85	23.85	-16%	20.32	24.15	-16%

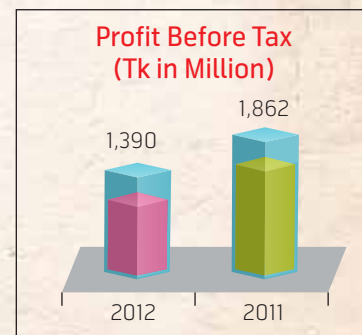
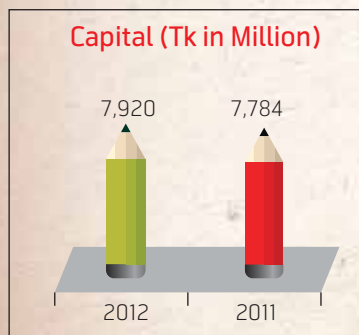




Financial Highlights-IFIC

Taka in million

	2012	2011
Gross revenue	13,991	10,244
Operating income	6,354	5,589
Profit after tax	388	748
Total capital	7,920	7,784
Total deposits	92,433	73,106
Total loans & advances	77,160	64,641
Total assets	113,995	91,541
Return on assets (%)	0.38%	0.93%
Return on equity (%)	5.76%	11.36%
Capital adequacy ratio (%)	10.18%	10.01%
No. of Employees	2,422	2,383
No. of Branches	106	99
No. of SME Centers	2	2
Credit Rating	2011	2010
Long-term	AA2	AA3
Short-term	ST-2	ST-2



Key financial data & indicators

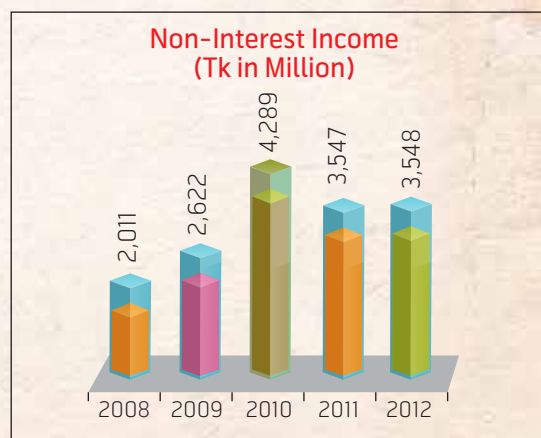
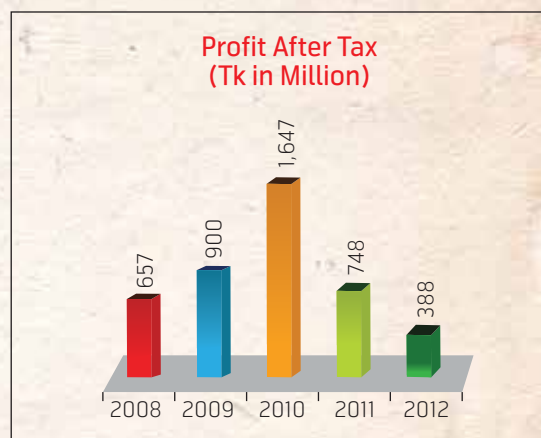
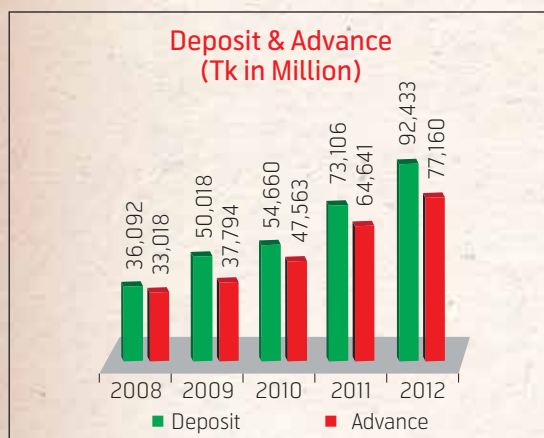
Taka in million

Particulars	2008	2009	2010	2011	2012
Interest income	3,515	3,872	4,641	6,696	10,443
Interest expenses	2,347	2,770	2,565	4,655	7,637
Net interest income	1,168	1,102	2,076	2,041	2,806
Non-interest income	2,011	2,622	4,280	3,547	3,548
Non-interest expenses	1,557	1,765	2,529	2,870	3,647
Net non-interest income	454	857	1,751	677	-99
Profit before provision and tax	1,622	1,960	3,827	2,718	2,707
Provision for loans and assets	305	310	660	857	1,317
Profit after provision before tax	1,317	1,650	3,167	1,862	1,390
Tax including deferred tax	660	750	1,520	1,114	1,002
Profit after tax	657	900	1,647	748	388
Balance Sheet					
Authorized capital	1,600	5,350	5,350	5,350	20,000
Paid-up capital	1,341	1,744	2,180	2,768	3,460
Total shareholders' equity	3,797	4,197	5,748	6,602	6,867
Deposits	36,092	50,018	54,660	73,106	92,433
Loans and advances	33,018	37,794	47,563	64,641	77,160
Investments	5,230	9,083	8,835	12,199	15,671
Property, Plant and Equipment	511	616	2,060	2,204	2,342
Earning assets	39,767	54,405	58,896	78,767	97,278
Total assets	45,729	62,902	69,565	91,541	113,995
Other Business					
Import	50,337	43,717	62,467	71,517	80,710
Export	66,557	54,244	55,981	83,846	84,147
Remittance	12,277	13,145	13,455	12,724	14,305
Guarantee Business	2,292	3,683	4,338	4,428	5,329
Capital Measures					
Total risk weighted assets					
Core capital (Tier-I)	3,145	4,045	5,737	6,569	6,735
Supplementary capital (Tier-II)	648	884	976	1,215	1,185
Total capital	3,793	4,929	6,714	7,784	7,920
Tier-I capital ratio	10.28%	11.07%	8.36%	8.55%	8.66%
Tier-II capital ratio	2.12%	2.42%	1.42%	1.58%	1.52%
Total capital ratio	12.40%	13.49%	9.78%	10.13%	10.18%
Credit Quality					
Non-performing loans (NPLs)	1,953	2,320	2,264	2,578	4,096
NPLs to total loans and advances	5.92%	6.14%	4.76%	4.06%	5.31%
Provision for unclassified loans	416	511	614	793	753
Provision for classified loans	652	952	1,323	1,002	2,210

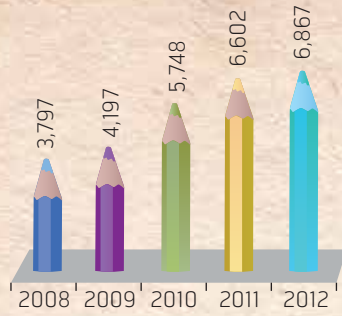
Key financial data & indicators

Taka in million

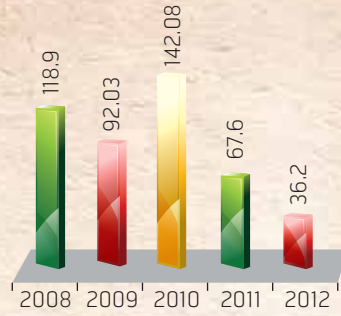
Particulars	2008	2009	2010	2011	2012
Share Information					
Market Price per share (Taka) as on close of the year at DSE (Face value of Tk.10 per share considered for every year)	118.90	92.03	142.08	67.60	36.20
No. of shares outstanding (Million) (Face value of Tk.10 per share considered for every year)	134.14	174.39	217.98	276.84	346.05
No. of shareholders (Actual)	31,915	34,152	37,773	38,007	40,295
Earnings Per Share (Basic) in Taka (Face value of Tk.10 per share considered for every year)	4.90	5.16	7.63	2.58	1.12
Dividend:					
Cash	-	-	-	5%	-
Stock (Recommended for the year 2012)	30%	25%	27%	25%	10%
Dividend Payout Ratio (%)	61.22	48.45	35.39	116.28	89.29
Market Capitalization (At close of the year)	15,946	16,048	30,970	18,714	12,527
Net Asset Value per share (Taka) (Face value of Tk.10 per share considered for every year)	23.83	24.07	26.37	23.85	19.85
Price Earnings Ratio (Times)	24.26	17.84	18.81	26.19	32.28



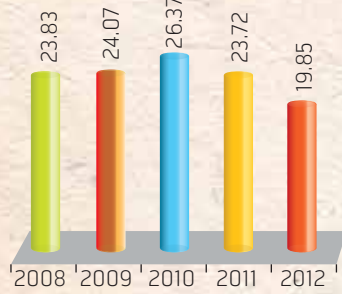
Shareholders' Equity (Tk in Million)



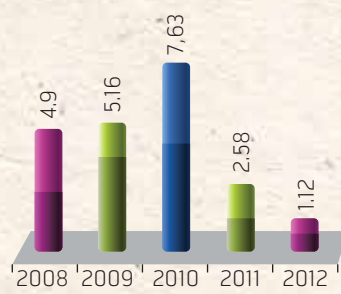
Market Price Per Share (Taka)



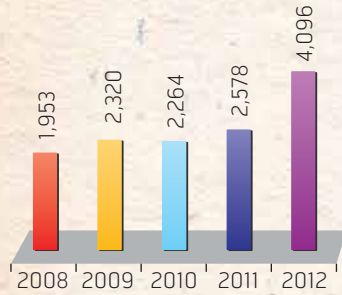
Net asset value per share (Taka)



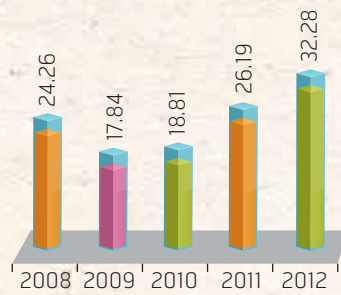
Earning per share (Taka)



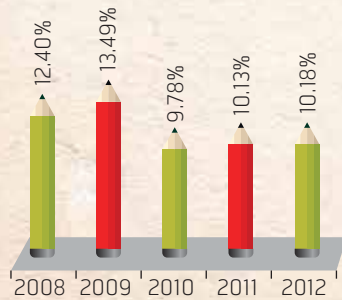
Non-performing loans (Tk in Million)



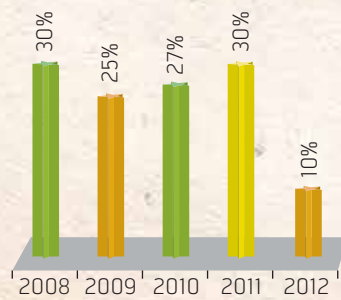
Price earning ratio (Times)



Capital Adequacy Ratio (%)



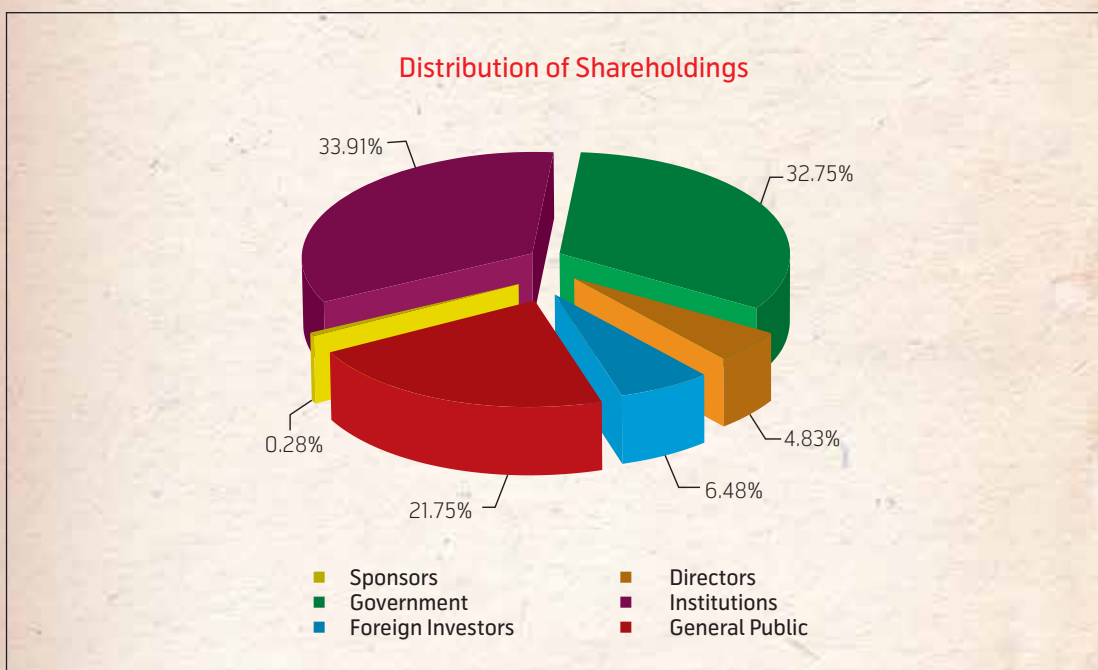
Dividend (%)



Distribution of Shareholdings

As on December 31, 2012 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	22,438,246	6.48
Directors	16,715,375	4.83
Government	113,325,525	32.75
Institutions	117,338,423	33.91
Foreign Investors	955,111	0.28
General Public	75,274,695	21.75
Total	346,047,375	100.00



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	
January'12	72.40	43.60	45.00	35,79,598	70.70	44.00	45.30	2,38,630	38,18,228
February'12	57.60	37.40	57.20	37,54,269	58.30	38.00	57.30	3,84,201	41,38,470
March'12	59.80	46.40	56.30	43,08,170	59.50	47.10	56.60	4,83,810	47,91,980
April'12	75.00	55.20	65.30	1,50,94,659	74.30	55.00	66.70	8,22,200	1,59,16,859
May'12	70.00	43.50	47.90	62,32,192	70.00	43.50	47.30	4,07,770	66,39,962
June'12	50.40	38.00	44.20	24,72,467	52.00	38.60	44.50	2,33,575	27,06,042
July'12	45.00	36.40	36.70	23,92,504	43.10	36.00	36.80	2,60,499	26,53,003
August'12	37.60	31.20	36.60	23,83,883	37.50	31.70	36.40	2,37,306	26,21,189
September'12	43.50	33.00	36.40	1,08,83,656	42.50	33.30	36.60	10,23,479	1,19,07,135
October'12	41.40	34.20	37.30	45,82,706	40.40	34.00	37.00	4,39,696	50,22,402
November'12	38.10	32.60	35.10	24,22,040	38.00	32.70	35.00	2,09,443	26,31,483
December'12	38.00	33.50	36.20	38,05,091	38.00	33.50	36.60	9,11,904	47,16,995

Market Discipline-Pillar-III Disclosure under Basel-II

CAPITAL ADEQUACY UNDER BASEL -II

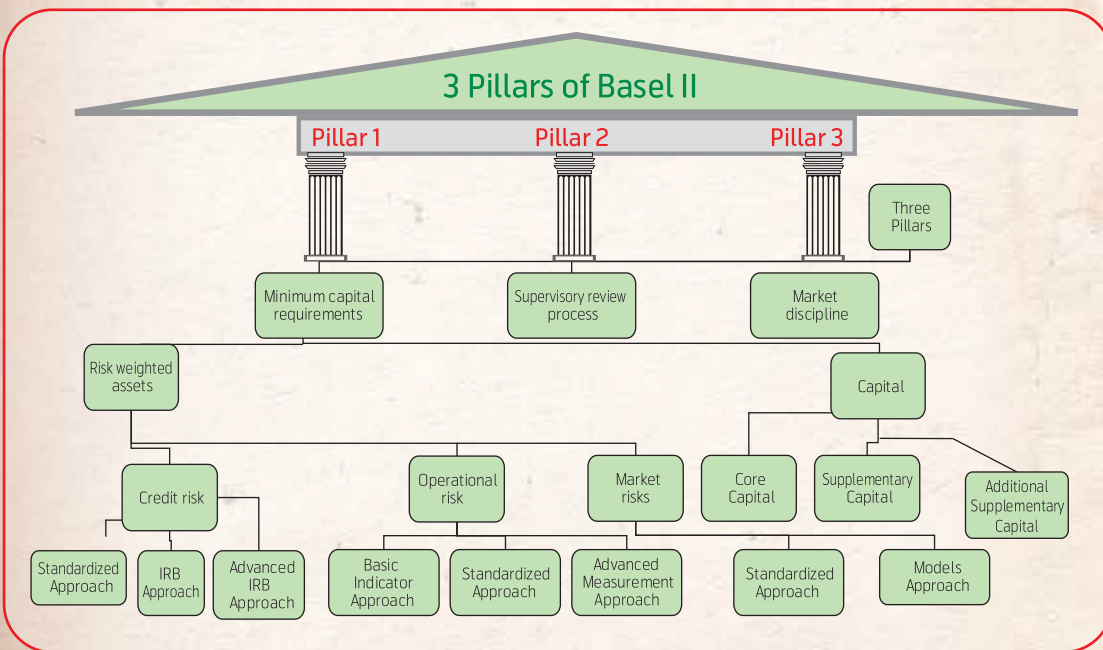
RISK BASED CAPITAL ADEQUACY

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 along with 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 are structured around the following three aspects or pillars:

- i. Minimum Capital Requirement (MCR) is to be maintained by banks to cover credit, market and operational risk as a regulatory requirement.
- ii. 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.
- iii. 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 is categorized under the following three tiers:-

Tier - 1 Capital

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

- 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 includes:

- 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 consists 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;
- 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 Adequacy Ratio (CAR) of 10% of Risk Weighted Assets (RWA) which is derived as follows:-

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

where total RWA is determined by multiplying Capital Charge for Market Risk and Operational Risk by a factor of 10 (reciprocal of the minimum capital adequacy ratio 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

MCR = 10% of Total RWA

- (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

Bank's assets are divided into two parts i.e. Banking Book and Trading Book Assets as per guidelines given by Bangladesh Bank. Credit Risk includes Banking Book Assets both On-Balance Sheet and Off-Balance Sheet.

Bangladesh Bank has advised the banks for assessment of Risk Weighted Assets by using Standardized Approach for Credit risk. According to the Standardized approach, the risk weight of Corporate clients is 125%, if the counterparties are very good rated by the credit rating agency approved by Bangladesh Bank than the Banks would be reduced their capital charge according to the BB rating map. Bangladesh Bank has mapped its risk grading (ranging from 1 to 6) with that of recognized ECAs. 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 probability of loss due to movement of market variables in the Trading Book both balance sheet and off-balance sheet i.e. interest rate, exchange rate and equity price.

Market risks arises 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 consists of both Specific Risk and General Market Risk. Specific risk is applicable for each security, whether it is a long or a short position, and general market risk is applicable for the interest rate risk in the portfolio where long or short positions in different securities or instruments can be offset.

- 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 individual issuer.
- b) The capital requirement for general market risk is designed to capture the risk of loss arising from changes in 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

The capital charge for equities would apply on their current market value in bank's trading book. Capital Charge for Interest Rate Risk consist of both Specific Risk and General Market Risk The capital charge for the specific risk and the general market risk charge will be 10 percent;

Capital Charge for Foreign Exchange Risk

The capital charge for foreign exchange risk would apply only general market risk. Consider the absolute value of sum of the net long position or sum of the net short position whichever is higher regardless of plus & minus sign and capital charge is to be 10 percent of bank's overall foreign exchange exposure.

Capital Charge against Operational Risk

Operational Risk is defined as the probability 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

Three methods for calculating operational risk capital charges i.e. i) Basic Indicator Approach ii) The Standardized approach approaches and iii) Advance Measurement Approach. Operational Risk is to be calculated under the Basic Indicator Approach (BIA) as per instruction of Bangladesh Bank Guidelines. 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 key principle of the supervisory review process (SRP) is that “banks have a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level”. Banks should have an SRP team where risk management unit is an integral part, and a process document (called Internal Capital Adequacy Assessment Process-ICAAP) for assessing their overall risk profile, and a strategy for maintaining adequate capital, to compensate all the risks profile of Bank’s business, and to develop better risk management techniques in monitoring and managing their risks. Supervisory Review Evaluation Process (SREP) of BB will make arrange a dialogue between BB and the bank’s SRP team followed by findings/evaluation of the bank’s ICAAP. During SRP-SREP dialogue, BB will review and determine additional capital to MCR of banks, on the basis of calculation of the following risk :

A) Capital Requirement against Credit, Market and Operational Risk:

Credit Risk + Market Risk + Operational Risk

B) Requirement of additional capital under SRP:

- 1) Residual Risk
- 2) Evaluation of Core Risk management
- 3) Credit concentration risk
- 4) Interest rate risk in the banking book
- 5) Liquidity risk
- 6) Reputation risk
- 7) Settlement risk
- 8) Strategic risk
- 9) Environmental & Climate change risk
- 10) Other material risk

Total Capital Requirement (A+B)

PILLAR 3 – MARKET DISCLOSURE AS OF 31ST DECEMBER 2012

1. Scope of Application

The purpose of Market discipline in the Revised Capital adequacy Framework is to complement the minimum capital requirements and the supervisory review process. The aim of introducing Market discipline in the revised framework is to establish more transparent and more disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets. For the said purpose, banks will develop a set of disclosure containing the key pieces of information on the assets, risk exposures, risk assessment processes, and hence the capital adequacy to meet the risks.

Banks should have a formal disclosure framework as per Bangladesh Bank’s format approved by the Board of Directors of the Bank. Banks should provide all required disclosures in both Qualitative and Quantitative form both in Annual Report as well as Banks respective web sites.

a) Consolidated Banking Book Assets as on 31st December 2012:

Figs in Crore Tk.

Cash & Balance with Bangladesh Bank and agents		805.81
Cash in hand	176.59	
Balance with Bangladesh Bank	572.45	
Balance with Sonali Bank as agents bank	56.78	
Balance with other Banks and financial institutions		349.79
Money at call and short notice		95.00
Investments		938.16
Government securities Held to maturity (HTM)	897.01	
Outside Bangladesh	41.15	
Loans and advances		7,844.63
Staff loan	171.02	
Loans, cash credits, overdrafts, etc.	6,983.59	
Bills purchased and discounted	690.02	
Fixed assets including premises, furniture and fixtures		236.76
Other assets		243.22
Total Banking Book Assets		10,513.37

b) Consolidated Trading Book Assets as on 31.12.2012:

Figs in Crore Tk.

Foreign Currency in Hand		2.75
Foreign Currency held in Bangladesh Bank		149.72
Foreign Currency Balance with banks and financial institutions		166.06
Investment (trading)		645.39
Held for trading (HFT)	234.15	
Shares of listed company	411.25	
Total Trading Book Assets		963.93
Total Banking and Trading Book Assets		11,477.30

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 practices 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 31st December 2012:-

On-Balance Sheet RWA for Credit Risk

Figs in Crore Tk.

Claims on Public Sector Entities (other than Government) in Bangladesh	5.90
Claims on Banks and NBFIs	201.20
Claims on Corporate (excluding equity exposure)	2,084.58
Claims under Credit Risk Mitigation	5.56
Claims categorized as retail portfolio & SME (excluding consumer loan).	871.03
Consumer Loan	64.94
Claims fully secured by residential property	343.72
Claims fully secured by Commercial real estate	816.96
Past Due Claims (Risk weights assigned net of specific provision):	136.78
Capital Market Exposure	342.33
Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	8.33
Investments in premises, plant and equipment and all other fixed assets	236.76
Claims on all fixed assets under operating lease	82.16
All other assets	195.32
Total On-Balance Sheet RWA for Credit Risk	5,395.57
Off-Balance Sheet RWA for Credit Risk	
Claims on Public Sector Entities (other than Government) in Bangladesh	
Claims on Corporate (excluding equity exposure)	363.56
Against retail portfolio & SME (excluding consumer loan)	567.05
Total Off-Balance Sheet RWA for Credit Risk	930.61
Total On-Balance Sheet & Off-Balance Sheet RWA for Credit Risk	6,326.18

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:

	Crore Tk.
Interest rate risk	0.47
Equity risk	67.39
Foreign Exchange position risk	6.06
Total capital charge for Market risk as on 31st December 2012	73.92

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. 80.40 crore.

8. Eligible Regulatory Capital

Tier-I capital of the bank includes Paid-up capital, Statutory reserve, General reserve and Retained earnings. Other components of Tier -I Capital such as Non-repayable share premium account, 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, securities & 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 2012 are provided as under:

Crore Tk.

A.	Tier-I Capital	
	Fully Paid-up Capital	346.05
	Statutory Reserve	283.25
	General Reserve	5.58
	Retained Earnings	49.87
	Total Tier -I Capital	684.75
	Deductions (if any)	
	Total Eligible Tier-I Capital	684.75
B.	Tier -II Capital	
	General Provision	75.33
	Asset Revaluation reserve up to 50%	5.77
	Revaluation Reserve for Securities	0.85
	Provision for Off-Balance Sheet	36.55
	Total Tier -II Capital	118.50
	Deductions (if any)	
	Total Eligible Tier -II Capital	118.50
C.	Total Eligible Capital (Tier -I + Tier -II)	803.25

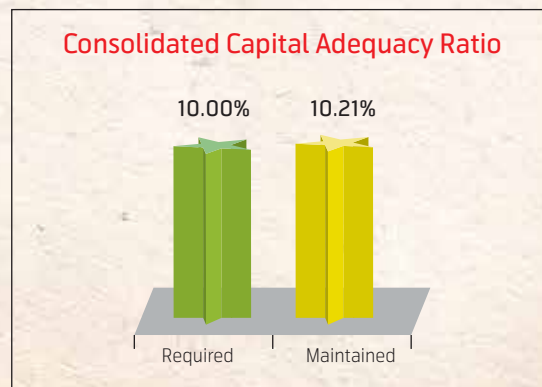
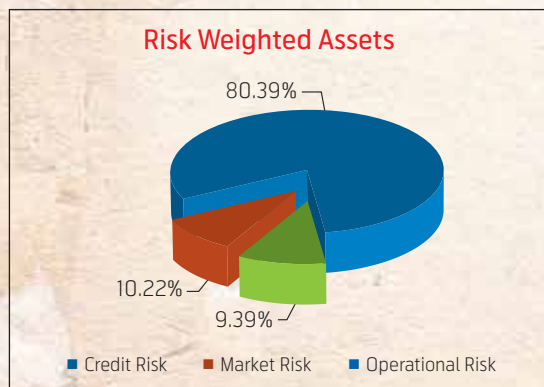
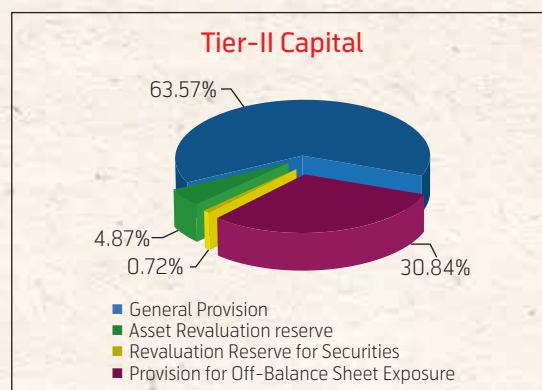
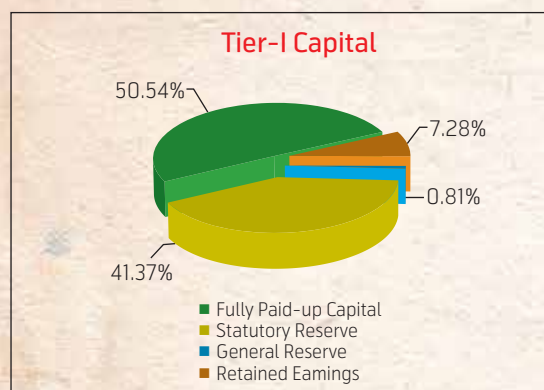
9. Capital Adequacy Ratio

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 is 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 2012 is presented below:

Taka in crore

Sl. No.	Particulars		
A.	Credit Risk		6,326.18
	On-Balance Sheet	5395.57	
	Off-Balance Sheet	930.61	
B.	Market risk		739.24
C.	Operational Risk		804.03
D.	Total RWA		7,869.45
E	Eligible Capital:		
	Tier -I Capital	684.75	
	Tier -II Capital	118.50	
	Tier-III Capital		
	Total Eligible Capital (1+2+3)		803.25
F	Capital Adequacy Ratio (CAR)		10.21%
G.	Core Capital to RWA		8.70%
H.	Supplementary Capital to RWA		1.51%
I.	Minimum Capital Requirement (MCR) 10% of RWA		786.94



STRESS TESTING

As defined by the Bank for International Settlements (BIS), Stress Testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and or movement in a set of financial variables. It is a risk management tool helps in assessment of the risks, quantifies the resilience towards shock events and helps manage the shock results. Stress Testing are generally of two categories and concepts i.e., Simple Sensitivity Analysis and Scenario Tests. We follow the Simple Sensitivity Analysis concept as per Bangladesh Bank's Guideline. Stress Testing is carried out at three different shock levels i.e. i) Minor Level Shocks ii) Moderate Level Shocks and iii) Major Level Shocks. While carrying out of Stress Testing following five risk factors are measured:

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

Stress testing carried out based on the financial performance of the bank as of 31 December 2012 has already been prepared and submitted to Bangladesh Bank. The result of Stress Testing reflects the strength of the bank to absorb the shocks with the capital of different risk profiles of the Bank.

BORROWERS' RATING

Managing risk is increasingly becoming the single most important issue for the regulators and financial institutions. Capital adequacy of a bank has become an important benchmark to assess its financial soundness and strength. The idea is that banks should be free to engage in their asset-liability management as long as they are backed by a level of capital sufficient to cushion their potential losses. In other words, capital requirement should be determined by the risk profile of a bank.

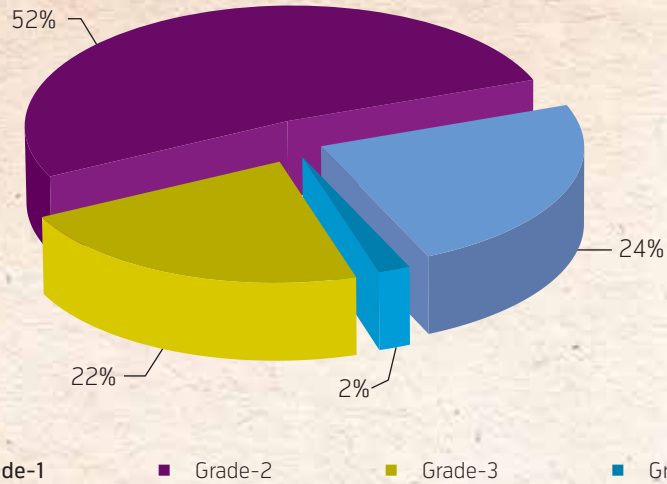
As per new Capital Adequacy Framework under Basel –II, borrowers rating would be measured by External Credit Rating Assessment Institutes (ECAIs) duly recognized by Bangladesh Bank. External Credit Rating Assessment Institutes (ECAIs) plays a key role in financial markets by helping to reduce the informative asymmetry between lenders and investors, on one side, and issuers on the other side, about the creditworthiness of companies. At present, commercial banks are following Standardized Approach (SA) for credit risk, Standardized Approach (SA) for market risk and Basic Indicator Approach (BIA) for operational risk.

With a view to 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 322 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 78 Nos. borrowers with in December, 2012.

Rating category of 79 Nos, borrowers of IFIC Bank is as under

BB Rating Grade	Equivalent Rating of CRISL	Equivalent Rating of CRAB	Equivalent Rating of NCRL	Equivalent Rating of ECRL	No. of rated customer	% of total rated customer
Grade -1	AAA, AA+, AA, AA-	AAA, AA1, AA2, AA3	AAA, AA+, AA, AA-	AAA, AA+, AA, AA-	19	24%
Grade -2	A+, A, A-	A1, A2, A3	A+, A, A-	A+, A, A-	41	52%
Grade -3	BBB+, BBB, BBB-	BBB1, BBB2, BBB3	BBB+, BBB, BBB-	BBB+, BBB, BBB-	17	22%
Grade -4	BB+, BB, BB-	BB1, BB2, BB3	BB+, BB, BB-	BB+, BB, BB-	2	2%

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



Credit Rating of the borrower by the External Credit assessment Institution (ECAIs) is likely to improve the risk management systems of banks as the banks aim for adequate capitalization to meet the underlying credit risks and strengthen the overall financial system of the banks as well as the country. 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. Over the short term, commercial banks may need to augment their regulatory capitalization levels in order to comply with Basel II. However, over the long term, they would derive benefits from improved operational and credit risk management practices.

Market Disclosure under Basel - II

As on 31st December 2012 (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 Limited)
	(b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	IFIC Bank previously serving as a finance company since 1976 was converted and incorporated as a full-fledged banking company in 1983. It has two wholly owned Subsidiary Companies: IFIC Securities Limited incorporated to carry on the business of stock brokers, dealers in relation to shares and other securities and IFIC Money Transfer (UK) Limited to conduct money service business including international money transfers specially for remitting the hard-earned money of expatriates to home. Both the subsidiaries had started its business operations since the year 2011 after getting necessary approval from respective regulatory authorities at home and abroad.
	(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 under Tier-I Capital. 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. Moreover, the bank has statutory reserve required as per the directives of Bangladesh Bank, general reserve, retained earnings under Tier-I Capital. In addition, Tier-II capital includes general provision as per directives of Bangladesh Bank, asset and securities revaluation reserve up to 50%, provision for Off-Balance Sheet exposure.
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b) Capital structure

Quantitative Disclosures		<i>Figs in crore Tk.</i>
	(b) The amount of Tier 1 capital, with separate disclosure of:	
	Paid up capital	346.05
	Non-repayable share premium account	0.00
	Statutory reserve	283.25
	General reserve	5.58
	Retained earnings	49.87
	Minority interest in subsidiaries	0.00
	Non-cumulative irredeemable preference shares	0.00
	Dividend equalization account	0.00
	Total amount of Tier 1 capital	684.75
	(c) The total amount of Tier 2 and Tier 3 capital.	118.50
	(d) Other deductions from capital.	0.00
	(e) Total eligible capital.	803.25

c) Capital Adequacy

Qualitative Disclosures	(a) A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.	According to BB Guidelines IFIC Bank is assessing Risk Based Capital Adequacy under Basel-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 10.21% as on December 31, 2012, 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.
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c) Capital Adequacy

Quantitative Disclosures		<i>Figs in crore Tk.</i>
	(b) Capital requirement for Credit Risk	632.62
	(c) Capital requirement for Market Risk	73.92
	(d) Capital requirement for Operational Risk	80.40
	(e) Total and Tier 1 capital ratio:	
	• For the consolidated group;	85.25%
	and	
	• For stand alone	85.04%

d) Credit Risk

Qualitative Disclosures		
	(a) The general qualitative disclosure requirement with respect to credit risk, including:	
	<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; 	<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>

d) Credit Risk

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
	(f)	<ul style="list-style-type: none"> • Amount of impaired loans and if available, past due loans, provided separately; 	SMA- 128.65 SS- 63.06 DF- 20.01 B/L- 326.49
		<ul style="list-style-type: none"> • Specific and general provisions; and • Charges for specific allowances and charge-offs during the period. 	296.36 120.83
	(g)	Gross Non Performing Asset (NPAs)	409.56
		Non Performing Assets (NPAs) to Outstanding Loans & advances	5.22%
		Movement of Non Performing Assets (NPAs)	
		Opening balance	257.81
		Additions	284.12
		Reductions	-132.37
		Closing balance	409.56
	Movement of specific provisions for NPAs		
	Opening balance	100.20	
	Provisions made during the period	120.83	
	Write-off	-	
	Write-back of excess provisions	-	
	Closing balance	221.03	

(Figs. in crore)

e) Equities: Disclosures for Banking Book Positions

Figs in crore Tk.

<p>Qualitative Disclosures</p>	<p>(a) 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>												
<p>Quantitative Disclosures</p>	<p>(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.</p> <p>(c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.</p> <p>(d)</p> <ul style="list-style-type: none"> • Total unrealized gains • Total unrealized losses • Any amounts of the above included in Tier 2 capital. <p>(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.</p>	<p style="text-align: right;"><i>Figs in crore Tk.</i></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cost price of quoted shares :</td> <td style="text-align: right;">390.93</td> </tr> <tr> <td>Fair value of quoted shares :</td> <td style="text-align: right;">332.46</td> </tr> <tr> <td>Decrease value :</td> <td style="text-align: right;"><u>(58.47)</u></td> </tr> </table> <p>Realized Gains from sale of shares = 26.97 crore</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">35.57</td> </tr> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">94.04</td> </tr> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">Nil</td> </tr> </table> <p>Capital charge for Equity Exposure assessed for total amount without group segregation = 60.88</p>	Cost price of quoted shares :	390.93	Fair value of quoted shares :	332.46	Decrease value :	<u>(58.47)</u>		35.57		94.04		Nil
Cost price of quoted shares :	390.93													
Fair value of quoted shares :	332.46													
Decrease value :	<u>(58.47)</u>													
	35.57													
	94.04													
	Nil													

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;"><i>Figs in crore Tk.</i></p> <ol style="list-style-type: none"> 1) At 1% increase in Interest Rate, fall in MVE (Market Value of Equity)=45.27 2) At 2% increase in Interest Rate, fall in MVE (Market Value Equity) = 90.55 3) At 3% increase in Interest Rate, fall in MVE (Market Value Equity) = 135.83

g) Market risk

Qualitative Disclosures	(a)	<p>Views of BOD on trading/investment activities</p> <p>Methods used to measure Market risk</p> <p>Market Risk Management system</p> <p>Policies and processes for mitigating market risk</p>	<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:	<p style="text-align: right;"><i>Figs in crore Tk.</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">Interest rate risk;</td> <td style="text-align: right;">0.47</td> </tr> <tr> <td>Equity position risk;</td> <td style="text-align: right;">67.39</td> </tr> <tr> <td>Foreign exchange risk; and</td> <td style="text-align: right;">6.06</td> </tr> <tr> <td>Commodity risk.</td> <td style="text-align: right;">0.00</td> </tr> </table>	Interest rate risk;	0.47	Equity position risk;	67.39	Foreign exchange risk; and	6.06	Commodity risk.	0.00
Interest rate risk;	0.47										
Equity position risk;	67.39										
Foreign exchange risk; and	6.06										
Commodity risk.	0.00										

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; - 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>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>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><i>Figs in crore Tk.</i></p> <p>80.40</p>

Quantitative Disclosures on Major types of Credit Exposures

(As per consolidated basis) As on 31 December 2012

Particulars	Amount in Crore Tk.
	2012
Claim on Corporate	2,653.85
Claims on Banks and NBFIs	982.68
Claims fully secured by Commercial real estate	816.96
Claims fully secured by residential property	687.44
Claims categorized as retail portfolio & SME	1,161.38
Claims on Bangladesh Government and Bangladesh Bank	1,673.66
All other assets	313.63
Claims under Credit Risk Mitigation	368.71
Past Due Claims	141.26
Investments in premises, plant and equipment and all other fixed assets	236.76
Claims on OBU	42.99
Capital Market Exposure	273.86
Cash	190.29
Claims on all fixed assets under operating lease	82.16
Consumer Loan	64.94
Claims on Public Sector Entities	11.80
Unlisted Equity Investment	6.66
Total:	9,709.03

Quantitative Disclosures on Geographical Distribution of Credit Exposures

As on 31 December 2012

Division-wise	Amount in Crore Tk.	Percentage (%)
Dhaka Division	5,631.09	71.78%
Chittagong Division	1,351.66	17.23%
Sylhet Division	55.81	0.71%
Rajshahi Division	467.65	5.96%
Khulna Division	202.75	2.58%
Barishal Division	30.29	0.39%
Rangpur Division	105.37	1.34%
Total	7,844.63	100.00%

Annexure-3

Quantitative Disclosures on industry type distribution of credit exposures

As on 31 December 2012

Sl. No.	Name of the Sector/Industry	Amount in Crore Tk.	Percentage %
1	Agriculture Industries	64.35	0.82%
2	Jute Industries	56.17	0.72%
3	Textile Industries	311.44	3.97%
4	Garments Industries	958.97	12.22%
5	Chemical and Chemical Products	55.31	0.71%
6	Cement Industries	50.04	0.64%
7	Bricks & Ceramic	92.55	1.18%
8	Food Products and Processing	303.53	3.87%
9	Engineering & Metal	274.03	3.49%
10	Drugs & Pharmaceuticals	42.24	0.54%
11	Hospital & Clinics	127.76	1.63%
12	Paper & Paper Products Industries	67.52	0.86%
13	Other Small Industries	126.60	1.61%
14	IT Sector	15.26	0.19%
15	Other Service Industries	196.52	2.51%
16	Commerce & Trade	2,262.03	28.84%
17	IFIC Securities Ltd.	145.21	1.85%
18	Transport	21.13	0.27%
19	Construction Firms/Companies	373.20	4.76%
20	Housing Societies	760.14	9.69%
21	Cold Storage	13.72	0.17%
22	Non-Banking Financial Institutions	122.76	1.56%
23	Consumer Finance	521.77	6.65%
24	Energy	135.87	1.73%
25	Telecommunication	63.78	0.81%
26	Off-shore Banking	42.99	0.55%
27	Others	639.74	8.16%
	Total	7,844.63	100.00%

Annexure-4

Quantitative Disclosures on, Residual maturity of Credit exposures

As on 31 December 2012

(Tk. in Crore)

Loans & Advances	Amount in Crore Tk.	Percentage
Repayable on demand	125.24	1.60%
Not more than 3 Months	3,068.17	39.11%
Over 3 Months but note more than 12 Months	2,558.75	32.62%
Over 1 year but not more than 5 Years	1,292.92	16.48%
Over 5 Years	799.56	10.19%
Total	7,844.63	100.00%

Risk Management



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

- Reviewing of the assessment of Risk Based Capital Adequacy and oversee the capital management functions of the Bank as per Basel 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.

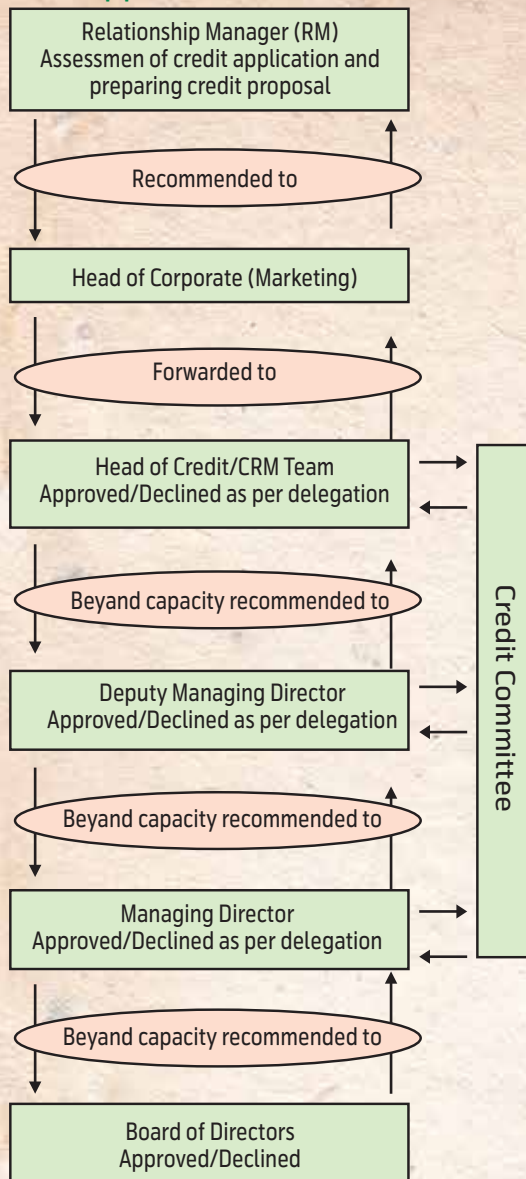
The lending guideline covers the following:

- 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.

Approval Process



In the process of evaluation and adaptation of its risk management strategy, IFIC Bank has been reviewing its CRM Policy Guideline, Lending cap, Delegation of Authority and restructured the Organogram & 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 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 of 2012 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 from time to time.

Risk Based Internal Audit (RBIA) is being carried out annually for risk profiling/categorization of the branches based on the level of its various risks. Up-gradation of existing RBIA format is under process which will be finalized soon. Strong monitoring & close supervision ensure functional efficiency of the branches & different divisions/departments of Head Office by maintaining control environment at operational level. Compliance culture is developed by strict adherence to statutory & regulatory requirement and also bank's own policy & procedures.

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

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 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 2012, the Bank arranged several training courses on Prevention of Money Laundering & Combating Financing of Terrorism where 250 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 the previous year 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 established 47 own ATM. Besides, 877 shared ATM all over the country serving the customers of the Bank.

To improve customer service, the bank has already set 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.

Corporate Branding & Publicity

Advertising and publicity play an essential and important role in the success of any business. Though advertising does not mean selling of products and services but it helps create awareness in people and build a brand's image & reputation in the market.

Keeping that in mind, the Bank undertook various activities in 2012 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.

In daily newspapers and magazines, the Bank published a good number of corporate and product advertisements for making the brand and products familiar to existing and potential customers.

To increase brand visibility, we sponsored the live program titled Apnar Jiggasha during the month of Ramadan and Kemon Budget Chai in NTV, live news on Ekushay Book Fair in Channel I News. The Bank also did branding of the news scroll in ATN News.

The outdoor advertisement of the Bank also increased significantly with installation of five billboards at five important points, including Mohakhali, Uttara, Shahbagh, Bijoy Sarani and Manik Mia Avenue in the capital. We also carried out road barricades branding from Kakoli to Gulshan Notun Bazar, Mohakhali to Gulshan-1 intersection & Uttara Model Town areas. We implemented electric pole branding from Rupashi Bangla Hotel to Kakrail Mosque crossing. We set up two mega light boxes with the image of our deposit products at the entrance of Dhaka International Trade Fair 2012.

The Bank carried out branding at ATM booths and new Bank branches in different parts of the country. The 100th branch, which was inaugurated on 24 June 2012 at Tejgaon-Gulshan Link Road on the occasion of 29th Anniversary of the Bank, was decorated with flowers and other materials to give a festive look and mood.

IFIC Bank participated in Batexpo-2012 of BGMEA, SME/Entrepreneurship Fair in Rangamati, Career/Employment Fair etc. and sponsored a good number of programmes including the Jatiya Pitha Utsab and three-day long conference of Jatiya Rabindra Sangeet Sammilon Parishad.

An eye-catching sculpture was set up in cooperation with well-known Sculptor Mrinal Haque at Dhanmondi Road no. 27 as part of our beautification works there. We celebrated the Pahela Baishakh 1419 in a colourful and befitting manner.

We received wide coverage in print and electronic media on different events and activities like Annual General Meeting, Annual Business Conference, opening of branches, ATM booths and Contact Centre, prize giving ceremony of IFIC Bank Literary Award and joining of Managing Director.



Directors' Report 2012

Dear Shareholders,

Assalamu Alaikum.

The Board of the Directors of IFIC Bank Limited welcomes you all to the 36th Annual General Meeting of the Bank. The Board also takes the pleasure to present the Directors' Report along with the Audited Financial Statements of the Bank for the year ended December 31, 2012 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

In the year 2012, the World Economy grew at a moderate rate of 3.3 percent as compared to 3.8 percent of 2011. This was mainly due to the worldwide economic sluggishness in terms of low output growth and high unemployment rates. Global manufacturing witnessed a sharp decline. The economies in the Euro Zone suffered enormously from financial crisis which prompted sharp increase in their sovereign rate spreads. The growth rate of UK was also disappointing. As a result, the growth rate of the advanced economics slowed downward to 1.3 percent in 2012. On the other hand, growth in the emerging markets and developing economies suffered due to the spillover effect of the advanced economies and their internal economic factors. Their growth rate went down from 6.2 percent of 2011 to 5.3 percent in 2012.

IMF's World Economic Outlook, October 2012 issue shows that consumer prices in advanced economies came down to 1.9 percent in 2012. In the Euro Area, inflation decreased from 2.7 percent of 2011 to 2.3 percent in 2012 as wages remained stagnant over this period, while in emerging and developing economies inflation came down to 6.1 percent in 2012 from 7.2 percent of 2011. The growth of imports and exports for both the advanced economies and emerging and developing economies fell to 1.7 and 7.0 percent as well as 2.2 and 4.0 percent in 2012 as compared to 2011.

According to Global Financial Stability Report, October, 2012 of IMF, the risks to global financial stability increased during the year due to eroded confidence in the global financial system. And the Euro Zone crisis was the prime source of this concern. However, in the wake of new rounds of quantitative easing measures, policy rates remained very low and the Central Bank Balance Sheets continued to expand in the major advanced economies. These unusually accommodative monetary stances were transmitted to emerging market economies in the form of undesirable exchange rates and capital flow volatility.

2. BANGLADESH ECONOMY

Despite the global economic downturn and challenging domestic economic environment, the Bangladesh Economy achieved a respectable growth of 6.3 percent during FY 12. The strong growth in the industry sector, a sustained high growth in the services sector and a modest growth in agriculture helped the real economy to remain steady.

The expansion of the economy during FY12 was broad-based, registering positive growth by all sectors and sub-sectors of the economy. GDP growth during the year was based on 9.5 percent impressive growth in industry sector, 6.1 percent steady growth in services sector and 2.5 percent moderate growth in the agriculture sector. In the overall GDP growth of 6.3 percent in FY 12, the services sector's contribution was the highest at 3.0 percentage points, followed by the industry sector at 2.8 percentage points and the agriculture sector at 0.5 percentage point.

Inflation remained high during FY12 mainly due to the upward trend in oil prices in the international market and the sharp depreciation of Taka. The annual average inflation increased to 10.6 percent in June 2012 from 8.8 percent in June 2011, while the 12 month point to point CPI inflation declined to 8.6 percent. Broad Money (M2) grew by 17.4 percent in FY 12, which was lower than the 21.4 percent growth recorded in FY 11. Total domestic credit grew by 19.3 percent.

Export earnings recorded a slower but positive growth of 6.2 percent during FY 12 reflecting weak demand from the European Union and the US for low-end garment products from Bangladesh. The growth of import payments was at 5.4 percent. At the same time, remittances from non-resident Bangladeshi nationals increased by 10.2 percent. The substantial increase in remittances together with a surplus in current account balance and a surplus in capital account led to a surplus in the balance of payments in FY 12.

3. BANKING SECTOR

During the year 2012, the Banking Sector of Bangladesh showed remarkable resilience. Bangladesh Bank implemented a number of important policy measures throughout the year to foster a sound, efficient and stable financial system.

The total deposit in the banking sector excluding inter-bank deposits stood at Tk. 5,006,827 million at the end of December, 2012 as against Tk. 4,173,516 million in 2011 marking a growth of 19.97%. The total banking sector credit stood at Tk. 5,447,307 million at the end of December, 2012 as against Tk. 3,773,470 million of 2011 registering a growth of 44.36%. Despite severe liquidity crisis, like the preceding years, Private Commercial Banks (PCBs) retained their leadership both in procuring deposits and disbursing loans and advances.

In the year 2012, there was 25% growth in the Assets and 26% accretion in the Deposits and 19.36% accretion in Loans and Advances of IFIC Bank Ltd. There was a 9% growth in the profit of the Bank in the year 2012.

4. CHANGES IN MONETARY AND CREDIT REGULATIONS:

The major policy measures taken by the Bangladesh Bank in the monetary and credit fronts in FY 2012 were as follows:

- To reduce credit growth to unproductive sectors, the loan margin ratio was fixed at 70:30 for fresh consumer loans for house finance and at 30:70 for all other consumer loans including motor car loans.
- Bangladesh Bank increased repo and reverse repo rates by 50 basis points to 5.25 and 7.25 percent from 4.75 and 6.75 percent respectively, with effect from 5 September 2011. These rates were again increased by 50 basis points to 5.75 and 7.75 percent respectively, on 8 January 2012.
- In order to strengthen liquidity of the banks, limit of holding HTM securities for Primary Dealers was increased from 50.0 percent to 85.0 percent of SLR for the concerned month.
- Uniform accounting procedure for repo transactions was introduced in order to simplify the liquidity support operation to the primary dealer banks of Government securities. Instead of outright buy/sell of securities, the procedure will treat such operations as collateralised repo transaction following compliance with some rules. BB will apply a 15.0 percent and 5.0 percent margin on the face value of T-bill/T bond, respectively, under this operation for liquidity support. The securities provided as collateral will be encumbered and thus shall not be eligible to meet the SLR or collateral for any other purposes.
- In order to rationalise the rate of interest on lending and deposits, the cap on lending interest rates in all sectors other than pre-shipment export credit and agriculture credit were withdrawn. Moreover, banks were advised to behave rationally in applying the freedom in determining interest rates and were also asked to limit the difference between the weighted average lending and deposit rates or intermediation spread within lower single digits in different sectors other than high risk consumer credit (including credit card) and SME loans.
- Islami Inter Bank Fund Market (IIFM) was introduced in order to strengthen liquidity management of Islami Shariah based Banks and FIs including Islami Banking Branches of conventional banks, may handover excess funds to the Islami Bond Fund (IBF) on a daily basis. IBF will act as a custodian. According to the Profit Sharing Ratio (PSR) fixed by IBF, funding will be provided to the borrower subject to availability.

- In order to clarify share holding and capital market exposure of banks, a circular was issued with instructions that capital provided by a bank to its subsidiary company established for merchant banking and brokerage activities will be excluded in calculating its capital market exposure. In addition, long term equity investment in a company will not be included in accounting capital market exposure of the banks.
- Banks were advised to allow the opening of bank accounts by depositing Taka 100 against documentation showing the existence of a life insurance policy up to Taka 1,50,000 with a view to granting small life insurance policy holders access to the banking sector to broaden financial inclusion.
- To provide banking services to underserved segments of the population in the rural areas relative to those in urban areas, the ratio of urban to rural branches was increased to 1:1.
- To encourage export trade of the country, export subsidy/cash incentive was continued in FY 12. To facilitate the leather industry, cash incentive against the export of leather goods was enhanced from 12.5 percent to 15.0 percent in FY 12. Export subsidy was provided against advance export proceeds for shipping export through advance payments/TT. Export subsidy was also provided against export proceeds through negotiation/collection along with TT to facilitate frozen shrimp and other products in the fishing sector and to assist diversification to new export products or the expansion to new export markets. Textile mills were provided a 5.0 percent special cash incentive in addition to the existing cash incentive/stimulus facility.
- In order to expand bank branches in rural areas to provide banking services to the underserved population, it was decided to submit application for refinance of credits to cottage and micro enterprises under the guidelines of 'Bangladesh Bank Fund' refinance scheme. The existing refinance programme for small enterprises of women entrepreneurs at the rate of 10.0 percent (bank rate +5.0 percent) will be applicable for cottage and micro enterprises. In case of fund shortages, credits to manufacturing and service sectors will get the priority. All entrepreneurs, except women, will get 100.0 percent refinance facility against disbursed loan only in manufacturing and service sector under cottage, micro and small enterprises subject to adequacy of fund. In case of cottage industry, the limit of refinance was enhanced from Taka 10,000 to Taka 5,00,000 and for micro industry, it was increased from Taka 20,000 to Taka 10,00,000. For small enterprises, it remained unchanged from Tk.50,000 to a maximum of Taka 50,00,000.
- Banks were allowed to disburse credit to the "Fish Cultivation in Cage" programme as a sub-sector of fish resources under the agricultural/rural credit policy and programme for FY12.
- With a view to providing solar power to the electricity deprived rural areas by establishing solar home systems, interest rate will be charged by reducing balance system at the maximum rate of 12.0 percent at the beneficiary client level.
- In order to generate more and wider usage of bio-gas in rural areas, it was decided that under the programme of consolidated cattle rearing and bio-gas production using company/institutions as agent/intermediary, interest rate at beneficiary client level could be charged/realized at the rate of conventional bank rate + maximum 6.0 percent and no service charges could be applied.
- Banks were advised to provide credit to bee keepers in those areas where honey is produced/has the potential to be produced.
- Non-authorized dealer bank branches and non-bank financial institutions were permitted to provide term loans in Taka to foreign owned/controlled firm/company only in association with authorized dealer bank branches subject to compliance of institutions stipulated in the Guidelines of Foreign Exchange Transaction-2009.

- In order to attain desired economic growth by increasing credit flow to the productive sector and reducing unproductive and consumer credit, the decision was taken to limit the growth of consumer credit not to be more than the average growth of total bank credit.
- New loan classification and rescheduling as well as provisioning guidelines for the banks were issued in order to strengthen the capital base of the banks. This would ease the liquidity conditions of the banks and enhance their ability to provide more credit.

5. FINANCIAL PERFORMANCE OF IFIC IN 2012

Deposits:

The Bank mobilized a total deposit of Tk. 92,291.28 million as of December 31, 2012 as against Tk. 73,042.23 million as of December 31, 2011 indicating an increase of 26% 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. 78,446.28 million as of December 31, 2012 as against Tk. 65,428.35 million as of December 31, 2011 marking an increase of 20% 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 December 31, 2012 categorized as follows:

(Taka in million)

SLNo.	Particulars	Outstanding	Percentage
1	Consumer Financing (Excluding Credit Card)	4,957.40	6.32
2	Credit Card	260.33	0.33
3	Small Enterprise Financing	9,972.68	12.71
4	Medium Enterprise Financing	9,345.00	11.91
5	Large Enterprise Financing	50,098.88	63.86
6	Agriculture Financing	643.45	0.82
7	OBU	429.88	0.55
8	IFIC Securities Ltd.	2,738.66	3.49
	Total	78,446.28	100

Operating Profit:

IFIC Bank generated profit of Tk. 2,828.36 million in the year 2012 before provisions as against Tk. 2,877.90 million in the year 2011 showing a negative growth of about 2%.

Income:

The interest income increased by 55% was Tk. 10,520.39 million in the year 2012 as against Tk. 6,798.01 million in the year 2011. The increase was 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. 62.10 million during the year 2012 against Tk. 129.07 million in the year 2011.

Expenses:

The total expenses of the Bank for the year 2012 stood at Tk. 11,364.99 million as against Tk. 7,572.66 million in the year 2011. The interest paid to the depositors and borrowings represented Tk. 7,658.80 million which was 67% of the total expense. The total operating expense of the Bank was Tk. 3,706.19 million in the year 2012 in comparison to Tk. 2,918.03 million in the year 2011.

Capital & Reserves:

The authorized capital of the IFIC bank was Tk. 20,000.00 million and the paid-up capital stood at Tk. 3,460.47 million as on December 31, 2012. 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	3,460.47
Statutory Reserves	2,832.54
Other Reserve	188.69
Retained Surplus	498.70
Total Capital & Reserves	6,980.40

Capital Adequacy Ratio:

During the year 2012, the capital increased by Tk. 248.17 million and the Bank maintained Capital Adequacy Ratio (CAR) of 10.21% as against the minimum requirement of 10% under Basel – II framework.

Credit Rating:

Status	2011 (CRAB)	2010 (CRAB)
Long -term	AA2	AA3
Short-term	ST-2	ST-2

The Credit Rating Agency of Bangladesh Limited (CRAB) rated IFIC Bank during the year 2011. The CRAB rated the Bank 'AA2' in the Long Term and ST-2 in the Short Term in the year 2011 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 the year 2012, 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 2012 and 2011:

(Taka in million)

Particulars	31st December 2012	31st December 2011
Tier – I (Core Capital)	6,847.50	6,569.20
Paid up Capital	3,460.50	2,768.40
Share premium	-	-
Statutory Reserve	2,832.50	2,554.50
General Reserve	55.80	55.80
Retained Earnings	498.70	1,190.50
Tier –II (Supplementary Capital)	1,185.00	1,215.10
General Provision	753.30	792.80
Provision for Off Balance Sheet exposure	365.50	364.00

Capital Adequacy of IFIC Bank (Consolidated) under Basel –II during 2012 and 2011:

(Taka in million)

Particulars	31st December 2012	31st December 2011
Preference Share		-
Exchange Equalization Fund		-
Revaluation reserves of Securities (Up to 50% of the revaluation reserves)	8.50	0.70
Assets Revaluation Reserves	57.70	57.70
Total Capital	8,032.50	7,784.30
Total Risk Weighted Assets (RWA)	78,694.50	76,855.80
Minimum Capital Requirement (10% of RWA)	7,869.45	
(10% of RWA)	7,685.60	
Surplus	163.05	98.70
Capital Adequacy Ratio:	10.21%	10.13%
Tier - I Capital to Risk Weighted Assets (RWA)	8.70%	8.55%
Tier –II Capital to Risk Weighted Assets (RWA)	1.51%	1.58%

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 and subsidiary operations in Maldives, Oman, Nepal, Pakistan and UK. Bank's operation in Maldives was, however, handed over to the Maldivian Government in 1993.

Overseas joint venture and subsidiary operations have not only brought a positive image of the Bank in foreign land but also contributed in its profitability. Existing overseas joint venture and subsidiary 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 Omani nationals, was established in 1985 to facilitate remittance by Bangladeshi wage earners in Oman. IFIC Bank holds 25% shares and the balance 75% is held by the Omani sponsors. The exchange company has a network of 14 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 61st Board Meeting & 29th AGM held on 26 March 2013 in Muscat, Oman. Director of the IFIC Bank Board Mr. A. R. M. Nazmus Sakib and IFIC Bank's Managing Director & CEO Mr. Shah A Sarwar were, among others, present in the meeting.

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 were amalgamated with a reputed leasing company in Pakistan named National Development Leasing Corporation Ltd. Therefore, the existence of above Overseas Branches was 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 0.23%.

Nepal Bangladesh Bank Ltd. (NB Bank):

Nepal Bangladesh Bank Ltd. (NB Bank), a joint venture commercial bank between IFIC Bank Ltd. and Nepali 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.



The Annual General Meeting (AGM) of Nepal Bangladesh Bank Ltd. (NBBL) was held on November 22, 2012 at Katmandu, Nepal. Chairman of NBBL and Executive Committee Chairman of IFIC Bank Mr. Mohammad Lutfar Rahman presided over the meeting.

IFIC Money Transfer (UK) Limited:

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



Bangladesh's High Commissioner to UK Mr. Mijarul Quayes inaugurated the IFIC Money Transfer (UK) at Brick Lane in London. Chairman of Executive Committee of IFIC Bank Mr. Mohammad Lutfar Rahman, Members of the Board of Directors Mr. Syed Anisul Huq, Mr. Mohammed Nayem Sayed, Mr. Jalal Ahmed and Managing Director Mr. M Shah A Sarwar were, among others, present at the inaugural ceremony.

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 Banks inward remittance covers Draft Service, Account Credit Service under Electronics Fund Transfer (EFT) arrangement and Instant Cash Payout Service. The inward foreign remittance business amounted to Tk.7,283.73 million in 2012 in equivalent USD 82.85 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 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 joint venture exchange companies in Oman there are 8 (Eight) Exchange Companies for catering inward foreign remittances from abroad which are:

- l MoneyGram Payment System, Inc. – global company
- l Coinstar Money Transfer (CMT) – global company
- l Placid NK Corporation, global company
- l Multinet Trust Exchange LLC, UAE
- l Al Fardan Exchange, UAE
- l Xpress Money Service s Ltd. – global company
- l Asia Exchange Centre, UAE
- l IFIC Money Transfer (UK) Limited, London, 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 32 Standard Settlement Instructions (SSI/Nostro Account) involving 8 currencies e.g. AUD, ACU-D, CAD, CHF, EUR, GBP, JPY and USD at important financial centers. Total correspondents (local & foreign) of IFIC Bank Ltd. stands at 401 as of 31st December 2012.

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 offers a wide range of advisory, financing and operational services to its corporate clients through extensive branch net work all over the country. Our dedicated & experienced Relationship Managers have competent managerial skill and in-depth professional knowledge of corporate & institutional business environment of the country.

To expedite our client's business growth, we provide complete range of solutions to meet Corporate Customers' requirement. Our Corporate Banking solutions include extensive range of products and services backed by modern technologies. Products and services for corporate are Working Capital Finance, Project Finance, Trade Finance, Lease Finance, Syndication Loan, Off-shore banking etc.

Lease Financing:

IFIC Bank extends customized lease finance facility to Corporate Business Units and SME in the manufacturing and service industries sectors. IFIC offers asset backed financing against industrial machinery, commercial equipments, office equipments, generators, vehicles, sea or river vessels, engines, construction equipments, Agriculture equipments etc.

Syndication Finance:

Syndication allows any of the lenders to provide large loans, while maintaining prudent and manageable risk exposure. Syndicated finance diversifies the risk of one bank on a single borrower and increases the quality of loan through collective judgment and monitoring of different banks / financial institutions.

IFIC Bank has an extensive and successful track record acting as both lead bank and partner in loan syndication for long-term, large-scale projects. To raise and meet huge credit need of leading corporate house, IFIC Bank has been raising fund from the banking sector on behalf of the customer through syndication arrangement.

Project Finance:

The industrial sector has historically been the sector that has driven growth as countries have moved from low to middle-income status. This is because industry can provide high-wage employment for large numbers of workers and can raise social productivity by producing high-value goods on a mass scale. Project finance/Industrial credit is the long-term financing of infrastructure and industrial projects based upon the projected cash flows of the project.

IFIC Bank Ltd. has been financing Term Loan (Industrial) facility for establishing new project and/or expansion of various projects in the sectors viz. Textile, Spinning, RMG, power, Steel, Telecom, Pharmaceuticals, Food Processing, Packaging, Fast Moving Consumer Goods (FMCG), Health, CNG refueling, Real estate.

MSME Financing:

As per the directives of Bangladesh Bank and to foster the growth of MSME Enterprises, IFIC Bank Limited has been financing in Micro, Small & Medium Enterprises. During the year 2012, total disbursement in MSME Sector was Tk.1546.42 crore and outstanding MSME Loan of IFIC Bank Ltd was Tk.1931.77 crore, which is 25.18% of the total loan portfolio of the bank.

MSME Division of the Bank has developed two (02) liability products namely (1) 'JOMA (Like- PSS) & (2) 'ARJON' (Like- MIS) for attracting various institutional deposits under Small & Medium Enterprises. The Division has also executed several "Participation Agreements" with Bangladesh Bank in order to avail refinancing facility @ 5% interest from Bangladesh Bank, for extending loans to Small Enterprises & Women Entrepreneurs. In the year 2012, the Bank received refinance of Tk.571.94 lac from Bangladesh Bank.

Financing to Women Entrepreneurs:

In order to facilitate financing to the women entrepreneurs @ 10% interest p.a., IFIC Bank Ltd. has already designed a new asset product named "JOYEETA". Joyeeta is a platform of women entrepreneurs at grassroots level, across the country, initiated by the Ministry of Women & Children Affairs, Govt. of the Peoples Republic of Bangladesh. In addition, IFIC Bank Ltd. has 'Dedicated Desks' for Women Entrepreneurs.

Agriculture/ Rural Financing:

Agriculture is the backbone of Bangladesh Economy. In order to give priority in Agriculture Sector, Bangladesh Bank has given special emphasis, by way of fixing targets for disbursement of Agriculture/ Rural Credit to all commercial banks of the country. As part of this program, IFIC Bank Ltd. has fixed a disbursement target of Agri Loan of Tk.97.00 crore during last fiscal year 2011-2012 (July'11 to June'12). As against the target, IFIC Bank Ltd. disbursed an amount of Tk. 102.19 crore, which is 105% of the target. The Bank earned "Letter of Appreciation" from the Honourable Governor of Bangladesh Bank, for achieving the agri. Loan disbursement target for the year 2011-2012. The Bank has fixed a loan disbursement target of Tk.122.00 crore for the fiscal year 2012-2013.

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. IFIC VISA CARDS

IFIC Card is powered by VISA, world's largest electronic payments network. IFIC Bank has been issuing VISA branded Credit Card, Debit Card & Prepaid Card which can be used both at home & abroad. Customer can choose any of the above cards according to his/her need. Local cards can be used at any ATM displaying VISA Logo for withdrawal of cash and at any POS displaying VISA Logo for purchase of goods & services within Bangladesh. International cards can be used globally through worldwide VISA network.

The Bank has been issuing credit cards including gold and classic cards for both local and international use. International credit cards are dual currency cards having two separate accounts against same plastic one of which is in USD and the other is in BDT. The BDT account is maintained for the transactions made in Bangladesh and USD account is maintained for transactions made outside Bangladesh.

The Bank has been issuing debit cards against individual savings/current account maintained with any branch of IFIC Bank Limited for use in Bangladesh only. Debit card provides an alternative method of cash withdrawal from the ATMs or payment against purchase of goods & services instead of issuing cheque. The payments are made directly from the bank account. IFIC Business Debit Cards are also issued against Current/STD account of proprietorship concern maintained with any branch of IFIC Bank Limited for use in Bangladesh only.

The Bank has been issuing prepaid cards by the branches against instant deposit for use in Bangladesh only. This is suitable for the customers who have not maintained any account with the bank.

IFIC Traveler's Card, a VISA branded International prepaid card - a dual currency card and can be used both at home & abroad. IFIC Traveler's Cards are issued against personal Travel Quota entitlement as well as Foreign Currency accounts maintained with the bank.

Bank POS are available at 93 branches of IFIC Bank Limited. IFIC Cardholders can withdraw cash from the branches through Bank POS. This is an alternative method of payment of cash instead of ATM which is suitable for withdrawal of large amount of cash. Moreover, POS are also deployed at several merchant locations for purchase of goods and services.

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.

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. 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.

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.

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.

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.

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 ICC Division is conducting comprehensive internal audit of the branches as well as different Divisions/Departments of Head Office on regular basis. 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.

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 2012, the Bank arranged several training courses on Prevention of Money Laundering & Combating Financing of Terrorism where 250 Executives/Officers of the Bank attended.

Information & Communication Technology (ICT):

Technology and Banking Business has now closely been integrated. IFIC bank has adopted information and communication technology since its inception for its business to facilitate faster decision making and satisfaction of its customers.

Moreover, the Bank is able to serve its customers from anywhere anytime with its centralized online banking solution. The Bank has already launched Debit Card, Credit Card, Pre-Paid Card, SMS Banking, Web-based Remittance Facility, Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN) etc. under the guidelines of Bangladesh Bank.

The Bank is continuously upgrading its technological aspects to keep pace with modern banking arena. Its Data Centre has been upgraded 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.

The Bank has formulated policies and procedures for ICT Risk Management and has taken steps to protect the information and related assets from unauthorized access, modification and destruction for the sake of the interest of its customers. To mitigate risks in ICT operations, the Bank is continuously conducting training sessions on sensitive IT tasks (i.e. operational procedures, security procedures etc.) for relevant employees.

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

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

The Bank is expanding its own ATM network and has introduced Call Centre/Contract Centre & internet banking and is going to launch mobile banking very soon.

The Bank has also taken steps for 'Financial Inclusion' and devising low cost delivery channel and is going to upgrade its Core Banking Solution (CBS) very shortly to bring the banking services within the reach of grass-root level.

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/2006-158/134/ADMIN/44 dated August 07,2012.

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 proper manpower planning so that business and operational activities of the Bank run in smooth pace. The Bank also focuses on creating a good employer branding in the job market that helps to grab the potential fresh graduates and skilled resources in the Bank.

In 2012, total 101 employees joined IFIC Bank among whom 43 are Management Trainees. Total manpower of the Bank as on 31.12.2012 stood at 2,422. During the year, 1168 employees of the Bank received training on various banking areas at Bank's Training Academy, while 248 employees participated in various training programmes/workshops/seminars organized by Bangladesh Bank and other national as well as international training institutions. Besides these, 02 employees received foreign training and 236 employees participated in a number of soft skill development programmes during 2012. As of December 2012, employee turnover rate of the Bank was 2.48%.

13 LAW AND LEGAL AFFAIRS DIVISION:

In the year of 2012, there were 631 cases pending in both Lower and Higher Courts having Suit value of Tk.913.71 Crore. To facilitate the process of disposing of the pending Court Cases, the Law and Legal Affairs Division took various steps and as a consequence, 05 (Five) Writ Petitions, 13 (Thirteen) Artha Rin Suits, 14 (Fourteen) Execution Cases and 20 (Twenty) Criminal Cases (under N.I. Act.) were disposed off and an amount of Tk.19.84 Crore were 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 and Departments of the Head Office and Branches of the Bank on regular basis. As a result, our Branches and various Divisions and Departments 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 and also attended the Chamber of Panel Lawyers who were assigned to conduct our Cases in an aim to disposing of the pending Court Cases quickly. Due to such activities, Panel Lawyers of the Bank became very active and conscious about their responsibilities toward the Bank. Moreover, Officers of Law and Legal Affairs Division attended Revenue Courts in Dhaka and outside Dhaka City and also visited A.C. Land and Tahsil Office on regular basis to ascertain the legal status of the mortgaged property.

14. BRANCH EXPANSION PROGRAMME:

During the year 2012, the Bank opened 7 (seven) new Branches at different places of the country to provide Banking services to the customers. Out of these 7 (seven) Branches, 4 (four) Urban Branches namely, Gulshan-Tejgaon Link Road Branch, Gabtoli Bagbari Branch, Manikgonj Branch, Dhaka & Rangmati Branch, Chittagong Hill Tracts were opened. 2 (two) Rural Branches were opened at Konapara, Dhaka and Birol Bazar, Dinajpur while another SME/Krishi Branch was opened at Gazipur. Thus, the total number of Branches of the Bank stood at 106 excluding 1 SME Service Center as on 31.12.2012. Out of 106 Branches of the Bank, 68 Branches are Urban, 31 Branches are Rural and the remaining 7 (seven) 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 2013.

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:

Advertising and publicity play an essential and important role in the success of any business. Though advertising does not mean selling of products and services but it helps create awareness in people and build a brand's image & reputation in the market.

Keeping that in mind, the Bank undertook various activities in 2012 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.

In daily newspapers and magazines, the Bank published a good number of corporate and product advertisements for making the brand and products familiar with existing and potential customers.

To increase brand visibility, we sponsored the live program titled Apnar Jiggasa during the month of Ramadan and Kemon Budget Chai in NTV, live news on Ekushay Book Fair in Channel I News. The Bank also did branding of the news scroll in ATN News.

The outdoor advertisement of the Bank also increased significantly with installation of five billboards at five important points in Dhaka, including Mohakhali, Uttara, Shahbagh, Bijoy Sarani and Manik Mia Avenue. We also carried out road barricades branding from Kakoli to Gulshan Notun Bazar, Mohakhali to Gulshan-1 intersection & Uttara Model Town areas. We implemented electric pole branding from Rupashi Bangla Hotel to Kakrail Mosque crossing. We set up two mega light boxes with the image of our deposit products at the entrance of Dhaka International Trade Fair 2012.

The Bank carried out branding at ATM booths and new Bank branches in different parts of the country. The 100th branch, which was inaugurated on 24 June 2012 at Tejgaon-Gulshan Link Road on the occasion of 29th Anniversary of the Bank, was decorated with flowers and other materials to give a festive look and mood.

IFIC Bank participated in Batexpo-2012 of BGMEA, SME/Entrepreneurship Fair in Rangamati, Career/Employment Fair etc. and sponsored a good number of programmes including the Pitha Utsab of National Press Club and three-day long conference of Jatiya Rabindra Sangeet Sammilan Parishad.

An eye-catching sculpture was constructed by well-known Sculptor Mrinal Haque at Dhanmondi Road no. 27 as part of our beautification works there. We celebrated the Pahela Baishakh 1419 in a colourful and befitting manner.

We received wide coverage in print and electronic media on different events and activities like Annual General Meeting, Annual Business Conference, opening of branches, ATM booths and Contact Centre, prize giving ceremony of IFIC Bank Literary Award and joining of Managing Director.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR):

IFIC Bank undertook a good number of activities in the field of Corporate Social Responsibility (CSR) in 2012 to address the needs of common people for making a positive and meaningful contribution to the society.

The Bank contributed Tk 16.00 Lac to ATN News for the renovation and beautification of Karwan Bazar underpass, Tk 5.00 lac each along with crests and certificates to 02(two) writers -- Mr. Syed Shamsul Haque & Mr. Faruq Moinuddin for winning the IFIC Bank Literary Award, Tk 35.00 Lac to Hope Care Centre for the treatment of HIV/AIDS patients in Chittagong, Tk.5.00 lac to Biswashahitya Kendra for purchasing books, Tk.50.00 lac to 'PROYASH' for the education & training of children with special needs and disability and sponsored various competitions of National Shooting Federation Bangladesh with Tk.41.00 Lac.

The Bank provided Tk 30.00 lac to Dhaka University to form the 'IFIC Bank Trust Fund' for giving stipends to students, Tk 2.00 crore to the 'Prime Minister's Relief Fund' for supporting the affected Buddhists at Ramu in Cox's Bazar and Tk 4.45 Lac to Medical College for Women & Hospital in Uttara for purchasing a scanner machine.

The Bank also spent Tk 4.92 lac to purchase blankets for people in cold-hit areas and provided financial assistance for organizing the International Children's Film Festival.

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 2012 was Tk. 872.72 million which was Tk. 673.04 million in the year 2011.

19. FUTURE PLANNING

The Board of Directors has set realistic business targets for the Bank in the year 2013. It is expected that due to restructuring of business processes, there will be substantial growth in the business activities of the Bank in 2013. The Bank has planned to introduce Mobile Banking Services to bring the un-banked people of the country within the Banking network. Moreover, 04 (four) new branches will also be opened in 2013 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. 20,000.00 million and Tk. 3,460.47 million respectively as on December 31, 2012. A total number of 325,359,935 shares are recorded with the CDS, while 20,687,440 shares still remains in scrip form till the balance sheet date.

The consolidated Net Asset Value (NAV) per share was Tk. 20.17 as on December 31, 2012 which was Tk. 24.15 as on December 31, 2011. The consolidated Earnings Per Share (EPS) was Tk. 1.20 during the year ended on December 31, 2012 as against Tk. 2.40 as on December 31, 2011. The Market capitalization of IFIC was Tk. 12,526.91 million in the year 2012 as against Tk. 18,714.24 million in the year 2011.

21. DIVIDEND:

The Board of Directors' of the IFIC Bank in its 606th Meeting held on 28.03.2013 recommended 10% Stock Dividend for all the shareholders from the operating profit of the Bank for the year 2012 subject to approval of the shareholders in the 36th Annual General Meeting.

22. APPOINTMENT OF EXTERNAL AUDITORS:

In the 35th Annual General Meeting of the Bank, M/s. Howladar Younus & Co., Chartered Accountants, were 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. Howladar Younus & Co. are eligible for re-appointment as External Auditors of the Bank for another term. M/s. Howladar Younus & Co., Chartered Accountants have already expressed their intention for re-appointment as External Auditor of the Bank for another term. The honourable shareholders of the Bank shall approve their re-appointment as External Auditors of the Bank for the year 2013 in the 36th 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 36th Annual General Meeting.

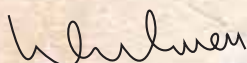
As per Clause No. 111 of the Articles of Association of the Bank, the retiring Directors are eligible for re-election. However, as per BRPD Circular No. 05 dated 28.01.2010 issued by the Bangladesh Bank, prior clearance from the CIB of Bangladesh Bank shall be obtained for the re-elected/appointed Directors of the Bank.

24. ACKNOWLEDGEMENT:

With the sincere efforts of all the Executives, Officials and members of the staff, IFIC Bank has made remarkable progress in the year 2012. 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, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and Central Depository Bangladesh Limited for their continued support and co-operation to the IFIC Bank. The Board also acknowledges the contribution made by the valued customers, patrons and well-wishers of the Bank in attaining its sustainable growth and progress. The Board also expresses its appreciation to M/s Howladar Younus & Co., the External Auditors of the Bank, for their efforts for timely completion of audit of the Financial Statements of the Bank. The Board of Directors further extends thanks to both the print and electronic media personnel for extending media coverage to the Bank's various activities and events throughout the year.

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

On behalf of the Board



Salman F Rahman
Chairman

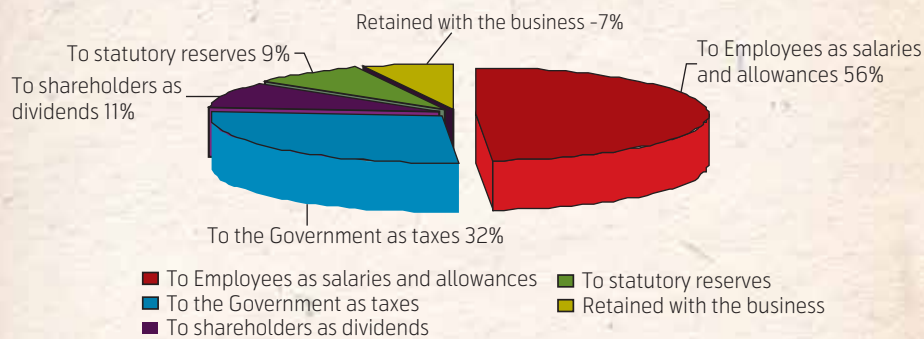
Statement of Value Added and its Distribution

Value Added Statement

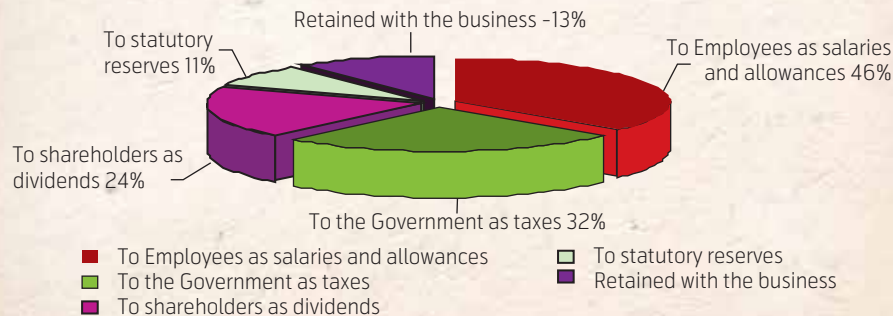
For the year ended 31 December 2012

	2012 Taka		2011 Taka	
Interest Income	10,442,619,723		6,696,082,116	
Investment and other income	3,548,043,504		3,547,509,019	
Cost of services	(10,811,192,111)		(6,795,612,091)	
Total Value added	3,179,471,117		3,447,979,043	
To Employees as salaries and allowances	1,789,388,206	56%	1,586,503,469	46%
To the Government as taxes	1,002,000,000	32%	1,113,500,000	32%
To shareholders as dividends	346,047,375	11%	830,513,700	24%
To statutory reserves	278,016,582	9%	372,295,115	11%
Retained with the business	(235,981,046)	-7%	(454,833,241)	-13%
	3,179,471,117	100%	3,447,979,043	100%

Value Added Statement Year 2012



Statement of Value Added Year 2011



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. 12,526.91 million whereas the book value of the shares stood at Tk. 6,869.04 million, resulting a Market Value Addition of Tk. 5,657.87 million as of December 31, 2012. 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)	34,60,47,375	36.20	12,526.91
Book Value (Considering Face Value of Tk.10 per share)	34,60,47,375	19.85	6,869.04
Market Value added			5,657.87

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

Particulars	2012	2011	2010
Shareholder's equity	6,867	6,602	5,748
Add: Accumulated provision for loans/investments, off-balance sheet exposure and Offshore Banking Units	3,901	2,584	2,445
	10,768	9,186	8,193
Average shareholder's equity	9,977	8,690	7,103
** Cost of Equity (%)	13.46%	13.46%	12.26%

Economic value added

Net Profit after tax (before provision)	1,705	1,605	2,307
Less: Cost of equity	1,343	1,170	871
Total	362	435	1,436

** 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 2012*

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 Statement of IFIC Bank Limited ("the Bank") which comprise the consolidated and separate Balance Sheet as at 31 December 2012, Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. The Financial Statements of the subsidiary, IFIC Money Transfer (UK) Limited was not audited by us as at 31 December 2012.

Management's responsibility for the Financial Statements

Management of IFIC Bank Limited is responsible for the preparation and fair presentation of these Consolidated Financial Statements of the Group and 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 Financial Statements for 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 (BSAs). Those standards require that we comply with relevant 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 risk 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 also 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 (BFRSs), give a true and fair view of the Financial Position of the Group and the Bank as at 31 December 2012 and the results of their Financial Performance and their Cash Flows for the year then ended and compile the applicable section of the Bank Companies Act 1991, the Rules and Regulations issued by the Bangladesh Bank, the Company Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- c) the Consolidated Balance Sheet and Consolidated Profit and Loss Accounts and the Balance Sheet and Profit and Loss Accounts of the Bank dealt with by the report are in agreement with the books of accounts and returns;
- d) the expenditures incurred were for the purpose of the Group's and the Bank's business;
- e) the consolidated Financial Position of the Group and that of the Bank as at 31 December 2012 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 Statement of the Bank have been prepared in accordance with the generally accepted accounting principles;
- f) the Consolidated Financial Statements of the Group and the Financial Statement 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;
- g) the records and statements submitted by the branches have been properly maintained and Consolidated in the Financial Statements;
- h) 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;
- i) the information and explanations required by us have been received and found satisfactory;
- j) adequate provisions have been made for advances and other assets which are in our opinion, doubtful of recovery;
- k) the capital adequacy ratio (CAR) as required by the Bangladesh Bank has been maintained adequately during the year;
- l) 80% of the risk-weighted assets have been reviewed by us spending over 5,000 man hours.

Howladar Yunus & Co.
Howladar Yunus & Co.
Chartered Accountants

Dated: Dhaka
March 28, 2013

Consolidated Balance Sheet

As at 31 December 2012


	Note	Amount in Taka	
		31-Dec-2012	31-Dec-2011
PROPERTY AND ASSETS			
Cash	3 (a)	9,582,866,983	6,635,590,876
Cash in hand (including foreign currency)		1,793,372,821	1,182,959,978
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)		7,789,494,162	5,452,630,899
Balance with other Banks and financial institutions	4 (a)	5,158,506,347	3,026,169,941
In Bangladesh		3,497,911,209	1,827,212,084
Outside Bangladesh		1,660,595,138	1,198,957,857
Money at call and on Short Notice	5.00	950,000,000	100,000,000
Investments	6 (a)	15,836,154,786	12,371,855,426
Government Securities		11,311,623,934	8,101,539,970
Other Investments		4,113,031,819	3,830,697,385
Outside Bangladesh		411,499,034	439,618,071
Loans and Advances	7(a)	78,446,281,797	65,428,349,364
Loans, Cash Credits, Overdrafts, etc		71,546,062,534	58,345,351,229
Bills Purchased and Discounted	8(a)	6,900,219,263	7,082,998,135
Fixed Assets including Premises, Furniture and Fixtures	9 (a)	2,367,569,482	2,215,123,119
Other Assets	10(a)	2,431,578,240	2,019,670,817
Non Banking Assets		-	-
Total Assets		114,772,957,635	91,796,759,542
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from Other Banks, Financial Institutions and agents	11 (a)	874,456,831	1,418,845,663
In Bangladesh		634,907,131	1,418,845,663
Outside Bangladesh		239,549,700	-
Deposit and Other Accounts	12(a)	92,291,283,091	73,042,234,330
Current Deposits and Other Accounts		11,398,756,481	10,191,080,240
Bills Payable		1,492,411,159	1,306,622,259
Savings Bank Deposits		11,468,553,820	10,031,541,483
Term Deposits		67,931,561,631	51,512,990,348
Other Liabilities	13 (a)	14,626,811,497	10,649,844,590
Total Liabilities		107,792,551,419	85,110,924,583
Capital/Shareholders' Equity			
Paid up Capital	14.00	3,460,473,750	2,768,379,000
Statutory Reserve	15(a)	2,832,536,912	2,554,520,330
Other Reserve	16(a)	188,690,816	172,409,984
Surplus in Profit and Loss Account	17(a)	498,704,738	1,190,525,645
Total Shareholders' Equity		6,980,406,216	6,685,834,959
Total Liabilities and Shareholders' Equity		114,772,957,635	91,796,759,542

Consolidated Balance Sheet

As at 31 December 2012

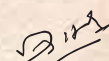
	Note	Amount in Taka	
		31-Dec-2012	31-Dec-2011
OFF BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		11,672,883,029	12,949,639,891
Letters of guarantee	18.00	5,717,606,179	4,112,823,270
Irrevocable letters of credit	19.00	12,272,437,515	11,606,768,727
Bills for collection	20.00	6,839,150,698	7,563,482,770
		36,502,077,421	36,232,714,657
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		-	-
		36,502,077,421	36,232,714,657

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 : March 28, 2013
Place : Dhaka


Howladar Yunus
Howladar Yunus & Co.
Chartered Accountants

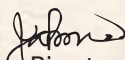
Consolidated Profit and Loss Account

For the year ended 31 December 2012

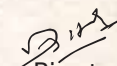
	Note	Amount in Taka	
		2012	2011
Interest income	22(a)	10,520,385,971	6,798,012,560
Less: Interest paid on deposits, borrowings, etc.	23(a)	7,658,802,706	4,654,632,244
Net interest income		2,861,583,265	2,143,380,316
Income from investment	24.00	1,751,833,772	1,648,869,541
Commission, exchange and brokerage	25 (a)	1,254,035,204	1,473,841,108
Other operating income	26 (a)	604,991,471	400,771,841
Capital gain	27.00	62,099,837	129,074,703
Total operating income		6,534,543,550	5,795,937,509
Salaries and allowances	28 (a)	1,801,269,674	1,591,011,638
Rent, taxes, insurance, lighting and travelling	29 (a)	561,769,530	389,166,558
Legal expenses		3,734,352	3,793,766
Postage, stamp, telecommunication etc.	30 (a)	72,441,274	57,155,524
Auditors' fee		700,000	500,000
Stationery, printing and advertisement	31 (a)	102,027,782	78,189,160
Charges on loan loss		578,731,227	309,582,157
Managing Director's salary	32.00	7,952,581	7,560,000
Directors' meeting fee	33 (a)	1,405,750	1,575,000
Repair, maintenance and depreciation of assets	34 (a)	273,093,112	222,996,681
Other expenses	35 (a)	303,060,688	256,500,562
Total operating expenses		3,706,185,972	2,918,031,046
Profit before provision		2,828,357,578	2,877,906,462
Provision for loans & advance, other assets & off BS items	36 (a)	1,365,933,356	881,636,905
Profit before taxation		1,462,424,221	1,996,269,557
Provision for taxation:	13.07(a)	1,045,646,871	1,164,478,175
Current tax		1,006,863,357	1,124,301,106
Deferred tax		38,783,515	40,177,069
Profit after taxation		416,777,350	831,791,382
Retained profit brought forward		359,943,970	731,029,378
		776,721,320	1,562,820,760
Appropriations		278,016,582	372,295,115
Statutory reserve		278,016,582	372,295,115
General reserve		-	-
Retained earnings		498,704,738	1,190,525,645
Earnings per Share (EPS)	43(a)	1.20	2.40

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 : March 28, 2013
Place : Dhaka

Howladar Yunus & Co.
Howladar Yunus & Co.
Chartered Accountants

Annual Report '12


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Consolidated Cash Flow Statement

For the year ended 31 December 2012

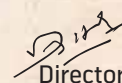
	Note	Amount in Taka	
		2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received in cash		10,520,385,971	6,798,012,560
Interest payments		(7,658,802,706)	(4,654,632,244)
Dividend received		53,213,728	121,086,707
Fees and commission received in cash		1,151,880,094	1,349,339,988
Recovery of loans and advances in cash previously written-off		175,200,118	70,309,771
Cash paid to employees		(1,639,222,255)	(1,448,571,638)
Cash paid to suppliers		-	-
Income tax paid		(872,717,004)	(673,042,758)
Cash received from other operating activities	37 (a)	2,292,666,344	2,111,820,727
Cash paid for other operating activities	38 (a)	(1,124,007,033)	(797,164,302)
Cash flows before changes in operating assets and liabilities		2,898,597,257	2,877,158,811
Increase/Decrease in operating assets and liabilities			
Loans and advances to customers		(13,017,932,433)	(16,602,093,106)
Other assets	40(a)	455,016,069	1,326,869,629
Deposits from other Banks		300,353,000	497,139,000
Deposit from customers		19,090,168,561	17,948,182,949
Trading liabilities		(298,830,132)	(84,800,424)
Other liabilities	41 (a)	611,364,600	(1,110,936,099)
		7,140,139,665	1,974,361,948
Net cash from operating activities		10,038,736,922	4,851,520,759
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of securities		18,000,000	18,000,000
Cash payments for purchase of securities		(254,215,397)	(2,331,652,770)
Purchase of property, Plant & equipment of fixed assets		(328,522,475)	(191,660,966)
Sales of property, Plant & equipment of fixed assets		1,437,731	11,974,410
Net cash from investing activities		(563,300,140)	(2,493,339,326)
CASH FLOWS FROM FINANCING ACTIVITIES			
Received from issue of loan, capital and debts security		5,793,512	819,091,725
Payments for redemption of loan capital and debt security		(245,558,700)	245,558,700
Net Cash from financing activities		(239,765,188)	1,064,650,425
Net increase/(decrease) in cash and cash equivalent		9,235,671,593	3,422,831,858
Opening cash and cash equivalent		17,885,798,470	14,462,966,612
Closing cash and cash equivalent	39 (a)	27,121,470,064	17,885,798,470

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


Managing Director


Director


Director


Director

Date : March 28, 2013
Place : Dhaka

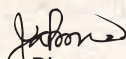
Consolidated Statement of Changes in Equity

As at 31 December 2012

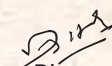
Particulars	Amount in Taka				
	Paid up capital	Statutory Reserve	Other Reserve	Surplus in Profit and Loss Account	Total
Balance at 01 January 2012	2,768,379,000	2,554,520,330	172,409,984	1,190,525,645	6,685,834,959
Bonus share issued (2011)	692,094,750	-	-	(692,094,750)	-
Cash dividend paid (2011)	-	-	-	(138,418,950)	(138,418,950)
	3,460,473,750	2,554,520,330	172,409,984	360,011,945	6,547,416,009
Foreign Currency translation difference	-	-	-	(67,976)	(67,976)
Holding gain during the year	-	-	520,136	-	520,136
Surplus/Deficit revaluation of Govt. treasury bill & bond etc.	-	-	15,760,697	-	15,760,697
Net profit after tax for the year	-	-	-	416,777,350	416,777,350
Appropriations made during the year	-	278,016,582	-	(278,016,582)	-
Balance as on 31 December 2012	3,460,473,750	2,832,536,912	188,690,816	498,704,738	6,980,406,216

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


Managing Director


Director


Director


Director

Date : March 28, 2013
Place : Dhaka

Balance Sheet

As at 31 December 2012

	Note	Amount in Taka	
		31-Dec-2012	31-Dec-2011
PROPERTY AND ASSETS			
Cash	3.00	9,582,853,464	6,635,581,452
Cash in hand (including foreign currency)		1,793,359,302	1,182,950,554
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)		7,789,494,162	5,452,630,899
Balance with other Banks and financial institutions	4.00	5,151,800,976	3,009,489,591
In Bangladesh		3,497,911,208	1,827,211,813
Outside Bangladesh		1,653,889,768	1,182,277,777
Money at call and on short notice	5.00	950,000,000	100,000,000
Investments	6.00	15,670,685,611	12,198,870,276
Government securities		11,311,623,934	8,101,539,970
Other investments		3,947,562,644	3,657,712,235
Outside Bangladesh		411,499,034	439,618,071
Loans and advances	7.00	77,159,761,910	64,641,172,520
Loans, cash credits, overdrafts, etc.		70,259,542,647	57,558,174,385
Bills purchased and discounted	8.00	6,900,219,263	7,082,998,135
Fixed assets including premises, furniture and fixtures	9.00	2,342,321,484	2,203,634,465
Other assets	10.00	3,137,413,121	2,752,254,000
Non banking assets		-	-
Total assets		113,994,836,566	91,541,002,302
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial Institutions and agents	11.00	874,456,831	1,418,845,663
In Bangladesh		634,907,131	1,418,845,663
Outside Bangladesh		239,549,700	-
Deposit and other accounts	12.00	92,432,755,891	73,105,732,013
Current deposits and other accounts		11,540,229,281	10,254,577,923
Bills payable		1,492,411,159	1,306,622,259
Savings bank deposits		11,468,553,820	10,031,541,483
Term deposits		67,931,561,631	51,512,990,348
Other liabilities	13.00	13,820,180,036	10,414,405,476
Total liabilities		107,127,392,758	84,938,983,152
Capital / Shareholders' equity			
Paid up capital	14.00	3,460,473,750	2,768,379,000
Statutory reserve	15.00	2,832,536,912	2,554,520,330
Other reserve	16.00	188,170,680	172,409,984
Surplus in Profit and Loss Account	17.00	386,262,466	1,106,709,837
Total shareholders' equity		6,867,443,808	6,602,019,151
Total liabilities and shareholders' equity		113,994,836,566	91,541,002,302

Balance Sheet

As at 31 December 2012

	Note	Amount in Taka	
		31-Dec-2012	31-Dec-2011
OFF BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		11,672,883,029	12,949,639,891
Letters of guarantee	18.00	5,717,606,179	4,112,823,270
Irrevocable letters of credit	19.00	12,272,437,515	11,606,768,727
Bills for collection	20.00	6,839,150,698	7,563,482,770
		36,502,077,421	36,232,714,657
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		-	-
		-	-
		36,502,077,421	36,232,714,657

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


Managing Director

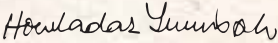

Director


Director


Director

As per our separate report of even date annexed.

Date : March 28, 2013
Place : Dhaka



Howladar Yunus & Co.
Chartered Accountants

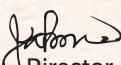
Profit and Loss Account

For the year ended 31 December 2012

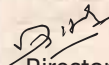
	Note	Amount in Taka	
		2012	2011
Interest income	22.00	10,442,619,723	6,696,082,116
Less: Interest paid on deposits, borrowings, etc.	23.00	7,636,960,088	4,654,632,244
Net Interest income		2,805,659,636	2,041,449,872
Income from investment	24.00	1,751,833,772	1,648,869,541
Commission, exchange and brokerage	25.00	1,150,684,893	1,374,929,738
Other operating income	26.00	583,425,002	394,635,037
Capital gain	27.00	62,099,837	129,074,703
Total operating income		6,353,703,139	5,588,958,890
Salaries and allowances	28.00	1,781,435,625	1,578,943,469
Rent, taxes, insurance, lighting and travelling	29.00	553,953,210	382,657,164
Legal expenses		3,734,352	3,793,766
Postage, stamp, telecommunication etc.	30.00	72,441,274	57,155,524
Auditors' fee		700,000	500,000
Stationery, printing and advertisement	31.00	102,027,782	78,189,160
Charges on loan loss		578,731,227	309,582,157
Managing Director's salary	32.00	7,952,581	7,560,000
Directors' meeting fee	33.00	1,285,000	1,425,000
Repair, maintenance and depreciation of assets	34.00	269,127,712	220,905,704
Other expenses	35.00	275,462,692	229,771,372
Total operating expenses		3,646,851,456	2,870,483,316
Profit before provision		2,706,851,683	2,718,475,574
Provision for loans & advance, other assets & off BS items	36.00	1,316,768,773	857,000,000
Profit before taxation		1,390,082,910	1,861,475,574
Provision for taxation:	13.07	1,002,000,000	1,113,500,000
Current tax		963,216,485	1,073,322,931
Deferred tax		38,783,515	40,177,069
Profit after taxation		388,082,911	747,975,574
Retained profit brought forward		276,196,137	731,029,378
		664,279,048	1,479,004,952
Appropriations		278,016,582	372,295,115
Statutory reserve		278,016,582	372,295,115
General Reserve		-	-
Retained earnings		386,262,466	1,106,709,837
Earnings per Share (EPS)	43.00	1.12	2.16

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 : March 28, 2013
Place : Dhaka


Howladar Yunus & Co.
Howladar Yunus & Co.
Chartered Accountants

Cash Flow Statement

For the year ended 31 December 2012

	Note	Amount in Taka	
		2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received in cash		10,442,619,723	6,696,082,116
Interest payments		(7,636,960,088)	(4,654,632,244)
Dividend received		53,213,728	121,086,707
Fees and commission received in cash		1,150,684,893	1,349,332,779
Recovery of loans and advances in cash previously written-off		175,200,118	70,309,771
Cash paid to employees		(1,619,388,206)	(1,436,503,469)
Cash paid to suppliers		-	-
Income tax paid		(808,310,404)	(642,714,088)
Cash received from other operating activities	37.00	2,168,944,765	2,006,779,762
Cash paid for other operating activities	38.00	(1,088,471,967)	(763,775,718)
Cash flows before changes in operating assets and liabilities		2,837,532,562	2,745,965,616
Increase / Decrease in operating assets and liabilities			
Loans and advances to customers		(12,518,589,390)	(16,174,171,298)
Other assets	40.00	423,151,282	1,383,049,501
Deposits from other Banks		300,353,000	497,139,000
Deposit from customers		19,026,670,878	17,948,182,949
Trading liabilities		(298,830,132)	249,689,200
Other liabilities	41.00	196,103,733	(1,245,994,721)
		7,128,859,371	2,657,894,631
Net cash from operating activities		9,966,391,933	5,403,860,247
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of securities		18,000,000	18,000,000
Cash payments for purchase of securities		(261,731,372)	(2,158,667,620)
Purchase of property, Plant & equipment of fixed assets		(310,872,232)	(178,081,336)
Sales of property, Plant & equipment of fixed assets		1,437,731	11,974,410
Net cash from investing activities		(553,165,872)	(2,306,774,546)
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)	245,558,700
Net Cash from financing activities		(245,558,700)	245,558,700
Net increase/(decrease) in cash and cash equivalent		9,167,667,361	3,342,644,401
Opening cash and cash equivalent		17,805,611,013	14,462,966,612
Closing cash and cash equivalent	39.00	26,973,278,373	17,805,611,013

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


Managing Director


Director


Director


Director


Date : March 28, 2013
Place : Dhaka

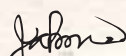
Statement of Changes in Equity

As at 31 December 2012

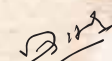
Particulars	Amount in Taka				
	Paid up capital	Statutory Reserve	Other Reserve	Surplus in Profit and Loss Account	Total
Balance at 01 January 2012	2,768,379,000	2,554,520,330	172,409,984	1,106,709,837	6,602,019,151
Bonus share issued (2011)	692,094,750	-	-	(692,094,750)	-
Cash dividend paid (2011)	-	-	-	(138,418,950)	(138,418,950)
	3,460,473,750	2,554,520,330	172,409,984	276,196,137	6,463,600,201
Surplus/Deficit on account of revaluation on investment	-	-	-	-	-
Surplus/Deficit on account of revaluation on Fixed Assets	-	-	-	-	-
Surplus/Deficit revaluation of Govt. treasury bill & bond etc.	-	-	15,760,697	-	15,760,697
Net profit after tax for the year	-	-	-	388,082,911	388,082,911
Appropriations made during the year	-	278,016,582	-	(278,016,582)	-
Balance as on 31 December 2012	3,460,473,750	2,832,536,912	188,170,680	386,262,466	6,867,443,808

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


Managing Director


Director


Director


Director

Date : March 28, 2013


Place : Dhaka

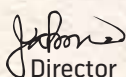
Statement of Liquidity (Asset and Liability Maturity Analysis)

As at 31 December 2012

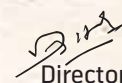
Assets and Liabilities	Amount in Taka					
	Not More than 1 Month	From 1 to 3 Month	From 3 to 12 Months	From 1 Year to 5 Years	From 5 Years and above	Total
Assets						
Cash in hand	1,793,359,302	-	-	-	-	1,793,359,302
Balance with other banks & financial institutions and agents	5,137,840,507	2,353,889,768	150,000,000	-	5,299,564,863	12,941,295,138
Money at call and on short notice	950,000,000	-	-	-	-	950,000,000
Investments	5,427,100	2,321,236,652	1,361,966,279	5,715,347,512	6,266,708,068	15,670,685,611
Loans and advances	9,955,037,440	21,206,745,316	25,072,696,009	13,358,101,489	7,567,181,655	77,159,761,910
Premises & fixed assets	9,369,286	18,738,572	85,026,270	339,636,615	1,889,550,741	2,342,321,484
Other assets	819,566,543	156,870,656	250,993,050	219,618,918	1,690,363,954	3,137,413,121
Total Assets	18,670,600,178	26,057,480,964	26,920,681,608	19,632,704,536	22,713,369,281	113,994,836,566
Liabilities						
Other banks, financial institutions	500,000,000	91,078,685	283,378,146	-	-	874,456,831
Deposits and other accounts	12,374,527,906	24,063,940,615	31,945,841,364	15,118,217,400	8,930,228,605	92,432,755,891
Provision and other liabilities	1,932,286,045	303,374,335	1,127,185,785	2,764,036,007	7,693,297,864	13,820,180,036
Total Liabilities	14,806,813,952	24,458,393,635	33,356,405,295	17,882,253,407	16,623,526,469	107,127,392,758
Net Liquidity Gap: Surplus/(Deficit)	3,863,786,227	1,599,087,329	(6,435,723,687)	1,750,451,128	6,089,842,811	6,867,443,808

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


Managing Director


Director


Director


Director

Date : March 28, 2013
Place : Dhaka

Notes to the Financial Statements

For the year ended 31 December 2012

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 106 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 start on 10 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 25 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 2012.

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 2012.

Conversion Policy

The conversion policy of subsidiary companies is given below.

Particulars	OBU	IFIC Money Transfer (UK) Ltd.
For assets & liabilities	79.8499	129.1133
For income & expenses	79.8499	129.1133

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 2012 to 31 December 2012.

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 accreted, 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. 14 dated 23.09.2012 and BRPD Circular No. 19 dated 27.12.2012
- 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 enterprises	0.25%
Consumer Finance for house building loan and loan for professional setup business	2.00%
Loans to Brokerage House, Merchant Banks, Stock dealers, etc.	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 increase amount should be credited directly to equity under the heading of revaluation surplus/reserve as per BAS-16: Property, Plant and Equipment. The Bank revalued the land which is absolutely owned by the Bank and the increased amount was transferred to revaluation reserve.

2.07.4 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, 2012.

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 2012 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 2012.

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. FEPD(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, 2012 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 BAS-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

Asset Liability Management (ALM) is the most important aspect for the Financial Institution to manage Balance Sheet Risk, especially for managing of Liquidity Risk and Interest Rate Risk. Changes in Market Liquidity and Interest Rate expose Bank Business to the risk of loss. Failure to identify the risks associated with business and to take timely measures against those risks may threaten the survival of institution. As such, it is important that the Senior Management as well as the Board of Directors must understand the existence of such risk on the Balance Sheet and they should ensure that the structure of the Bank Business and the level of Balance Sheet Risk it assumes are effectively managed, appropriate policies and procedures are established to control and limit these risks and resources are available for evaluating and controlling interest rate risk. To address all the risk elements of the Balance Sheet, Monthly ALCO Meetings are conducted regularly, 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 from time to time.

2.17.3 Prevention of Money Laundering

Money Laundering Prevention is a prominent issue all over the world. Since 2002 IFIC Bank Limited has been complying with all the rules and regulations on AML/CFT issues. As directed by the Bangladesh Bank, the IFIC Bank Limited 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 Limited is regularly arranging Training Programs on Prevention of Money Laundering & Combating Financing of Terrorism for all categories of Executives/Officers of the Bank. During the year 2012, the Bank arranged several training courses on Prevention of Money Laundering & Combating Financing of Terrorism where 250 Executives/Officers of the Bank attended.

2.17.4 Internal Control and Compliance

The operational performance of the Bank is depended on efficient and sound internal control system for establishing corporate governance, transparency & accountability in 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.

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. 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 a internal watch dog of the Bank, the Audit & Inspection Department is conducting Risk Based Audit & Inspection to identify, measure, control and mitigate risk factors at the Branches/Division.

Internal Control Unit (ICU) has also been set-up at the branches with the existing manpower to minimize irregularities/lapses to prevent fraud/forgeries and to avoid risks at the operational level. Meanwhile, Branch Audit Rating System has been established since 2011 in order to up grade the operational efficiency of the branches.

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, Treasury Back Office and Treasury Mid Office have been segregated. Operational Guidelines have also been formulated for defining the roles and responsibilities of Front, Back and Mid Office so that various Foreign Exchange transactions can be 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)

Technology and Banking Business has now been closely integrated. Since its inception, the Bank has adopted information and communication technology for its business to facilitate faster decision making and satisfaction of its customers.

Accordingly, the Bank has formulated policies and procedures for ICT Risk Management and has taken steps to protect the information and related assets from unauthorized access, modification and destruction for the sake of the interest of its customers. To mitigate risks in ICT operations, the Bank is continuously conducting training sessions on sensitive IT tasks (i.e. operational procedures, security procedures etc.) for relevant employees.

The Bank is taking Data Backup on daily basis; one copy is being stored in fire-proof Vault and another copy is being kept at remote site to face any disaster in Data Centre. Disaster Recovery (DR) Site has been established at Uttara, Dhaka to replicate data of Data Centre and failover business operations in case of any emergency or any disaster at Data Centre. Business continuity Plan has also been developed.

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

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 Guidelines of Bangladesh Bank which covers Password Control, User ID Maintenance, Input Control, Network Security, Data Encryption, Virus Protection and Access Control to Internet and Emailing.

The Bank is maintaining Service Level Agreement (SLA) with the vendors who are directly involved for providing critical services on behalf of the Bank. The Bank is also maintaining Insurance Coverage of critical IT Assets and maintaining IT Assets Inventory.

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

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 15 (fifteen) 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, 05 (five) Senior Executive Vice President (SEVP) who are the Company Secretary, Chief Financial Officer (CFO), Head of Internal Control & Compliance, Head Corporate Banking and Head of Human Resources Management, 02 (two) Executive Vice President (EVP) who are Head of Remedial Asset Management and Head of Treasury, 03 (three) Senior Vice President (SVP) who are Head of Information Technology, Chief Law Officer, Head of Credit Risk Management and 02 (two) First Vice President (FVP) who are In-charge, Managing Director's Secretariat also Acts as the member secretary to the committee and Head of Support & Estate. 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 actives.

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 Events after reporting period

The board of directors recommended 10% bonus shares as stock dividend in its 606th board meeting held on March 28, 2013.

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

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). While preparing the financial statements, IFIC Bank applied all the applicable BAS and BFRS as adopted by ICAB. Details are given below:

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 Plans	26	N/A**

Name of the BAS	BAS No.	Status
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	Applied
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied*
Earning per share	33	Applied
Interim Financial Reporting	34	Applied***
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	N/A
Financial Instruments: Recognition and Measurement	39	Applied*
Investment Property	40	Applied
Agriculture	41	N/A

Name of the BFRS	BFRS No.	Effective D
First time Adoption	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	Applied
Operating Segments	8	Applied

N/A Not Applicable

The following BFRSs were issued but not effective as at 31.12.2012

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

* In order to comply with certain specific rules and regulations of the local Central Bank (Bangladesh Bank) which are different to BAS/BFRS, some of the requirements specified in these BAS/BFRSs are not applied.

** This Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

*** The objective of BAS-34 is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period and hence it is not applicable for annual financial statements. However, the Bank being a listed entity in Dhaka and Chittagong Stock Exchanges regularly publishes Interim Financial Report complying with BAS-34.

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.

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
3.00	Cash		
	A. Cash in hand		
	Local currency in hand	1,725,458,312	1,149,168,572
	Foreign currencies in hand	27,487,390	21,851,481
	Cash with ATM	40,413,600	11,930,500
	Sub total	1,793,359,302	1,182,950,554
	B. Balance with Bangladesh Bank and its agents bank		
	Balance with Bangladesh Bank:		
	Local currency	5,724,464,863	4,089,325,871
	Foreign currencies	1,497,240,537	716,634,954
		7,221,705,400	4,805,960,824
	Balance with Sonali Bank:		
	As agent of Bangladesh Bank	567,788,762	646,670,074
	Other than agent	-	-
		567,788,762	646,670,074
	Sub total	7,789,494,162	5,452,630,899
	Grand total	9,582,853,464	6,635,581,452

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

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
	Required reserve in amount	5,280,298,620	4,046,862,795
	Percentage (%)	6.00%	6.00%
	Average reserve held in amount (Bangladesh Bank)	5,439,425,188	4,151,340,500
	Percentage (%)	6.18%	6.15%
	Surplus	0.18%	0.15%

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

	Required reserve in amount	16,720,945,630	12,815,065,518
	Percentage (%)	19%	19%
	Average reserve held in amount	18,452,619,927	13,514,520,259
	Percentage (%)	20.97%	20.04%
	Surplus/(Deficit)	1.97%	1.04%

3 (a) Consolidated Cash

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
	Cash in hand		
	IFIC Bank Limited	1,793,359,302	1,182,950,554
	IFIC Securities Limited	13,519	9,424
	IFIC Money Transfer (UK) Limited	-	-
		1,793,372,821	1,182,959,978
	Balance with Bangladesh Bank and its agents bank		
	IFIC Bank Limited	7,789,494,162	5,452,630,899
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		7,789,494,162	5,452,630,899
		9,582,866,983	6,635,590,876

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
4.00	Balance with other Banks and Financial Institutions		
	In Bangladesh (Note -4.01)	3,497,911,208	1,827,211,813
	Outside Bangladesh (Note -4.02)	1,653,889,768	1,182,277,777
		5,151,800,976	3,009,489,591
4.01	In Bangladesh		
	Current Account	175,578,212	92,732,761
	Agrani Bank Ltd.	66,125,223	60,352,108
	Sonali Bank Ltd.	5,192	78,882
	IFIC Securities Ltd.	109,447,797	32,301,771
	Short Term Deposits	22,332,995	34,479,052
	AB Bank Ltd.	-	-
	Trust Bank Ltd	9,859,089	16,716,956
	Standard Chartered Bank Ltd	12,413,235	17,701,424
	Beneficiary Owner (B. O) A/c.	60,672	60,672
	Fixed Deposits	3,300,000,000	1,700,000,000
	Peoples Leasing & Financial Services Ltd.	300,000,000	300,000,000
	First Lease Finance & Investment Co. Ltd.	300,000,000	200,000,000
	IIDFC	150,000,000	-
	Phoenix Finance & Investment Co. Ltd.	500,000,000	400,000,000
	Investment Corporation of Bangladesh	2,050,000,000	800,000,000
		3,497,911,208	1,827,211,813
4.02	Outside Bangladesh		

Name of The Foreign Bank/ Correspondent	2012				2011
	Currency	Amount in F.C.	Conversion Rate	Amount in Taka	Amount in Taka
J.P. Morgan Chase Bank, New York	US\$	8,380,414.70	79.8499	669,175,276	421,380,885
Citi Bank N.A. New York	US\$	2,266,132.89	79.8499	180,950,485	202,686,728
HSBC Bank, New York	US\$	3,230,584.48	79.8499	257,961,848	253,116,948
Standard Chartered Bank, London	US\$	123,951.16	79.8499	9,897,488	7,754,689
Masreq Bank PSC, New York	US\$	2,153,566.95	79.8499	171,962,106	7,620,497
Mashreq Asia Ltd., Hongkong	US\$	51,124.99	79.8499	4,082,325	7,834,647
Standard Chartered Bank, N.Y.	US\$	167,836.67	79.8499	13,401,741	119,568,959
Wachovia Bank N.A. New York	US\$	602,399.29	79.8499	48,101,523	27,208,804
HSBC Bank, Mumbai	ACU\$	185,067.29	79.8499	14,777,605	631,662
Standard Chartered Bank, Kolkata	ACU\$	577,111.14	79.8499	46,082,267	1,206,519
A.B. Bank Ltd., Mumbai	ACU\$	598,445.15	79.8499	47,785,785	707,775
NIB Bank Ltd, Karachi, Pakistan	ACU\$	66,471.54	79.8499	5,307,746	4,746,382
National Trust Bank Ltd., Colombo	ACU\$	176,989.65	79.8499	14,132,606	1,123,478
N B B L, Kathmandu, Nepal	ACU\$	66,509.28	79.8499	5,310,759	641,259
Sonali Bank, Kolkata	ACU\$	163,131.14	79.8499	13,026,005	11,569,690
State Bank of India, Kolkata	ACU\$	63,138.67	79.8499	5,041,616	5,917,176
Bank of Bhutan, Phuentosoling	ACU\$	49,348.65	79.8499	3,940,485	2,342,929
ICIC Bank Ltd.	ACU\$	595,388.35	79.8499	47,541,700	(4,249,573)
HSBC Bank Australia Ltd.	AUD	20,291.93	82.7924	1,680,018	6,277,952
J.P. Morgan Chase Bank, Sydney' 58	AUD	21,430.23	82.7924	1,774,260	9,311,326
The Bank Nova Scotia, Toronto, Canada	CAD	(8,737.86)	80.1223	(700,097)	4,283,090
UBS, AG., Zurich	CHF	8,370.09	87.4492	731,958	4,712,067
Habib Bank AG, Zurich	CHF	30,989.43	87.4492	2,710,001	313,974
Commerz Bank AG, Frankfurt	EUR	69,479.76	105.5735	7,335,221	26,138,552
Vereins Bank AG, Germany	EUR	11,016.07	105.5735	1,163,005	10,138,745
J.P. Morgan Chase Bank AG, Frankfurt	EUR	301,177.13	105.5735	31,796,324	26,446,487
Standard Chartered Bank, London	GBP	13,999.90	129.1133	1,807,573	6,877,998
HSBC Bank PLC, London	GBP	353,424.43	129.1133	45,631,794	9,438,317
Sonali Bank, (UK) Limited	GBP	9,470.00	129.1133	1,222,703	1,349,488
Bank Of Tokyo- Mitsubishi, Tokyo	JPY	277,662.00	0.9279	257,643	5,180,331
Total		20,626,185.10		1,653,889,768	1,182,277,777

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
4.03	Maturity grouping of Balance with other banks		
	On demand	1,851,800,976	1,309,489,591
	Less than three months	3,150,000,000	1,300,000,000
	Over three months but less than 1 year	150,000,000	400,000,000
	More than one year but less than two years	-	-
		5,151,800,976	3,009,489,591
4 (a)	Consolidated Balance with other Banks and Financial Institutions		
	In Bangladesh		
	IFIC Bank Limited (Note -4.01)	3,497,911,208	1,827,211,813
	IFIC Securities Limited	141,472,801	63,497,954
	IFIC Money Transfer (UK) Limited	-	-
		3,639,384,009	1,890,709,768
	Less: Inter -company transaction	141,472,800	63,497,683
		3,497,911,209	1,827,212,084
	Outside Bangladesh		
	IFIC Bank Limited (Note -4.02)	1,653,889,768	1,182,277,777
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	6,705,370	16,680,079
		1,660,595,138	1,198,957,857
	Less: Inter -company transaction	-	-
		1,660,595,138	1,198,957,857
		5,158,506,347	3,026,169,941
5.00	Money at call and on short notice		
	Uttara Bank Limited	150,000,000	100,000,000
	Mercantile Bank Ltd.	350,000,000	-
	Eastern Bank Ltd.	200,000,000	-
	National Bank of Pakistan	50,000,000	-
	Southeast Bank Ltd.	100,000,000	-
	BRAC Bank Ltd.	100,000,000	-
		950,000,000	100,000,000
5.01	Maturity grouping of money at call and on short notice		
	On demand	950,000,000	100,000,000
	Less than three months	-	-
	Over three months but less than one year	-	-
		950,000,000	100,000,000
6.00	Investments		
	In Bangladesh		
	Government Securities	11,311,623,934	8,101,539,970
	Investment Corporation of Bangladesh debenture	3,000,000	16,000,000
	House Building Finance Corporation debenture	20,000,000	25,000,000
	National prize bond	5,427,100	7,861,700
	30 days Bangladesh Bank bill	488,200,126	-
	364 days government treasury bill	384,992,971	-
	182 days government treasury bill	1,001,703,677	-
	91 days government treasury bill	646,690,086	344,588,749
	5 years government treasury bond	2,073,196,320	1,711,956,500
	10 years government treasury bond	4,687,308,289	4,179,593,879
	15 years government treasury bond	1,132,432,605	1,041,574,544
	20 years government treasury bond	868,672,760	774,964,598

	Amount in Taka	
	31-Dec-2012	31-Dec-2011
Other Investments	3,947,562,644	3,657,712,235
Shares of Karma Sangsthan Bank Limited	20,000,000	20,000,000
Share of National Housing Finance & Investment Limited	23,500,000	23,500,000
Central Depository (BD) Limited	18,277,770	18,277,770
Power Grid Co. BD Ltd.	267,616,172	260,794,610
Delta Life Insurance Co. Ltd.	22,110,000	22,110,000
IFIC Bank 1st Mutual Fund	250,000,000	250,000,000
Khulna Power Co. Ltd.	126,278,021	190,401,935
R.A.K. Ceramics	10	509
Ocean Containers Ltd.	27,546,685	27,546,685
Summit Power	108,786,696	149,552,931
Summit Alliance port Ltd.	60	10,807
ICB Employee 1st Mutual Fund	17,986,473	20,344,338
Square Pharma	21,240,801	88,832,364
BATBC Ltd.	91,744,278	139,330,528
Eastland Insurance	8,941,428	-
TITAS Gas	636,058,172	665,499,829
Beximco Ltd.	1,264,121,634	504,811,952
Singer (BD) Ltd.	134,695,157	134,695,157
Malek Spinning	76,850,297	-
Grameen Phone Ltd.	-	132,913,025
DESCO Ltd.	15,967,159	15,981,139
Unique Hotel	101,017,755	-
The City Bank Ltd.	194,197,477	194,197,477
National Life Ins. Ltd.	-	18,843,345
AMCL (PRAN)	14,373,687	14,373,687
Jamuna Oil	-	132,165,122
Megna Petroleum	-	155,070,020
Olympic Ind. Ltd.	-	513,796
MJL BD. Ltd.	141,707,639	132,874,321
Fareast Life Ins. Ltd.	136,631,812	136,631,812
Beximco pharma	204,741,386	208,435,699
Northern gen. Insurance	11,497,613	-
Reliance insurance	11,674,463	-
BD. Thai Co. Ltd.	-	3,378
	15,259,186,578	11,759,252,204
Outside Bangladesh	411,499,034	439,618,071
Shares of Nepal Bangladesh Bank Ltd. (Note - 6.04)	168,153,300	177,120,000
Shares of Oman International Exchange LLC (Note - 6.05)	41,750,416	38,904,728
Shares of NIB Bank Limited (Note - 6.06)	201,595,318	223,593,344
	15,670,685,611	12,198,870,276
6.01 Government securities are classified according to Bangladesh Bank Circular		
Held for trading (HFT)	2,341,495,437	649,832,449
Held to maturity (HTM)	8,964,701,397	7,443,845,821
Other securities	5,427,100	7,861,700
	11,311,623,934	8,101,539,970

6.02 Cost and Market Value of Investments

Particulars	Quantity	Cost	Market/Present Value	Quoted/Unquoted
In Bangladesh				
Treasury Bills	16	2,474,409,220	2,521,586,860	-
Treasury Bonds	50	8,864,336,596	8,761,609,974	-
National Prize Bond	54,271	5,427,100	5,427,100	-
		11,344,172,916	11,288,623,934	
Debentures :				
Debentures - ICB	3	3,000,000	3,000,000	-
Debentures - HBFC	1	20,000,000	20,000,000	-
		23,000,000	23,000,000	
In Ordinary Shares :				
Karma Sangsthan Bank Ltd.	200,000	20,000,000	20,000,000	Unquoted
National Housing Fin. & Inv. Ltd.	3,102,000	23,500,000	116,325,000	Quoted
Central Depository (BD) Limited	1,827,777	18,277,770	18,277,770	Unquoted
Power Grid Co. BD Ltd	3,816,750	267,616,172	212,211,300	Quoted
Delta Life Insurance Co. Ltd	50,000	22,110,000	228,600,000	Quoted
IFIC Bank 1st Mutual Fund	25,000,000	250,000,000	200,000,000	Quoted
Khulna Power Co. Ltd.	2,139,022	126,278,021	106,523,296	Quoted
R.A.K. Ceramics	1	10	57	Quoted
Ocean Containers Ltd.	175,288	27,546,685	5,241,111	Quoted
Summit Power	1,518,462	108,786,696	80,934,025	Quoted
Summit Alliance port Ltd.	6	60	177	Quoted
ICB Employee 1st Mutual Fund	1,339,500	17,986,473	10,849,950	Quoted
Square Pharma	112,672	21,240,801	18,996,499	Quoted
BATBC Ltd.	145,850	91,744,278	122,441,075	Quoted
Eastland Insurance	113,000	8,941,428	6,395,800	Quoted
TITAS Gas	8,303,925	636,058,172	542,246,303	Quoted
Beximco Ltd.	14,493,211	1,264,121,634	933,362,788	Quoted
Singer (BD) Ltd.	461,050	134,695,157	75,658,305	Quoted
Malek Spinning	2,643,850	76,850,297	66,360,635	Quoted
DESCO Ltd.	201,175	15,967,159	14,504,718	Quoted
Unique Hotel	1,000,000	101,017,755	126,200,000	Quoted
The City Bank Ltd.	3,982,937	194,197,477	106,742,712	Quoted
AMCL (PRAN)	95,000	14,373,687	11,590,000	Quoted
MJL BD. Ltd.	1,204,658	141,707,639	96,011,243	Quoted
Fareast Life Ins. Ltd.	719,425	136,631,812	76,402,935	Quoted
Beximco pharma	2,634,518	204,741,386	147,269,500	Quoted
Northern gen. Insurance	188,000	11,497,613	8,554,000	Quoted
Reliance insurance	129,000	11,674,463	12,229,200	Quoted
		3,947,562,644	3,363,928,397	
Outside Bangladesh				
Shares of Nepal Bangladesh Bank Ltd. (Note-6.04)	1,845,000	168,153,300	416,148,975	Quoted
Shares of Oman Int. Exchange LLC (Note-6.05)	2,013	41,750,416	41,750,416	Unquoted
Shares of NIB Bank Limited (Note-6.06)	24,578,800	201,595,318	36,961,845	Quoted
		411,499,034	494,861,236	
Total		15,726,234,594	15,170,413,568	

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
6.03	Maturity Grouping of Investments		
	On demand	5,427,100	7,861,700
	Less than Three months	2,321,236,652	344,588,749
	Over three months but less than one year	1,361,966,279	3,448,479,064
	Over one year but less than five years	5,715,347,512	1,673,911,900
	Over five years	6,266,708,068	6,724,028,862
		15,670,685,611	12,198,870,276

6.04 Shares of Nepal Bangladesh Bank Ltd : Tk. 168,153,300

Shares of Nepal Bangladesh Bank Ltd represents subscription towards 9.18% paid up capital of the Bank located in Nepal. Out of Total number of 20,093,956 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, 2012 was Tk. 416,148,975.

6.05 Shares of Oman International Exchange LLC: Tk. 41,750,416

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 8,053 shares of the company, IFIC Bank owns 2,013 shares of RO 100 each. During the year an amount of Tk. 21,361,116 has been accounted for as income.

6.06 Shares of NIB Bank Limited: Tk. 201,595,318

Shares of NIB Bank Ltd. represents subscription towards 0.23% paid-up capital of the Bank located in Pakistan. Out of total number of 10,302,851,164 shares of the Bank of PKR 10 each, IFIC Bank owns 24,578,800 Shares. Market value of the above investment as at December 31, 2012 was Tk. 36,961,845.

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
6 (a)	Consolidated Investments		
	Government Securities		
	IFIC Bank Limited (Note-6.00)	11,311,623,934	8,101,539,970
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		11,311,623,934	8,101,539,970
	Other Investments		
	IFIC Bank Limited (Note-6.00)	3,947,562,644	3,657,712,235
	IFIC Securities Limited	165,469,175	172,985,150
	IFIC Money Transfer (UK) Limited	-	-
		4,113,031,819	3,830,697,385
	Outside Bangladesh		
	IFIC Bank Limited (Note-6.00)	411,499,034	439,618,071
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		411,499,034	439,618,071
		15,836,154,786	12,371,855,426

7.00 Loans and Advances

7.01 Maturity grouping of loans and advance

	Repayable on demand	866,432,305	66,516,511
	Not more than 3 months	30,295,350,452	24,099,900,703
	Over 3 months but not more than 1 year	25,072,696,009	20,186,085,450
	Over 1 year but not more than 5 years	13,358,101,489	12,988,118,766
	Over 5 years	7,567,181,655	7,300,551,089
		77,159,761,910	64,641,172,520

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
7.02	Loans, cash credits, overdrafts, etc. including bills discounted and purchased:		
	In Bangladesh		
	Loans	34,153,608,976	30,178,928,044
	Cash credits	18,731,975,670	14,598,455,670
	Secured overdrafts	17,373,958,001	12,780,790,671
	Bill purchased and discounted (Note: 8)	6,900,219,263	7,082,998,135
		77,159,761,910	64,641,172,520
	Out side Bangladesh	-	-
		77,159,761,910	64,641,172,520
7.03	Concentration of Loans & Advances		
	Loans and advances to Directors	738,881	135,556
	Advance to Managing Director, Executive & others	1,710,195,428	1,459,419,095
	Other Loan & advances	75,448,827,601	63,181,617,869
		77,159,761,910	64,641,172,520
7.04	Loans and Advances allowed to each customer exceeding 10% of Bank's total capital		
	Number of customers	45	42
	Amount of outstanding loans (crore)	4,463.88	3,700.71
	Classified amount thereon (crore)	-	5.52
	(Annexure - A may kindly be seen for details)		
7.05	Industry wise position of loans and advances including bills purchased and discounted		
	Agriculture Industries	643,452,009	350,650,498
	Jute Industries	561,742,083	528,251,471
	Textile Industries	3,114,376,593	3,605,002,108
	Garments Industries	9,589,721,403	8,966,971,858
	Chemical and Chemical Products	553,110,578	282,943,600
	Cement Industries	500,392,100	503,531,422
	Bricks & Ceramic	925,514,831	587,714,346
	Food Products & Processing	3,035,310,716	2,168,407,026
	Engineering & Metal	2,740,307,118	1,859,454,762
	Drugs & Pharmaceuticals	422,385,717	283,598,996
	Hospital & Clinics	1,277,563,322	1,046,458,301
	Paper & Paper Products Industries	675,221,359	620,236,306
	Other Small Industries	1,265,965,375	1,203,305,964
	IT Sector	152,569,065	89,895,770
	Other Service Industries	1,965,241,853	630,967,121
	Commerce & Trade	22,620,302,721	19,654,444,520
	IFIC Securities Ltd.	1,452,144,530	1,393,587,667
	Transport	211,333,100	310,615,510
	Construction Firms/Companies	3,732,043,464	5,638,372,419
	Housing Societies/Companies	7,601,449,945	2,783,680,027
	Cold Storage	137,244,902	147,060,417
	Non-Banking Financial Institutions	1,227,580,792	1,560,649,966
	Consumer Finance	5,217,728,733	5,069,057,954
	Energy	1,358,673,023	472,337,797
	Telecommunication	637,822,892	296,674,279
	Others	5,540,563,686	4,587,302,415
		77,159,761,910	64,641,172,520

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
7.06	Sector wise position of loans and advances including bills purchased and discounted		
	Corporate Finance	51,980,903,779	42,767,798,416
	Agricultural Finance	643,452,009	350,650,078
	Consumer Finance	5,217,728,733	5,069,057,954
	Small & Medium Enterprise (SME) loans	19,238,841,227	16,432,437,551
	Women Entrepreneurs' loans	78,836,162	21,228,521
		77,159,761,910	64,641,172,520
7.07	Geographical location-wise Loans and Advances		
	Dhaka Division	55,024,352,590	47,221,027,143
	Chittagong Division	13,516,582,032	10,638,810,734
	Sylhet Division	558,117,921	539,126,062
	Rajshahi Division	4,582,845,446	3,480,906,912
	Khulna Division	2,121,247,759	1,688,439,806
	Barisal Division	302,872,357	235,838,249
	Rangpur Division	1,053,743,805	837,023,613
		77,159,761,910	64,641,172,520
7.08	Classification of Loans and Advances		
	Unclassified :		
	(i) Standard	71,777,747,725	60,894,289,520
	(ii) Special mention account	1,286,469,043	1,168,795,000
	Classified :		
	(i) Substandard	630,607,645	347,481,000
	(ii) Doubtful	200,081,196	1,422,071,000
	(iii) Bad / Loss	3,264,856,301	808,536,000
		77,159,761,910	64,641,172,520
7.09	Particulars of loans and advances		
	i) Debts considered good in respect of which the Bank is fully secured	75,344,314,172	62,573,191,610
	ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	661,758,795	769,180,531
	iii) Debts considered good being secured by personal security of one or more persons in addition to the personal security of the debtors	1,153,688,942	1,298,800,379
	iv) Debts considered doubtful or bad not provided for	-	-
		77,159,761,910	64,641,172,520
	v) Balance of debts due by directors or officers of the bank or any of them either severally or jointly with any other person	1,267,928,070	1,150,097,956
	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	203,901,967	567,299,555

	Amount in Taka	
	31-Dec-2012	31-Dec-2011
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	808,536,000	1,613,964,000
Increase/Decrease	2,456,320,301	(805,428,000)
Closing balance	3,264,856,301	808,536,000
Amount of provision kept against loan classified as bad/loss on the date of preparing the balance sheet:		
	2,061,083,000	387,804,000
xi) Amount of written off loan:		
Cumulative amount	10,799,440,535	10,150,653,649
Amount written off during the year	648,786,886	1,170,260,853

Bank had written-off a cumulative total loan of Tk. 1,079.95 crore during the year 2003 to 2012 of which Tk. 64.88 crore was written off during the year 2012. Out of this cumulative total of Tk 1,079.95 crore, suit was filed for recovery of Tk. 1,075.57 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. 18.56 crore in 2012 and Tk. 397.69 crore during 2003 to 2012. The balance of written -off advances stood at Tk. 691.90 crore including interest charge of Tk. 9.64 crore as on 31.12.2012.

	Amount in Taka	
	31-Dec-2012	31-Dec-2011
7.10 Particulars of required provision for loans and advances		
On unclassified (including OBU)	661,774,771	733,215,000
On special mention accounts	64,324,000	57,244,000
On substandard	70,360,000	39,576,000
On doubtful	63,804,000	570,436,000
On bad /loss	2,061,083,000	387,804,000
Required provision for loans and advances	2,921,345,771	1,788,275,000
Total provision maintained (Note: 13.01 + 13.02)	2,963,558,805	1,794,790,032
Excess or (short) provision as at 31 December 2012	42,213,034	6,515,032
7.11 Gross lease rental receivable		
Lease rental receivable within 1 year	282,889,919	284,671,425
Lease rental receivable within 5 years	869,885,230	922,085,295
Total lease rental receivable	1,152,775,149	1,206,756,720
Less: unearned lease rental	272,210,271	263,808,649
Net lease rental receivable	880,564,878	942,948,071
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)	70,259,542,647	57,558,174,385
IFIC Securities Limited	2,738,664,417	2,180,764,511
IFIC Money Transfer (UK) Limited	-	-
	72,998,207,064	59,738,938,896
Less: Inter -company transactions	1,452,144,530	1,393,587,667
	71,546,062,534	58,345,351,229

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
	Consolidated Bills purchased and discounted		
	IFIC Bank Limited (Note-8.00)	6,900,219,263	7,082,998,135
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		6,900,219,263	7,082,998,135
		78,446,281,797	65,428,349,364
8.00	Bills purchased and discounted		
	In Bangladesh	6,308,207,375	6,691,127,616
	Outside Bangladesh	592,011,888	391,870,519
		6,900,219,263	7,082,998,135
8.01	Maturity grouping of Bills purchased and discounted		
	Payable with in 1 month	3,660,446,838	4,103,799,634
	Over 1month but less than 3 months	1,274,737,441	1,657,717,740
	Over 3 months but less the 6 months	1,954,213,382	1,311,559,296
	Over 6 months or more	10,821,602	9,921,465
		6,900,219,263	7,082,998,135
8 (a)	Consolidated Bills purchased and discounted		
	IFIC Bank Limited (Note-8.00)	6,900,219,263	7,082,998,135
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		6,900,219,263	7,082,998,135
9.00	Fixed Assets including premises, furniture and fixtures		
	Land	475,118,759	475,118,759
	Building	1,214,534,338	1,223,207,107
	Wooden furniture	49,008,035	41,416,399
	Steel furniture	23,165,168	21,627,807
	Office equipment	314,507,257	238,757,145
	Electrical & gas equipment	133,213,204	104,627,668
	Improve & leasehold premises	110,291,144	83,070,433
	Motor vehicles	21,048,246	14,669,362
	Soft furnishing	1,435,332	1,139,784
		2,342,321,484	2,203,634,465
	(Annexure - B may kindly be seen for details)		
9 (a)	Consolidated Fixed Assets including premises, furniture and fixtures		
	IFIC Bank Limited (Note-9.00)	2,342,321,484	2,203,634,465
	IFIC Securities Limited	10,224,632	11,488,655
	IFIC Money Transfer (UK) Limited	15,023,365	-
		2,367,569,482	2,215,123,119
10.00	Other Assets		
	Stationery and stamps	21,738,805	23,217,149
	Suspense account (Note-10.01)	346,220,356	468,459,089
	Advance, deposit and prepayments (Note-10.02)	1,163,823,567	664,951,096
	Branch adjustment (Note-10.03)	-	121,637,612
	Accrued interest on investment & other income receivable (Note - 10.04)	778,887,095	651,173,718
	Investment in subsidiaries (Note-10.05)	824,885,237	819,091,725
	Revaluation A/C FDBP	1,792,520	1,792,520
	Accounts receivable others	65,541	1,931,091
		3,137,413,121	2,752,254,000

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
10.01	Suspense account		
	Sundry debtors	117,542,920	113,480,277
	Advance against bills, new branches	33,344,129	105,260,670
	Advance against postage and telegram	18,499	3,595
	Advance against TA/DA	35,300	12,900
	Law charges	65,270,666	54,800,723
	Sanchaya patra paid	92,388,530	109,800,353
	Clearing adjustment (Dr)	-	3,694,258
	Wage earners development bond paid	25,547,014	42,016,131
	Investment bond	194,513	3,639,482
	CIB charge	407,795	16,170
	Others	1,484,385	18,791,090
	TMT & Money gram services	9,986,605	16,943,440
		346,220,356	468,459,089
10.02	Advance, deposit and prepayments		
	Advance rent	269,027,719	189,728,976
	Advance income tax	428,310,404	265,675,674
	Security deposit including demand note	3,330,423	1,192,625
	Advance against car purchase	279,596,930	62,301,654
	Advance against insurance premium	417,428	266,575
	Protested bills	16,491,124	15,560,429
	Others	2,016,276	2,295,603
	Cash remittance	13,000,000	12,000,000
	Advance against IPO, placement, right, mutual fund etc.	151,633,263	115,929,560
		1,163,823,567	664,951,096

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 2012 are given below:

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

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
10.04	Accrued interest on investment & other income receivable		
	Treasury bills	716,806	-
	Treasury bonds	288,161,900	258,341,500
	Debentures/bond	11,921,151	18,510,917
	Government for jute finance	41,272,375	41,272,375
	PAD, SOD, LTR, LM, LG, etc.	59,199,656	81,655,100
	Inland documentary bill purchased (IDBP)	-	6,701,734
	Others	293,983,084	186,768,792
	FDR	83,632,122	57,923,300
		778,887,095	651,173,718
10.05	Investment in subsidiaries		
	IFIC Securities Limited	799,994,000	799,994,000
	IFIC Money Transfer (UK) Limited	24,891,237	19,097,725
		824,885,237	819,091,725

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
10.06	Classification of other assets		
	Unclassified	2,914,105,121	2,624,375,000
	Substandard	-	-
	Doubtful	-	-
	Bad / Loss	223,308,000	127,879,000
		3,137,413,121	2,752,254,000
10.07	Required provision for other assets & investments		
	Unclassified	-	-
	Substandard	-	-
	Doubtful	-	-
	Bad/Loss	567,743,000	423,000,000
		567,743,000	423,000,000

An amount of Tk. 10,025,154.95 has been provided for un-reconciled debit entries in NOSTRO Account.

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
10.08	Non-Income generating other assets		
	Stationery and stamps	21,738,805	23,217,149
	Sundry debtors	117,542,920	113,480,277
	Advance against new branches	33,344,129	105,260,670
	Advance against postage and telegram	18,499	3,595
	Advance against TA / DA	35,300	12,900
	Law charge	65,270,666	54,800,723
	Advance insurance premium	417,428	266,575
	Clearing adjustment	-	3,694,258
	Investment bond	194,513	3,639,482
	Advance against IPO, placement, mutual fund, etc	151,633,263	115,929,560
	Advance against rent	269,027,719	189,728,976
	Advance income tax	428,310,404	265,675,674
	Security deposit (including demand note)	3,330,423	1,192,625
	Advance against car purchase	279,596,930	62,301,654
	Protested bills	16,491,124	15,560,429
	Branch adjustment	-	121,637,612
	Accrued interest and other interest receivable	778,887,095	651,173,718
	CIB charge	407,795	16,170
	Others	3,500,661	21,086,694
	Cash remittance	13,000,000	12,000,000
	Revaluation A/c FDBP	1,792,520	1,792,520
	TMT & Moneygram	9,986,605	16,943,440
	Accounts receivable others	65,541	1,931,091
		2,194,592,340	1,781,345,790
10 (a)	Consolidated Other Assets		
	IFIC Bank Limited (Note-10.00)	3,137,413,121	2,752,254,000
	Less: Investment in IFIC Securities Limited (Note-10.05)	799,994,000	799,994,000
	Less: Investment in IFIC Money Transfer (UK) Limited (Note-10.05)	24,891,237	19,097,725
		2,312,527,885	1,933,162,275
	IFIC Securities Limited	117,556,902	86,508,542
	IFIC Money Transfer (UK) Limited	1,493,454	-
		2,431,578,240	2,019,670,817

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
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
	Popular Insurance Co. Ltd.	74,907,131	-
	Central Depository (BD) Limited	60,000,000	-
	Dhaka Bank Ltd.	500,000,000	-
	IPDC	-	50,000,000
		634,907,131	1,418,845,663
	Outside Bangladesh	239,549,700	-
		874,456,831	1,418,845,663
11.01	Secured and unsecured of borrowing from other banks, Financial Institutions and Agents		
	Secured	-	-
	Unsecured	874,456,831	1,418,845,663
		874,456,831	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	500,000,000	270,000,000
	Over 1 month but less than 1 year	374,456,831	1,148,845,663
	Over 1 year and above	-	-
		874,456,831	1,418,845,663
11 (a)	Consolidated Borrowing from other Banks, Financial Institutions and Agents In Bangladesh		
	IFIC Bank Limited (Note-11.00)	634,907,131	1,418,845,663
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		634,907,131	1,418,845,663
	Outside Bangladesh		
	IFIC Bank Limited (Note-11.00)	239,549,700	-
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		239,549,700	-
		874,456,831	1,418,845,663
12.00	Deposits and other accounts		
	From Banks	922,175,000	621,822,000
	Other than Banks	91,510,580,891	72,483,910,013
	Payable on demand	23,579,019,260	20,970,919,665
	Term deposits	67,931,561,631	51,512,990,348
		92,432,755,891	73,105,732,013
	Current deposits and other accounts	11,540,229,281	10,254,577,923
	Current deposit	7,229,663,282	6,568,512,720
	Sundry deposit	3,421,507,295	2,905,584,739
	Foreign currency deposit	859,074,221	758,065,886
	Resident FC deposit	27,066,692	20,433,798
	Investors' account (Cr. balance)	322,813	300,867
	Q-Cash, prepaid, cheque Card A/c.	2,594,978	1,679,914

	Amount in Taka	
	31-Dec-2012	31-Dec-2011
Bills Payable		
In Bangladesh	1,492,411,159	1,306,622,259
Payment order	1,454,870,438	1,260,344,144
Demand draft	6,321,291	11,198,468
Security deposit receipt	31,219,430	35,079,646
Savings bank deposit	11,468,553,820	10,031,541,483
Term deposits	67,931,561,631	51,512,990,348
Special notice deposit	8,320,914,279	7,741,881,055
Fixed deposit	50,936,148,967	39,792,184,534
Non resident FC deposit & ERQ	38,589,265	39,284,018
Pension savings scheme	2,600,669,645	1,985,170,122
Millionaire dream plan	69,335,301	-
School savings plan	13,127,942	3,625,262
Monthly income scheme	2,669,500,439	437,356,813
Double return deposit scheme	3,279,644,625	1,477,220,637
Three years plus	3,631,168	36,267,907
	92,432,755,891	73,105,732,013

12.01 Maturity grouping of deposits and other accounts

Particulars	Bank	Other than Bank	2012 Taka	2011 Taka
Repayable on demand	922,175,000	11,452,352,906	12,374,527,906	11,745,982,357
Repayable on 1 month	-	13,892,593,399	13,892,593,399	9,735,211,649
Over 1 month but within 6 months	-	24,411,233,318	24,411,233,318	22,308,195,070
Over 6 months but within 1 year	-	17,705,955,262	17,705,955,262	14,118,066,973
Over 1 year but within 5 years	-	15,118,217,400	15,118,217,400	9,710,447,241
Over 5 years but within 10 years	-	8,926,319,472	8,926,319,472	5,483,477,280
Unclaimed deposit for 10 years or more	-	3,909,133	3,909,133	4,351,441
Total	922,175,000	91,510,580,891	92,432,755,891	73,105,732,013

12 (a) Consolidated deposits and other accounts

	Amount in Taka	
	31-Dec-2012	31-Dec-2011
Current deposits and other accounts		
IFIC Bank Limited (Note-12.00)	11,540,229,281	10,254,577,923
IFIC Securities Limited	-	-
IFIC Money Transfer (UK) Limited	-	-
	11,540,229,281	10,254,577,923
Less: Inter -company transactions	141,472,800	63,497,683
	11,398,756,481	10,191,080,240
Bills payable		
IFIC Bank Limited (Note-12.00)	1,492,411,159	1,306,622,259
IFIC Securities Limited	-	-
IFIC Money Transfer (UK) Limited	-	-
	1,492,411,159	1,306,622,259
Savings bank deposit		
IFIC Bank Limited (Note-12.00)	11,468,553,820	10,031,541,483
IFIC Securities Limited	-	-
IFIC Money Transfer (UK) Limited	-	-
	11,468,553,820	10,031,541,483

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
	Term deposits		
	IFIC Bank Limited (Note-12.00)	67,931,561,631	51,512,990,348
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		67,931,561,631	51,512,990,348
		92,291,283,091	73,042,234,330
13.00	Other liabilities		
	Exporters F.C account	2,733,391,832	1,553,003,531
	Accrued expenses	18,911,763	6,783,311
	Provision for classified loans & advance (Note-13.01)	2,210,250,805	1,001,982,032
	Provision for unclassified loans & advances (Note-13.02)	753,308,000	792,808,000
	Provision for other assets & investments (Note-13.03)	571,857,848	425,357,848
	Interest suspense account (Note-13.04)	2,169,577,855	2,081,379,137
	Foreign demand draft (FDD)	13,082,346	13,491,346
	Dividend payable	2,814,447	2,814,447
	Provision for taxation (Note-13.05)	2,590,910,628	2,273,369,816
	Provision for deferred taxation (Note-13.06)	152,044,804	113,261,289
	Export development fund	1,924,643,969	1,540,725,396
	Bonus payable	170,000,000	150,000,000
	SME Refinance	53,593,750	-
	Revaluation of investment abroad	8,176,182	39,856,309
	Exporter's cash assistance	-	311
	Provision for Off balance sheet (Note-13.08)	365,500,000	364,000,000
	Oman International Exchange (LLC)	1,619,441	9,524,034
	Foreign Trade Exchange Settlement & others	80,496,366	46,048,669
		13,820,180,036	10,414,405,476
13.01	Provision for classified loans & Advance		
	Provision held at the beginning of the year	1,001,982,032	1,323,150,515
	Fully provided debts written off / waiver	-	(717,668,483)
	Reschedule/re-intendment from previously written off	-	-
	Provision transferred from provision for Unclassified advance and Off-shore Banking Unit	62,500,000	2,000,000
	Specific provision for the year	1,145,768,773	394,500,000
		2,210,250,805	1,001,982,032
13.02	Provision for Un-classified loans & advances		
	Provision held at the beginning of the year	781,808,000	601,308,000
	Provision transferred to provision for classified loans & advance	(56,000,000)	-
	Specific provision for the year	23,000,000	180,500,000
		748,808,000	781,808,000
	Provision for Off-shore Banking Unit (OBU)		
	Provision held at the beginning of the year	11,000,000	13,000,000
	Provision transferred to provision for classified loans & advance	(6,500,000)	(2,000,000)
	Specific provision for the year	-	-
		4,500,000	11,000,000
		753,308,000	792,808,000
13.03	Provision for other assets & investments		
	Provision held at the beginning of the year	425,357,848	173,357,848
	Provision transferred to provision for classified loans & advance	-	-
	Specific provision for the year	146,500,000	252,000,000
		571,857,848	425,357,848

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
13.04	Interest suspense account		
	Balance at the beginning of the year	2,081,379,137	2,095,590,111
	Amount transferred during the year	535,549,274	461,253,213
	Amount recovered during the year	(377,294,956)	(296,536,638)
	Amount written off during the year	(70,055,599)	(178,927,550)
		2,169,577,855	2,081,379,137
13.05	Provision for taxation		
	Current tax :		
	Provision for earlier year	-	10,243,688
	Provision for current year	963,216,485	1,063,079,243
		963,216,485	1,073,322,931
	Balance for Tax provision for earlier years	1,627,694,143	1,200,046,885
		2,590,910,628	2,273,369,816
13.06	Provision for deferred taxation		
	Balances as on 01 January	113,261,289	73,084,220
	Addition during the year (Note-13.06.1)	38,783,515	40,177,069
		152,044,804	113,261,289
13.06.1	Deferred tax (income)/expense		
	Written down value of Fixed Assets as per Accounts	2,342,321,484	2,203,634,465
	Less: Written down value of Fixed Assets as per Tax Authority	1,984,569,007	1,937,137,316
	Taxable/(deductible) Temporary difference	357,752,477	266,497,149
	Applicable Tax Rate	42.50%	42.50%
	Deferred Tax Liability/(Asset)	152,044,803	113,261,288
	Less: Opening deferred Tax Liability/ (Asset)	113,261,288	73,084,219
	Deferred Tax (income)/expense	38,783,515	40,177,069
13.07	Provision for taxation during the year		
	Current tax	963,216,485	1,073,322,931
	Deferred tax	38,783,515	40,177,069
		1,002,000,000	1,113,500,000
13.07 (a)	Consolidated Provision for taxation during the year		
	Current tax		
	IFIC Bank Limited (Note-13.07)	963,216,485	1,073,322,931
	IFIC Securities Limited	43,646,872	50,978,175
		1,006,863,357	1,124,301,106
	Deferred tax		
	IFIC Bank Limited (Note-13.07)	38,783,515	40,177,069
	IFIC Securities Limited	-	-
		38,783,515	40,177,069
		1,045,646,871	1,164,478,175
13.08	Provision for Off balance sheet		
	Provision held at the beginning of the year	364,000,000	334,000,000
	Provision transferred from provision for other assets	-	-
	Specific provision for the year	1,500,000	30,000,000
		365,500,000	364,000,000
13(a)	Consolidated Other liabilities		
	IFIC Bank Limited (Note-13.00)	13,820,180,036	10,414,405,476
	IFIC Securities Limited	796,094,007	234,601,488
	IFIC Money Transfer (UK) Limited	10,537,453	837,626
		14,626,811,497	10,649,844,590

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
14.00	Share Capital		
14.01	Authorized Capital		
	2,000,000,000 ordinary shares of Tk. 10 each	20,000,000,000	5,350,000,000

The Authorized Capital of the Bank increased to Tk. 2,000.00 crore from that of Tk.535.00 crore as approved by the valued Shareholders in the 35th Annual General Meeting held on 11.07.2012 . 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 Capital			
232,721,850 ordinary shares of Tk. 10 each fully paid held by the Sponsors, Directors, Institutions, Foreign & General Public		2,327,218,500	1,861,774,800
113,325,525 ordinary shares of Tk. 10 each fully paid held by the Government of the People's Republic of Bangladesh.		1,133,255,250	906,604,200
		3,460,473,750	2,768,379,000
14.03 Issued, subscribed and paid up Capital			
8,000,000 ordinary shares of Tk. 10 each issued for cash		80,000,000	80,000,000
4,400,000 ordinary shares of Tk. 10 each issued as right share		44,000,000	44,000,000
333,647,375 ordinary shares of Tk. 10 each issued for bonus share		3,336,473,750	2,644,379,000
		3,460,473,750	2,768,379,000

Out of the total issued, subscribed and fully paid-up Capital of the Bank 4,40,000 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

Particulars	2012			2011		
	No. of holder	Total Share	Percentage (%)	No. of holder	Total Share	Percentage
01 to 500 shares	29,328	3,630,320	1.05	27,935	3,620,808	1.31
501 to 5000 shares	9,520	14,864,335	4.29	8,863	12,918,440	4.67
5,001 to 10,000 shares	731	5,185,973	1.50	612	4,240,210	1.53
10,001 to 20,000 shares	318	4,460,128	1.29	262	3,622,570	1.31
20,001 to 30,000 shares	107	2,640,372	0.76	83	2,007,060	0.72
30,001 to 40,000 shares	57	1,966,388	0.57	43	1,469,990	0.53
40,001 to 50,000 shares	24	1,094,580	0.32	24	1,094,450	0.39
50,001 to 100,000 shares	75	5,393,571	1.56	59	4,307,800	1.56
100,001 to 1,000,000 shares	104	33,995,879	9.82	101	31,201,072	11.27
More than 1,000,000 shares	31	272,815,829	78.84	25	212,355,500	76.71
Total	40,295	346,047,375	100.00	38,007	276,837,900	100.00

14.05 Shareholding by category

Particulars	2012			2011		
	No. of Share	%	Taka	No. of Share	%	Taka
Shares owned by the Sponsors	22,438,246	6.48	224,382,460	17,950,600	6.48	179,506,000
Shares owned by the Directors	16,715,375	4.83	167,153,750	13,358,530	4.83	133,585,300
Shares owned by the Government	113,325,525	32.75	1,133,255,250	90,660,420	32.75	906,604,200
Shares owned by the Institutions	117,338,423	33.91	1,173,384,230	93,189,907	33.66	931,899,070
Shares owned by the Foreign Investors	955,111	0.28	9,551,110	706,520	0.26	7,065,200
Shares owned by the General Investors	75,274,695	21.75	752,746,950	60,971,923	22.02	609,719,230
Total	346,047,375	100.00	3,460,473,750	276,837,900	100.00	2,768,379,000

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

14.06 Capital Adequacy Ratio: As per BASEL-II

Capital Adequacy Ratio-(Consolidated)

In terms of section 13(2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circular no. 35 dated December 29, 2010, required capital of the Bank (Consolidated) at the close of business on 31 December 2012 was Taka 7,869,450,000 as against available core capital of Taka 6,847,486,797 and supplementary capital of Taka 1,185,007,641 making a total capital of Taka 8,032,494,438 thereby showing a surplus capital/equity of Taka 163,044,438 at that date. Details are shown below:

	Amount in Taka	
	31-Dec-2012	31-Dec-2011
Total assets (including off-balance sheet items)	151,275,035,055	128,029,474,200
Total risk-weighted Assets	78,694,500,000	76,855,800,000
Required capital (10% of risk-weighted assets)	7,869,450,000	7,685,580,000
Actual capital held	8,032,494,438	7,784,323,665
Core - capital (Tier I)	6,847,486,797	6,569,196,372
(a) Paid-up capital	3,460,473,750	2,768,379,000
(b) Statutory reserve	2,832,536,912	2,554,520,330
(c) General reserve	55,771,397	55,771,397
(d) Retained earnings	498,704,738	1,190,525,645
Supplementary Capital (Tier II)	1,185,007,641	1,215,127,293
(a) Exchange equalization reserve	-	-
(b) General provision on unclassified loans and advance	753,308,000	792,808,000
(c) General provision on off balance sheet item	365,500,000	364,000,000
(d) Revaluation of investment abroad (50%)	-	-
(e) Assets revaluation reserve (50%) (Note- a)	57,657,352	57,657,352
(f) Revaluation of Govt. Securities (50%)	8,542,289	661,941
Total Capital surplus/(deficit)	163,044,438	98,743,665
Capital adequacy ratio	10.21%	10.13%
Core capital	8.70%	8.55%
Supplementary capital	1.51%	1.58%

Capital Adequacy Ratio-(Solo Basis)

In terms of section 13(2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circular no. 35 dated December 29, 2010, required capital of the Bank at the close of business on 31 December 2012 was Taka 7,779,880,000 as against available core capital of Taka 6,735,044,525 and supplementary capital of Taka 1,185,007,641 making a total capital of Taka 7,920,052,166 thereby showing a surplus capital/equity of Taka 140,172,166 at that date. Details are shown below:

	Amount in Taka	
	31-Dec-2012	31-Dec-2011
Total assets (including off-balance sheet items)	150,496,913,987	127,773,716,960
Total risk-weighted Assets	77,798,800,000	77,736,300,000
Required capital (10% of risk-weighted assets)	7,779,880,000	7,773,630,000
Actual capital held	7,920,052,166	7,784,323,665
Core - capital (Tier I)	6,735,044,525	6,569,196,372
(a) Paid-up capital	3,460,473,750	2,768,379,000
(b) Statutory reserve	2,832,536,912	2,554,520,330
(c) General reserve	55,771,397	55,771,397
(d) Retained earnings	386,262,466	1,190,525,645

	Amount in Taka	
	31-Dec-2012	31-Dec-2011
Supplementary Capital (Tier II)	1,185,007,641	1,215,127,293
(a) Exchange equalization reserve	-	-
(b) General provision on unclassified loans and advance	753,308,000	792,808,000
(c) General provision on off balance sheet item	365,500,000	364,000,000
(d) Revaluation of investment abroad (50%)	-	-
(e) Assets revaluation reserve (50%) (Note- a)	57,657,352	57,657,352
(f) Revaluation of Govt. Securities (50%)	8,542,289	661,941
Total Capital surplus/(deficit)	140,172,166	10,693,665
Capital adequacy ratio	10.18%	10.01%
Core capital	8.66%	8.45%
Supplementary capital	1.52%	1.56%

Note: a

a) This represents 50% of the value increased due to revaluation of Bank's land. A sum of Tk. 115,314,704 is increased due to revaluation but as per guide line 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

	Amount in Taka	
	31-Dec-2012	31-Dec-2011
Balance brought forward	2,554,520,330	2,182,225,215
Transferred during the year	278,016,582	372,295,115
	2,832,536,912	2,554,520,330
15 (a) Consolidated Statutory reserve		
IFIC Bank Limited (Note -15.00)	2,832,536,912	2,554,520,330
IFIC Securities Limited	-	-
IFIC Money Transfer (UK) Limited	-	-
	2,832,536,912	2,554,520,330
16.00 Other reserve		
General reserve	55,771,397	55,771,397
Assets revaluation reserve (Note- 16.01)	115,314,704	115,314,704
Revaluation of Govt. Securities	17,084,579	1,323,882
	188,170,680	172,409,984

16.01 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:

	Amount in Taka	
	31-Dec-2012	31-Dec-2011
Opening balance	115,314,704	-
Reserve made for the year	-	115,314,704
Closing balance	115,314,704	115,314,704

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
16 (a)	Consolidated other reserve		
	IFIC Bank Limited (Note-16.00)	188,170,680	172,409,984
	IFIC Securities Limited	520,136	-
	IFIC Money Transfer (UK) Limited		-
		188,690,816	172,409,984
17.00	Surplus in Profit and Loss Account		
	Balance brought forward	1,106,709,837	1,319,582,378
	Bonus share & cash dividend issued (2011)	(830,513,700)	(588,553,000)
	Net profit after Tax	388,082,911	747,975,574
	Extra Ordinary Gain	-	-
	Appropriation made during the year	(278,016,582)	(372,295,115)
	Balance carried forward	386,262,466	1,106,709,837
17.01	Surplus in Profit and Loss Account		
	Profit before provision	2,706,851,683	2,718,475,574
	Less: Provision for loans and advances	(1,316,768,773)	(857,000,000)
	Less: Provision for Income Tax	(1,002,000,000)	(1,113,500,000)
	Less: Statutory reserve	(278,016,582)	(372,295,115)
	Retained earning	110,066,329	375,680,459
	Retained profit brought forward	276,196,137	731,029,378
		386,262,466	1,106,709,837
17 (a)	Consolidated Surplus in Profit and Loss Account		
	IFIC Bank Limited (Note-17.00)	386,262,466	1,106,709,837
	IFIC Securities Limited	124,648,773	87,071,080
	IFIC Money Transfer (UK) Limited	(12,138,525)	(3,255,272)
		498,772,714	1,190,525,645
	Less: Foreign currency translation gains/(loss)	(67,976)	-
		498,704,738	1,190,525,645
18.00	Letter of guarantee		
	Directors	-	-
	Government	3,134,307,475	1,996,523,781
	Banks and other financial institutions	518,852,515	337,438,723
	Others	2,064,446,188	1,778,860,766
		5,717,606,179	4,112,823,270
19.00	Letter of credit		
	Letter of credit (cash)	5,125,307,712	5,658,375,259
	Letter of credit (others)	114,235,613	27,721,028
	Letter of credit (back to back)	7,032,894,190	5,920,672,441
	Letter of credit (inland)	-	-
		12,272,437,515	11,606,768,727
20.00	Bills for collection		
	Inland bills collection	64,762,241	108,904,759
	Foreign bills collection	15,123,895	14,554,672
	Foreign documentary bills for collection	3,811,260,869	3,482,333,777
	Inland documentary bills for collection	2,948,003,692	3,957,689,561
		6,839,150,698	7,563,482,770

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
21.00	Income statement		
	Income		
	Interest, discount and similar income	12,141,239,767	8,223,864,950
	Dividend income	53,213,728	121,086,707
	Fees commission and brokerage	610,751,121	617,521,198
	Gains less losses arising from investment securities	-	-
	Gain less losses arising from dealing in foreign currencies	539,933,772	757,408,540
	Other operating income	645,524,839	523,709,740
		13,990,663,227	10,243,591,134
	Expenses		
	Interest fee and commission	7,636,960,088	4,654,632,244
	Losses on loan and advances	578,731,227	309,582,157
	Administrative expenses	2,421,502,043	2,032,034,924
	Other operating expenses	477,053,393	390,993,465
	Depreciation on banking assets	169,564,792	137,872,771
		11,283,811,544	7,525,115,560
	Profit before tax and provision	2,706,851,683	2,718,475,574
22.00	Interest income		
	Term loan (industrial)	765,855,527	565,393,033
	Term loan (others)	1,166,793,424	671,662,198
	House building loan	232,515,584	202,213,556
	Staff house building loan	54,225,986	44,978,702
	Staff loan against PF	29,328,293	25,897,099
	Transport loan	180,498,979	156,660,064
	Loan general	113,870,929	81,391,657
	Secured overdraft	2,255,859,940	1,208,017,634
	Cash credit	2,699,684,324	1,681,843,706
	Inland documentary bill purchased (IDBP)	365,629,639	338,308,183
	Foreign documentary bill purchased (FDBP)	2,992,255	589,147
	Payment against document (cash)	219,035,007	124,551,670
	Payment against document (forced)	89,272,277	13,984,412
	Payment against document (EDF)	48,494,407	64,229,353
	Payment against document (INLAND)	61,870,677	44,151,887
	Payment against document (others)	88,748,507	17,347,957
	Loan against imported merchandise	16,964,206	13,520,187
	Loan against trust receipt (LTR)	1,228,914,551	812,427,965
	Export cash credit	29,970,604	59,073,033
	Credit card	40,821,380	36,968,753
	Money at call and on short notice	165,077,153	74,990,625
	Balance held outside Bangladesh	24,971,972	19,313,161
	Others	147,747,823	68,748,768
	Balance held inside Bangladesh	1,559,507	2,200,000
	Demand loan	60,754,932	3,228,331
	Loan to IFIC Securities Ltd.	214,342,487	168,872,481
	Margin loan on CMD	-	53,444,244
		10,305,800,371	6,554,007,806
	Rental income from lease	136,819,352	142,074,310
		10,442,619,723	6,696,082,116

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
22 (a)	Consolidated Interest income		
	IFIC Bank Limited (Note-22.00)	10,442,619,723	6,696,082,116
	IFIC Securities Limited	292,108,735	270,802,926
	IFIC Money Transfer (UK) Limited	-	-
		<u>10,734,728,458</u>	<u>6,966,885,041</u>
	Less: Inter -company interest income	214,342,487	168,872,481
		10,520,385,971	6,798,012,560
23.00	Interest paid on deposits, borrowings, etc		
	Saving bank deposit	515,860,089	373,959,248
	Special notice deposit	285,156,887	194,228,039
	Fixed deposit	6,401,975,128	3,825,285,518
	Non resident FC deposit	252,554	233,494
	Resident FC deposit	35,884	38,769
	Pension savings scheme	203,442,136	157,621,222
	Monthly income scheme	109,069,697	28,135,797
	Call deposit	105,495,974	63,958,486
	Others	13,928,445	9,069,125
	Discount paid	1,530,470	1,871,454
	FCAD	212,825	231,092
		<u>7,636,960,088</u>	<u>4,654,632,244</u>
23 (a)	Interest paid on deposits, borrowings, etc		
	IFIC Bank Limited (Note-23.00)	7,636,960,088	4,654,632,244
	IFIC Securities Limited	236,185,106	168,872,481
	IFIC Money Transfer (UK) Limited	-	-
		<u>7,873,145,193</u>	<u>4,823,504,725</u>
	Less: Inter -company interest paid	214,342,487	168,872,481
		7,658,802,706	4,654,632,244
24.00	Income from investment		
	Gain from sale of shares	269,727,121	597,918,919
	Dividend on share	53,213,728	121,086,707
	Prize bond	121,000	22,000
	Debenture/bond	2,075,969	3,404,867
	Treasury bill/bond (Note-24.01)	905,608,362	755,019,570
	Dividend & Magt. Fees (OIE) LLC	21,361,116	14,814,173
	FDR	499,726,476	156,603,306
		<u>1,751,833,772</u>	<u>1,648,869,541</u>
24.01	Treasury bill/bond		
	Interest on treasury bill/bond	941,246,376	1,059,463,630
	Less: Holding period intt. On HFT/HTM	35,638,014	304,444,060
		<u>905,608,362</u>	<u>755,019,570</u>
25.00	Commission, Exchange and Brokerage		
	Commission (Note - 25.01)	610,751,121	591,924,239
	Exchange (Note - 25.02)	539,933,772	757,408,540
	Brokerage (Note - 25.03)	-	25,596,959
		<u>1,150,684,893</u>	<u>1,374,929,738</u>

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
25.01	Commission		
	Bills purchased	1,241,267	2,450,241
	Remittances (inland)	23,950,990	27,278,174
	Remittances (foreign)	4,812,592	7,130,438
	Letter of guarantee (LG)	89,365,646	53,774,619
	Letter of credit (cash, barter/BB, WES)	269,279,976	260,565,223
	IFDBC, FDBC & LDBC	170,440,010	189,395,053
	Loan against imported merchandise (LIM)	89,857	191,405
	Others (commission)	50,653,471	49,821,176
	Com. on sanchaya patra, reimbursement etc.	917,312	1,317,911
		610,751,121	591,924,239
25.02	Exchange		
	Rebate from foreign correspondent	50,799,198	47,559,259
	Exchange gain from revaluation, FC & others	489,134,574	709,849,281
		539,933,772	757,408,540
25.03	Brokerage		
	Brokerage	-	-
	Brokerage commission of CMD	-	25,596,959
	Others	-	-
		-	25,596,959
25(a)	Consolidated Commission, Exchange and Brokerage		
	IFIC Bank Limited (Note-25.00)	1,150,684,893	1,374,929,738
	IFIC Securities Limited	102,155,110	98,904,161
	IFIC Money Transfer (UK) Limited	1,195,202	7,209
		1,254,035,204	1,473,841,108
26.00	Other operating income		
	Locker rent	7,370,775	7,029,469
	Godown rent & others	5,253,400	4,819,097
	Postage charge recovery	24,966,195	21,972,778
	Telex charge recovery	24,390	68,311
	SWIFT recovery	96,235,982	61,243,488
	Godown insurance recovery	768,097	934,733
	Stationery expenses recovery	3,899,520	3,078,863
	ATM recovery	912,481	250,827
	Recovery on written off advance	175,200,118	70,309,771
	Miscellaneous earning	97,898,807	68,290,299
	Processing fee, annual fee, cash adv. fee, etc.	27,131,900	24,337,798
	Capital market division	-	175,700
	Service charge & Others	143,763,338	132,123,902
		583,425,002	394,635,037
26(a)	Consolidated Other operating income		
	IFIC Bank Limited (Note-26.00)	583,425,002	394,635,037
	IFIC Securities Limited	21,566,469	6,136,804
	IFIC Money Transfer (UK) Limited	-	-
		604,991,471	400,771,841
27.00	Capital gain		
	Government treasury bond	62,099,837	129,074,703
	Government treasury bills	-	-
		62,099,837	129,074,703

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
28.00	Salaries and allowances		
	Basic pay	734,484,246	642,133,482
	House rent	346,393,143	308,084,533
	Conveyance allowance	30,869,765	29,934,203
	Medical	69,414,070	62,549,386
	Entertainment	68,580,472	60,274,186
	Bonus	288,977,740	255,242,459
	PF (Bank's contribution)	67,389,091	58,476,939
	Gratuity	119,999,785	127,753,581
	Others	55,327,313	34,494,699
		1,781,435,625	1,578,943,469

Number of employees for the year 2012 who were paid remuneration less than Tk. 36,000 was nil.
Number of employees employed in the Bank at the end of the year 2012 were 2,422.

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
28(a)	Consolidated Salaries and allowances		
	IFIC Bank Limited (Note-28.00)	1,781,435,625	1,578,943,469
	IFIC Securities Limited	19,834,049	12,068,169
	IFIC Money Transfer (UK) Limited	-	-
		1,801,269,674	1,591,011,638
29.00	Rent, taxes, insurance, lighting and traveling		
	Rent	307,966,790	223,237,248
	Rates, taxes and utilities	56,498,262	45,419,108
	Insurance	68,219,888	50,313,429
	Lighting	50,661,606	31,583,786
	Traveling and conveyance	70,606,665	32,103,594
		553,953,210	382,657,164
29(a)	Consolidated Rent, taxes, insurance, lighting and traveling		
	IFIC Bank Limited (Note-29.00)	553,953,210	382,657,164
	IFIC Securities Limited	7,816,320	6,509,394
	IFIC Money Transfer (UK) Limited	-	-
		561,769,530	389,166,558
30.00	Postage, stamp, telecommunication etc.		
	Postage	18,769,569	16,482,205
	Telegram	2,255	1,570
	Telex	2,480	9,050
	Telephone (office)	8,819,535	7,827,527
	Telephone (residence)	19,059,307	15,721,610
	Reuter	2,128,401	5,155,518
	Communication facilities (VAST,radio etc.)	1,206,277	1,172,092
	SWIFT charges	22,453,450	10,785,953
		72,441,274	57,155,524
30(a)	Consolidated Postage, stamp, telecommunication etc.		
	IFIC Bank Limited (Note-30.00)	72,441,274	57,155,524
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		72,441,274	57,155,524

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
31.00	Stationery, printing, advertisement, etc.		
	Printing stationery	18,153,087	19,877,520
	Security stationery	9,030,280	8,804,277
	Petty stationery	15,885,361	10,967,234
	Computer stationery	10,576,670	8,637,679
	Advertisement and publicity	48,382,384	29,902,450
		102,027,782	78,189,160
31(a)	Consolidated Stationery, printing, advertisement, etc.		
	IFIC Bank Limited (Note-31.00)	102,027,782	78,189,160
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		102,027,782	78,189,160
32.00	Managing Director's salary		
	Basic	4,074,194	3,600,000
	House rent	1,172,580	1,200,000
	House maintenance	849,194	900,000
	PF (Bank's contribution)	407,419	360,000
	Entertainment	849,194	900,000
	Festival bonus	600,000	600,000
		7,952,581	7,560,000
33.00	Director's fee		
	Meeting fees	1,285,000	1,425,000
	Other benefits	-	-
		1,285,000	1,425,000
	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)	1,285,000	1,425,000
	IFIC Securities Limited	120,750	150,000
	IFIC Money Transfer (UK) Limited	-	-
		1,405,750	1,575,000
34.00	Repair, Maintenance and Depreciation of Assets		
	Depreciation	169,564,792	137,872,771
	Property maintenance and repairs	48,186,371	47,973,989
	Vehicles maintenance and repairs	51,376,548	35,058,944
		269,127,712	220,905,704
34(a)	Consolidated Repair, Maintenance and Depreciation of Assets		
	IFIC Bank Limited (Note-34.00)	269,127,712	220,905,704
	IFIC Securities Limited	1,997,843	2,090,977
	IFIC Money Transfer (UK) Limited	1,967,558	-
		273,093,112	222,996,681
35.00	Other expenses		
	Library expenses	94,848	168,342
	Crockeries	679,341	543,719
	Entertainment	19,069,315	14,771,322
	Newspapers and periodicals	1,241,198	1,172,532
	Petrol, oil and lubricants	81,097,925	56,404,297
	Subscription and donation	10,359,914	4,813,631

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
	Uniforms and liveries	2,184,526	1,409,295
	AGM expenses	21,429,924	11,810,735
	Business development	12,734,467	11,795,749
	Miscellaneous	10,675,663	7,202,649
	Corporate Social Responsibility (CSR)	41,444,695	10,402,718
	Loss on sales of fixed assets (Note-35.01)	1,182,689	700,105
	Loss on sales of shares	3,858,848	49,930
	Laga & Howla	-	1,867,584
	Revaluation loss - HFT	20,695,263	72,749,202
	Others	48,714,075	33,909,564
		275,462,692	229,771,372
35(a)	Consolidated Other expenses		
	IFIC Bank Limited (Note-35.00)	275,462,692	229,771,372
	IFIC Securities Limited	19,487,099	23,466,710
	IFIC Money Transfer (UK) Limited	8,110,898	3,262,481
		303,060,688	256,500,562
35.01	This represents gain/(loss) on sales of the following fixed assets		
	Cost of	18,787,600	24,391,297
	Motor vehicle	3,500	3,500,000
	Furniture and fixture	8,790,146	9,411,786
	Office appliances	6,210,048	4,505,168
	Electrical appliances	3,783,906	6,974,343
		16,167,180	11,716,782
	Less : Accumulated depreciation		
	Motor vehicle	3,487	1,708,000
	Furniture and fixture	7,357,725	4,139,608
	Office appliances	5,793,370	1,299,823
	Electrical appliances	3,012,599	4,569,351
		2,620,420	12,674,515
	Written down value		
	Sale proceeds of above fixed assets	1,437,731	11,974,410
	Total sales of above fixed assets	1,437,731	11,974,410
	Total gain / (loss) on sales of fixed assets	(1,182,689)	(700,105)
36.00	Provision for advance, other assets & off balance sheet items		
	Provision for classified advances	1,145,768,773	394,500,000
	Provision for unclassified advances (including OBU)	23,000,000	180,500,000
	Provision for other assets & investment	146,500,000	252,000,000
	Provision for off-balance sheet items	1,500,000	30,000,000
		1,316,768,773	857,000,000
36(a)	Consolidated Provision for advance, other assets & off balance sheet items		
	IFIC Bank Limited (Note-36.00)	1,316,768,773	857,000,000
	IFIC Securities Limited	49,164,583	24,636,905
	IFIC Money Transfer (UK) Limited	-	-
		1,365,933,356	881,636,905
37.00	Cash received from other operating activities		
	Brokerage	-	25,596,959
	Rent received	12,624,175	11,848,566
	Income from investment	1,698,620,044	1,527,782,835
	Other receipts	395,600,709	312,476,700
	Capital gain	62,099,837	129,074,703
		2,168,944,765	2,006,779,762

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
37(a)	Consolidated Cash received from other operating activities		
	IFIC Bank Limited (Note-37.00)	2,168,944,765	2,006,779,762
	IFIC Securities Limited	123,721,579	105,040,965
	IFIC Money Transfer (UK) Limited	-	-
		2,292,666,344	2,111,820,727
38.00	Cash paid for other operating activities		
	Postage, telegram & telephone	72,441,274	57,155,524
	Rent paid	307,966,790	223,237,248
	Rates, taxes & utilities	56,498,262	45,419,108
	Insurance premium paid	68,219,888	50,313,429
	Lighting	50,661,606	31,583,786
	Stationery, printing, advertisement, etc.	102,027,782	78,189,160
	Traveling expenses	70,606,665	32,103,594
	Auditors fee	700,000	500,000
	Directors fee	1,285,000	1,425,000
	Legal expense	3,734,352	3,793,766
	Other expenses	354,330,348	240,055,103
		1,088,471,967	763,775,718
38 (a)	Consolidated Cash paid for other operating activities		
	IFIC Bank Limited (Note-38.00)	1,088,471,967	763,775,718
	IFIC Securities Limited	27,424,169	30,126,104
	IFIC Money Transfer (UK) Limited	8,110,898	3,262,481
		1,124,007,033	797,164,302
39.00	Cash and cash equivalents		
	Cash in hand	1,793,359,302	1,182,950,554
	Balance with Bangladesh Bank & Sonali Bank	7,789,494,162	5,452,630,899
	Balance with other banks and financial Institutions	5,151,800,976	3,009,489,591
	Money at call and on short notice	950,000,000	100,000,000
	Govt. Securities	11,283,196,834	8,052,678,270
	Prize Bonds	5,427,100	7,861,700
		26,973,278,373	17,805,611,013
39(a)	Consolidated Cash and cash equivalents		
	IFIC Bank Limited (Note-39.00)	26,973,278,373	17,805,611,013
	IFIC Securities Limited	141,486,320	63,507,378
	IFIC Money Transfer (UK) Limited	6,705,370	16,680,079
		27,121,470,064	17,885,798,470
40.00	Other assets		
	Opening other assets	2,752,254,000	3,492,589,414
	Less : Closing other assets	(3,137,413,121)	(2,752,254,000)
	Add : Tax paid during the year	808,310,404	642,714,088
		423,151,282	1,383,049,501
40(a)	Consolidated other assets		
	IFIC Bank Limited (Note-40.00)	423,151,282	1,383,049,501
	IFIC Securities Limited	31,864,786	(56,179,872)
	IFIC Money Transfer (UK) Limited	-	-
		455,016,069	1,326,869,630
41.00	Other liabilities		
	Closing other liabilities		
	Exporter's F.C. account	2,733,391,832	1,553,003,531
	Accrued expenses	18,911,763	6,783,311
	Interest suspense	2,169,577,855	2,081,379,137
	Others	5,612,893,719	3,750,465,024
		10,534,775,169	7,391,631,002
	Written-off	70,055,599	896,596,033
		10,604,830,768	8,288,227,035

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
Less : Opening 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	5,870,965,024	5,714,432,584
		9,512,131,002	9,395,198,915
	Written-off	896,596,033	139,022,841
		10,408,727,035	9,534,221,755
Increase/(decrease) for the year		196,103,733	(1,245,994,721)
41(a)	Consolidated Other liabilities		
	IFIC Bank Limited (Note-41.00)	196,103,733	(1,245,994,721)
	IFIC Securities Limited	405,561,041	134,220,995
	IFIC Money Transfer (UK) Limited	9,699,827	837,626
		611,364,600	(1,110,936,099)

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 2012 stands at Taka 988,138,838 against required amount of Taka 989,550,380.

43.00 Earning Per Share (EPS)

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
	Net profit after tax	388,082,911	747,975,574
	Number of ordinary shares outstanding (2011 : Adjusted for bonus share)	346,047,375	346,047,375
	Earning Per Share(EPS)	1.12	2.16

43(a) Consolidated Earning Per Share (EPS)

	Net profit after tax	416,777,350	831,791,382
	Number of ordinary shares outstanding (2011 : Adjusted for bonus share)	346,047,375	346,047,375
	Earning Per Share(EPS)	1.20	2.40

44.00 Reconciliation of books of accounts

A provision of Taka 10,025,154.95 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. Howladar Yunus & Co, Chartered Accountants worked more than 5,000 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.

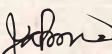
46.00 Related party disclosure

Please see annexure - D for details.

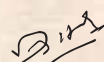
47.00 Audit committee

Please see annexure - E for details.


Managing Director


Director


Director


Director

Annexure-A

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

As on 31 December 2012

(Taka in Crore)

Sl. No.	Name of the Client	Outstanding Balance as on 31 December 2012			Amount Classified
		Funded	Non-Funded	Total	
1	Soiltech International Ltd	153.95	0.10	154.05	-
	Wahidunnabi	4.66	-	4.66	-
	Ace-Swee Hong Joint Venture	14.23	-	14.23	-
	Soiltech International Ltd. and IJM	5.93	-	5.93	-
2	Islam Borthers Properties Ltd.	94.81	-	94.81	-
3	Stylo Fashion Garments Limited	52.97	94.90	147.87	-
4	New Age Fashionwear Ltd.	2.60	31.98	34.58	-
	New Age Garments Ltd.	8.39	5.96	14.35	-
	Newage Apparels Ltd.	0.95	26.97	27.92	-
5	Dekko Knitwear Ltd.	26.46	14.01	40.47	-
	Epyllion Knitex Ltd.	33.24	7.68	40.92	-
	Nina Holdings Ltd.	8.96	-	8.96	-
	Bajpakhi Limited	0.26	-	0.26	-
6	Tiffany's Wear Ltd.	4.67	13.12	17.79	-
	Four Wings Ltd.	3.71	9.99	13.70	-
	Saville Row Ltd.	1.83	6.06	7.89	-
7	Islam Garments Ltd.	71.38	206.29	277.67	-
8	Zenith Packages Ltd.	0.77	-	0.77	-
	Aegis Cotton Mills Ltd.	56.88	0.49	57.37	-
9	Shagore Garments Ltd.	22.94	19.52	42.46	-
	Minimax Ltd.	2.60	5.40	8.00	-
	Optimum Ltd.	5.08	8.88	13.96	-
	The Accessories Ltd.	2.60	0.27	2.87	-
	Knit Bangla	0.77	2.07	2.84	-
	L.Z. Textiles Ltd	0.08	0.90	0.98	-
	Styrax Fashions Ltd.	7.55	16.11	23.66	-
10	Ornate Knit Garments Ind's Ltd.	-	2.58	2.58	-
	Tex Town Ltd.	18.26	29.96	48.22	-
11	Wisdom Attires Ltd.	55.11	59.33	114.44	-
12	Abul Khair Steel Products Ltd.	0.68	0.92	1.60	-
	Shah Dairy Foods Ltd.	-	0.98	0.98	-
	Abul Khair Condensed Milk & Beverage Ltd.	-	0.41	0.41	-
	Abul Khair Limited	11.05	4.57	15.62	-
	Shah Cement Industries Ltd	7.90	21.86	29.76	-
	Abul Khair Consumer Product Ltd.	24.63	-	24.63	-
	Abul Khair Milk Products Ltd.	2.39	22.59	24.98	-
Abul Khair Ceramic Industries Ltd	5.17	-	5.17	-	
13	Bengal Sack Corporation Ltd.	23.02	3.04	26.06	-
	T.K. Gas & Gas Cylinder Ltd.	2.18	-	2.18	-
	Chittagong Bags Limited	5.41	0.44	5.85	-
	Ching Hung Fibres Ltd	5.16	-	5.16	-
14	Shirt Makers Limited	9.69	18.36	28.05	-
	Share Knit Wear Limited	0.51	0.60	1.11	-
	Section Seven Limited	16.72	53.04	69.76	-

(Taka in Crore)

Sl. No.	Name of the Client	Outstanding Balance as on 31 December 2012			Amount Classified
		Funded	Non-Funded	Total	
15	Marium Textile Mills Ltd.	5.12	-	5.12	-
	Zaber & Zubair Fabrics Ltd.	67.08	-	67.08	-
	Talha Spinning Mills Limited	63.75	51.44	115.19	-
16	Knit Concern Ltd.	32.40	62.86	95.26	-
	K.C. Apparels Ltd.	40.71	36.01	76.72	-
	Kay Telecommunications Ltd	14.17	15.00	29.17	-
17	City Sugar Industries Ltd.	10.44	36.61	47.05	-
	Shampa Flour Mills Ltd.	2.62	-	2.62	-
18	United Sugar Mills Ltd.	62.62	11.52	74.14	-
	Tanveer Oils Limited	-	14.60	14.60	-
	Janata Flour And Dal Mills Ltd.	3.66	-	3.66	-
	Unique Cement Industries Ltd	7.82	4.50	12.32	-
19	BSRM Steels Ltd.	35.69	51.52	87.21	-
20	Abdul Monem Limited	37.88	-	37.88	-
21	Kabir Steel Re-Rolling Mills Ltd	43.79	-	43.79	-
22	Agricultural Marketing Co.Ltd.	2.81	-	2.81	-
	RFL Plastics Limited	10.41	19.19	29.60	-
	Banga Building Materials Ltd	2.05	-	2.05	-
	Durable Plastic Limited	25.23	3.49	28.72	-
	Pran Exports Ltd	31.10	0.01	31.11	-
	Pran Agro Ltd.	1.67	-	1.67	-
23	Radial International Ltd.	30.64	51.17	81.81	-
24	Partex Denim Ltd.	-	25.88	25.88	-
	Partex Denim Limited	8.24	-	8.24	-
25	Popular Diagnostic Centre Ltd.	16.87	3.02	19.89	-
	Popular Specialised Hospital Ltd.	40.97	-	40.97	-
26	Apparel Gallery Limited	49.78	46.24	96.02	-
	Times Media Ltd. (Channel-24)	37.26	-	37.26	-
27	Borak Real Estate (Pvt) Ltd.	78.12	-	78.12	-
28	Bashundhara Paper Mill	42.86	-	42.86	-
	Bashundhara Industrial Complex Ltd.	34.59	-	34.59	-
	East West Property Development (Pvt.) Ltd.	11.41	-	11.41	-
29	Uttara Jute Fibres and Industries Ltd.	47.42	0.69	48.11	-
	Uttara Traders(Pvt.) Ltd.	28.84	55.64	84.48	-
	Uttara Acrylic Mills Ltd	19.46	-	19.46	-
	Uttara Spinning Mills Ltd	9.57	2.18	11.75	-
30	Cassiopea Apparels Ltd.	4.24	94.39	98.63	-
	Cassiopea Fashion Ltd.	-	17.08	17.08	-
31	Silver Line Composite Textile Mill	80.63	1.08	81.71	-
32	IFIC Securities Ltd	145.21	45.00	190.21	-
33	New Western Marine Shipbuilders Ltd.	21.03	20.03	41.06	-
	Western Marine Shipyard Ltd	25.54	19.23	44.77	-
	IHC-WMSHL Ltd	39.61	16.97	56.58	-
34	Scholastica Limited	104.01	-	104.01	-

(Taka in Crore)

Sl. No.	Name of the Client	Outstanding Balance as on 31 December 2012			Amount Classified
		Funded	Non-Funded	Total	
35	Nitol Motors Limited	63.81	1.40	65.21	-
36	Tania Enterprise Unit-2	102.91	17.43	120.34	-
37	S.L.Steel	42.19	-	42.19	-
38	R & R Holdings	114.33	-	114.33	-
	Powerpac Mutiara Keraniganj Power Plant Ltd.	108.03	-	108.03	-
39	Jamuna Builders Ltd.	107.17	1.38	108.55	-
40	Vertex Wear Ltd.	14.65	23.19	37.84	-
41	Dress World Ltd.	13.71	21.46	35.17	-
42	Ena Properties Ltd.	104.39	-	104.39	-
43	Navana Ltd	23.37	10.82	34.19	-
	Navana Interlinks Ltd	8.67	3.43	12.10	-
	Navana Real Estate Limited	21.41	-	21.41	-
44	National Telecom Ltd.	13.27	-	13.27	-
	Pritha Fashions Ltd.	1.61	-	1.61	-
	J.K.Fashion Ltd.	24.14	8.74	32.88	-
45	Master Steel Re-Rolling Mills	6.28	-	6.28	-
	Mother Steel Limited	57.89	-	57.89	-
	Total	2,981.30	1,482.58	4,463.88	-

Fixed Assets Schedule

As at 31 December 2012

Sl. No.	Particulars	Cost				Rate %	Depreciation				Written down value as at 31 Dec. 2012
		As at 01 Jun. 2012	Addition during the year	Sale/Adjust. during the year	As at 31 Dec. 2012		As at 01 Jun. 2012	Charged during the year	Adjustment during the year	As at 31 Dec. 2012	
01	Land	475,118,759	-	-	475,118,759	-	-	-	-	-	475,118,759
02	Building	1,294,748,485	22,469,138	-	1,317,217,623	2.50	31,141,906	-	102,683,285	-	1,214,534,338
03	Wooden Furniture	93,060,845	13,598,321	3,184,754	103,474,412	10	5,445,337	2,623,406	54,466,376	2,623,406	49,008,035
04	Steel Furniture	45,622,822	4,206,456	257,980	49,571,298	10	2,573,908	162,792	26,406,130	162,792	23,165,168
05	Office & Computer Equipment	653,988,427	154,793,607	6,210,048	802,571,986	20	78,626,817	5,793,370	488,064,729	5,793,370	314,507,257
06	Electrical & Gas Equipment	247,567,655	62,660,147	3,783,906	306,443,897	20	33,303,304	3,012,599	173,230,692	3,012,599	133,213,204
07	Improve & Leasehold Premises	155,053,569	40,236,714	3,894,682	191,395,600	10	12,254,572	3,133,251	81,104,456	3,133,251	110,291,144
08	Motor Vehicles	55,774,451	11,640,959	3,500	67,411,910	20	5,262,062	3,487	46,363,664	3,487	21,048,246
09	Soft Furnishing	10,467,389	1,266,890	1,452,730	10,281,549	40	956,888	1,438,276	8,846,217	1,438,276	1,435,332
	Total As at 31 Dec. 2012	3,031,402,402	310,872,232	18,787,600	3,323,487,034		169,564,792	16,167,180	981,165,549	16,167,180	2,342,321,484
	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	11,716,782	2,203,634,465

Computation of Risk-weighted Assets

(Solo Basis)

As on 31 December 2012

Annexure - C

1.00 Risk Weighted Assets for Credit Risk Balance Sheet Exposures

(Taka in crore)

Sl. No.	Exposure Type	BB's Rating Grade*	Exposure	Risk Weight	Risk Weight Asset
1	2	3	4	5	6=(5x4)
a)	Cash		190.29	-	-
b)	Claims on Bangladesh Government and Bangladesh Bank		1,673.66	-	-
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	4.30	0.50	2.15
g)	Claims on Banks and NBFIs				
	i) Maturity over 3 months	1	212.05	0.20	42.41
		2,3	15.56	0.50	7.78
		4,5		1.00	
		6		1.50	
		Unrated	-	1.00	-
	ii) Maturity less than 3 months		754.39	0.20	150.88
h)	Claims on Corporate (excluding equity exposure)	1	483.62	0.20	96.72
		2	817.35	0.50	408.67
		3,4	447.67	1.00	447.67
		5,6		1.50	
		Unrated	1,050.42	1.25	1,313.02
i)	Claims under Credit Risk Mitigation [From Work Sheet - 1 (a)]	PSE		N/A	
		Banks & NBFIs		N/A	
		Corporate	78.10	N/A	-
		Retail & SME	84.08	N/A	2.30
		Consumer finance	206.53	N/A	3.26
		Residential property		N/A	
		Commercial real estate		N/A	

(Taka in crore)

Sl. No.	Exposure Type	BB's Rating Grade*	Exposure	Risk Weight	Risk Weight Asset
1	2	3	4	5	6=(5x4)
Fixed Risk Weight Groups					
j)	Claims categorized as retail portfolio & SME (excluding consumer loan).		1161.38	0.75	871.03
k)	Consumer Loan		64.94	1.00	64.94
l)	Claims fully secured by residential property		687.44	0.50	343.72
m)	Claims fully secured by Commercial real estate		816.96	1.00	816.96
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;		35.21	1.50	52.82
ii)	Where specific provisions are not less than 20 percent of the outstanding amount of the past due claim;		58.85	1.00	58.85
iii)	Where specific provisions are more than 50 percent of the outstanding amount of the past due claim;		43.27	0.50	21.64
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		2.11	1.00	2.11
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.		1.82	0.75	1.37
o)	Capital Market Exposure			1.25	-
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		86.66	1.25	108.33
r)	Investments in premises, plant and equipment and all other fixed assets		234.23	1.00	234.23
s)	Claims on all fixed assets under operating lease		82.16	1.00	82.16
t)	All other assets				-
	i) Claims on GoB & BB (eg. advanced income tax, reimbursement of patirakkha/shadharon shanchay patra, etc.)		52.07	0.00	-
	ii) Staff loan/Investment		130.08	0.20	26.02
	iii) Cash items in Process of Collection			0.20	-
	iv) Claims on Off-shore Banking Units (OBU)		42.99	1.00	42.99
	v) Other assets (net off specific provision, if any)		122.01	1.00	122.01
Sub-Total			9,640.21		5,324.03

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

(Taka in crore)

Sl. No.	Exposure Type	BB's Rating Grade*	Exposure	Risk Weight	Risk Weight Asset
1	2	3	4	5	6=(5x4)
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		0.20	
		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	283.12	0.20	56.62
		2	178.92	0.50	89.46
		3,4	10.13	1.00	10.13
		5,6		1.50	
		Unrated	165.87	1.25	207.34
g)	Against retail portfolio & SME (excluding consumer loan)		756.07	0.75	567.05
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		1394.12	-	930.61

3.00 Capital Charge for Market Risk (Balance Sheet Exposures)

(Taka in crore)

Sl. No.	Market Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Interest Rate Related Instruments	0.47	10.00	4.70
b	Equities	66.49	10.00	664.93
c	Foreign Exchange Position	6.06	10.00	60.62
d	Commodities	0.00	10.00	0.00
	Sub-Total	73.02	10.00	730.25

4.00 Capital Charge for Operational Risk (Basic Indicator Approach)

(Taka in crore)

Sl. No.	Operational Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Gross Income	79.50	10.00	794.99
	Sub-Total	79.50	10.00	794.99
	Grand Total Risk Weighted Assets			7,779.88

Related Party Disclosures

Particulars of Directors

As on 31 December 2012

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. 2012	% of interest i.e. shareholding in Bank as on 31 Dec. 2011
01.	Mr. Salman F Rahman	Chairman	0.0136 free shares *1,987 litigated shares Total = 2.00	0.0046 free shares *1,987 litigated shares Total = 1.99
02.	Mr. Mohammad Lutfar Rahman	Director	2.83	2.83
03.	Mr. Monirul Islam	Independent Director	Nil	Nil
04.	Mr. Syed Anisul Huq**	Independent Director	Nil	N/A
05.	Mr. Mohammed Nayem Syed**	Independent Director	Nil	N/A
06.	Mr. A. R. M. Nazmus Sakib	Govt. nominated Director	32.75	32.75
07.	Mr. Jalal Ahmed	Govt. nominated Director		
08.	Mr. Arijit Chowdhury	Govt. nominated Director		
09.	Mr. M. Shah Alam Sarwar***	Managing Director	Nil	N/A

* The ownership of 68,75,775 nos. shares (1.987%) of Mr. Salman F Rahman (8,07,470 nos. paper shares + 60,68,305 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.

** Appointed as Independent Director by the Board of Directors of the Bank with effect from 18.07.2012.

*** Appointed as Managing Director of the Bank by the Board with effect from 01.12.2012.

ii) 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 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) Al-Manar Hospital (Pvt) Limited	Chairman & CEO Chairman & CEO Chairman & CEO Managing Director Managing Director Managing Director Director Director Director Director
03.	Mr. Monirul Islam Independent Director	Cosmo Sizing & Weaving Mills Ltd. Ramna Chinese & Thai Food Ltd.	Managing Director Director
04.	Mr. Syed Anisul Huq Independent Director	--	--
05.	Mr. Mohammed Nayem Syed Independent Director	Karnaphuly Printers Ltd. Kuliarchar (UK) Ltd. Red-Sea International Ltd.	Managing Director Managing Director Director
06.	Mr. A. R. M. Nazmus Sakib Govt. nominated Director	Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.	Additional Secretary
07.	Mr. Jalal Ahmed Govt. nominated Director	Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka. Bangladesh Telecommunication Co. Ltd. Bangladesh Services Ltd. British American Tobacco Bangladesh Co. Ltd. Industrial Promotion & Development Co. Ltd.	Additional Secretary Director Director Director Director
08.	Mr. Arijit Chowdhury Govt. nominated Director	Bank & Financial Institutions Division, Ministry of Finance, Bangladesh Secretariat, Dhaka	Joint Secretary
09.	Mr. M. Shah Alam Sarwar 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. Md. Lutfar Rahman	Director	7.39	-
2	M/s. Bextex Ltd.	Director	-	34.05
	Total		7.39	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) Bank has executed maintenance agreement with M/S Beximco Computers Limited for maintenance of different application software at a total cost of TK. 4,12,900.00 & modification of existing Bangladesh Bank Return Software at a cost of TK. 25,000.00 for the year 2012. Bank has also executed maintenance agreement with Bangladesh Online- a Division under Bangladesh Export Import Co. Limited for Broadband Internet Service at a total cost of TK. 11,22,400.00 purchased redundant link for Internet connectivity at a cost of TK. 48,300.00 and installed primary & Backup email server with configuration at Data Center at a cost of TK.15,000.00 for the year 2012.
- (viii) Investment in the securities of Directors and their related concern; NIL.

Audit Committee

a) Particulars about the members of the Audit Committee

Sl. No.	Name	Status held in the Bank	Status held in the Audit Committee	Education Qualification
01.	Mr. Syed Anisul Huq (Since 18.07.2012)	Independent Director	Chairman	B. Com.
02.	Mr. Monirul Islam	Independent Director	Member	B. A (Hons), M. A.
03.	Mr. Mohammed Nayem Syed (Since 18.07.2012)	Independent Director	Member	M. B. A.
04.	Mr. Arijit Chowdhury (Since 18.07.2012)	Director	Member	B. A (Hons.), M. A., MSC in Development Finance
05.	Mr. Jalal Ahmed (Since 13.11.2012)	Director	Member	B.S.S (Hons.), M. S. S. in Public Administration
06.	Mr. Mahmudul Huq Bhuiyan (Upto 19.06.2012)	Director	Convenor	B. A (Hons.), M. A. in Public Administration
07.	Mr. Syed Monjurul Islam (Upto 13.11.2012)	Director	Member	B. Com (Hons.), M. B. A.
08.	Mr. Anwaruzzaman Chowdhury (Upto 21.05.2012)	Director	Member	DPHE in Youth & Community Studies.

B) No. of meetings held by the Committee during the year 2012 : 07 (Seven) Meetings.

Sl. No.	Meeting Particulars	Meeting held on
01	64 th Audit Committee Meeting	31.01.2012
02	65 th Audit Committee Meeting	21.03.2012
03	66 th Audit Committee Meeting	24.04.2012
04	67 th Audit Committee Meeting	22.05.2012
05	68 th Audit Committee Meeting	24.09.2012
06	69 th Audit Committee Meeting	24.10.2012
07	70 th Audit Committee Meeting	26.12.2012

C) The Audit Committee in the above 07 (Seven) Meetings held during the year 2012, discussed many issues, some of which are:

- Compliance Report on observations, recommendations and decisions of the Audit Committee Meetings.
- Self-Assessment of Anti Fraud Internal Control System in Banks
- Summary Report on the Bangladesh Inspection on Comprehensive Inspection Report on upshohor, Kushtia, Baneshwar, Gulshan, Banani, Pallabi, Ghorashal & Jessore branches as on the Position of 31.03.2012 respectively.
- Summary Report on the Bangladesh Bank Inspection on Foreign Exchange dealing on Head office, Narayanganj & Gulshan Branch as on the Position of 04.03.2012, 08.03.2012 and 20.02.2012 respectively
- Status of Compliance on regularization & lapses/ errors and omissions in Internal Audit & Inspection Report of 29 (twenty nine) Branches conducted for the Quarter ended as on 30.09.2012.
- Statement of Fraud & forgeries occurred in our Bank as on 30.06.2012 and 30.09.2012

- Un-audited Accounts for the third quarter ended on 30.09.2012
- Brief Highlights on Audit & Inspection Reports of our Branches conducted by Internal Control & Compliance Division.
- Annual Report on the Health/Overall Status of IFIC Bank Ltd. for the year-2011
- Brief Highlights on Audit & Inspection Reports of our Branches/Divisions of Head Office conducted by Internal Control & Compliance Division.
- Highlights from the Bangladesh Bank Foreign Exchange dealing Inspection Reports on our Motijheel, Federation and Dhanmondi Branches as on the position of 31.12.2011.
- Recommendations of Bangladesh Bank Inspection Report on Asset Liability Management on Head Office & Gulshan Branch as on the position of 30.06.2012
- Status of Compliance on irregularities & lapses/errors & omissions observed in Internal Audit & Inspection Reports of 48 (Forty Eight) Branches conducted for the Quarter ended as on 31.03.2012 to 30.06.2012.
- Summary report on findings of Audit & Inspection of the Branches of our Bank conducted by Audit & Inspection Department of ICC during the year 2011.
- Statement of Fraud & Forgeries occurred in our Bank upto 31.03.2012
- Format on Brief Highlights of Internal Audit & Inspection Report of our Branches.
- Disposal of 63 Execution Cases under Centralized System of Law and Legal Affairs Division.
- Branch-wise Recovery Position of Non-Performing Loans (NPL) upto April, 2012
- Recommendations of Bangladesh Bank Special Inspection Report on 30.06.11 i) Foreign Exchange Risk Management, ii) Credit Risk Management, iii) Consumer Financing, iv) Internal Control & Compliance and v) ICT Security
- Highlights from the Bangladesh Bank Comprehensive Inspection Reports on our Motijheel Branch
- 26th Comprehensive Bangladesh Bank Inspection Report on our Bank as on the position of 31.03.2011
- Brief Highlights on Audit & Inspection Reports of our Branches/Divisions of Head Office conducted by Internal Control & Compliance Division.
- Fraudulent withdrawal of Tk.13.70 lac from the Savings Deposit A/C No. 3046223371-031 of Mr. Mohammad Shawakat Ali maintained with Moulvibazar (Dist) Branch through transferring to SB A/C No. 1006-366519-031 of Mr. Nazmul Hasan maintained with Dhanmondi Branch.
- Fraudulent withdrawal of money amounting to Tk.74.71 lac by depositing cheques in the name of Dhaka Printers & Cartons Ltd. in to the account of M/s. Dhaka Printers & Cartons a proprietorship firm bearing no. 1001-375442-001 at Motijheel Branch
- Un-audited Accounts for the first quarter ended on 31.03.2012.
- Summary report on findings of Audit & Inspection of the Branches of our Bank conducted by Audit & Inspection Department of ICC during the year 2011.
- Statement of Fraud & Forgeries occurred in our Bank upto 31.03.2012
- Auditors' Report and Audited Financial Statements for the year ended 31st December, 2011.
- Management Report on the Financial Statements of the Bank for the year 2011.
- Draft Directors' Report-2011
- Presentation on Improvement in Auditing System of our Bank
- Proposed Agenda for meeting of the Audit Committee to be held during the month from January to December, 2012.
- Brief Highlights on Audit & Inspection Reports of Stock Exchange, Fatikchari, Sreemongal, Shantinagar, Belkuchi, Pabna and Shariatpur Branches conducted by Internal Control & Compliance Division
- Brief Highlights on Audit & Inspection Report of our Head Office, Division/ Department conducted by Internal Control & Compliance Division
- Highlights from Bangladesh Bank Foreign Exchange Business & Transactions of Head Office, Agrabad, Terri Bazar and Comprehensive Inspection Report of Shah Amanat Market, Benapole, Noapara, Boro Bazar and Mymensingh Branches.
- Statement of Fraud & Forgeries occurred in our Bank upto 31.12.2011
- Risk Based Internal Audit & Inspection Plan for the year 2012
- Issuance of Circular on High Risk/Major Irregularities/Lapses
- Branch-wise Recovery position of Non-Performing Loans (NPL) for the year 2011

Financial Highlights of The Bank

As at 31 December 2012

Sl. No.	Particulars	Taka in Million				
		2012	2011	2010	2009	2008
1	Paid up Capital	3,460.47	2,768.38	2,179.83	1,743.86	1,314.43
2	Total Capital	7,920.05	7,784.32	6,713.75	4,928.76	3,793.04
3	Capital Surplus	140.17	10.69	537.28	1,276.60	733.30
4	Total Assets	113,994.84	91,541.00	69,565.20	62,901.86	45,729.47
5	Total Deposits	92,432.76	73,105.73	54,660.41	50,017.96	36,092.17
6	Total Loan & Advances	77,159.76	64,641.17	47,563.43	37,793.89	33,018.39
7	Total Contingent Liabilities & Commitments	36,502.08	36,232.71	33,112.20	21,366.73	20,536.26
8	Credit Deposit Ratio	83.48%	88.42%	87.02%	75.56%	91.48%
9	Percentage of Classified Loan Against Total Loans & Advances	5.31%	4.06%	4.76%	6.14%	5.92%
10	Profit after Tax & Provision	388.08	714.51	1,647.11	899.52	657.31
11	Amount of Classified Loans	4,095.55	2,578.09	2,264.28	2,320.31	1,953.07
12	Provision Kept Against Classified Loans	2,210.25	1,001.98	1,323.15	951.85	651.85
13	Provision Surplus/Deficit	42.21	6.52	20.58	16.47	30.20
14	Cost of Fund	7.41%	5.91%	4.14%	5.45%	6.12%
15	Interest Earning Assets	98,221.18	78,654.96	58,895.93	54,404.63	39,766.63
16	Non-interest Earning Assets	15,773.66	12,852.58	10,669.27	8,497.23	5,962.84
17	Return on Investment (ROI)	13.02%	16.91%	17.19%	13.96%	13.59%
18	Return on Assets (ROA)	0.38%	0.93%	2.37%	1.43%	1.44%
19	Income from Investment	1,813.93	1,777.94	1,312.56	1,061.51	691.44
20	Earning per Share	1.12	2.16	5.95	4.13	3.80
21	Income per Share	40.43	37.00	40.93	37.24	41.20
22	Net Asset Value (NAV)	6,867.44	6,602.02	5,748.47	4,197.46	3,196.73
23	Net Asset Value (NAV) Per Share	19.85	23.85	26.37	24.07	23.83
24	Net Operating Cash Flow Per Share (NOCFPS)	28.80	19.52	(16.39)	67.35	7.02
25	Price Earning Ratio (Times)	32.28	26.19	18.81	17.84	24.26

Off-shore Banking Units

Balance Sheet

As at 31 December 2012

Annexure-F

	Note	31-Dec-2012		31-Dec-2011	
		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 and on short notice		-	-	-	-
Investments		-	-	-	-
Government securities		-	-	-	-
Other investments		-	-	-	-
Outside Bangladesh		-	-	-	-
Loans and advances	4.00	5,383,564	429,877,085	13,233,506	1,083,200,857
Loans, cash credits, overdrafts, etc.		3,000,000	239,549,700	6,737,606	551,492,604
Bills purchased and discounted	5.00	2,383,564	190,327,385	6,495,900	531,708,253
Fixed assets including premises, furniture and fixtures	6.00	-	-	-	-
Other assets	7.00	25,632	2,046,741	88,610	7,253,014
Non Banking Assets		-	-	-	-
Total assets		5,409,197	431,923,827	13,322,117	1,090,453,871
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from other banks, financial Institutions and agents	8.00	4,929,566	393,625,390	12,913,285	1,056,989,841
In Bangladesh		4,929,566	393,625,390	12,913,285	1,056,989,841
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		4,929,566	393,625,390	12,913,285	1,056,989,841
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Other reserve		-	-	-	-
Surplus in Profit and Loss Account	11.00	479,630	38,298,437	408,831	33,464,030
Total shareholders' equity		479,630	38,298,437	408,831	33,464,030
Total liabilities and shareholders' equity		5,409,197	431,923,827	13,322,117	1,090,453,871

Off-shore Banking Units

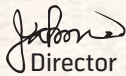
Balance Sheet

As at 31 December 2012

	Note	31-Dec-2012		31-Dec-2011	
		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		-	-	-	-
		-	-	-	-
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"		-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-

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


Managing Director


Director


Director


Director

Date : March 28, 2013
Place : Dhaka

Off-shore Banking Units

Profit and Loss Account

For the year ended 31 December 2012

	Note	31-Dec-2012		31-Dec-2011	
		USD	Taka	USD	Taka
Interest income	13.00	726,995	58,050,457	629,386	51,517,062
Less: Interest paid on deposits, borrowings, etc.	14.00	292,364	23,345,266	220,555	18,053,032
Net Interest income		434,630	34,705,192	408,831	33,464,030
Income from investment		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income	15.00	45,000	3,593,246	-	-
Total operating income		479,630	38,298,437	408,831	33,464,030
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		479,630	38,298,437	408,831	33,464,030
Provision for loans & advance, other assets & off BS items		-	-	-	-
Profit before taxation		479,630	38,298,437	408,831	33,464,030

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


Managing Director


Director


Director


Director

Date : March 28, 2013

Place : Dhaka


Off-shore Banking Units

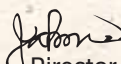
Cash Flow Statement

For the year ended 31 December 2012

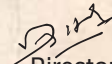
	Note	31-Dec-2012		31-Dec-2011	
		USD	Taka	USD	Taka
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received in cash		726,995	58,050,457	629,386	51,517,062
Interest payments		(292,364)	(23,345,266)	(220,555)	(18,053,032)
Dividend received		-	-	-	-
Fees and commission received in cash		-	-	-	-
Recovery of loans and advances in cash previously written-off		-	-	-	-
Cash paid to employees		-	-	-	-
Income tax paid		-	-	-	-
Cash received from other operating activities		45,000	3,593,246	-	-
Cash paid for other operating activities		(408,831)	(33,464,030)	(239,927)	(16,974,760)
Cash flows before charges in operating assets and liabilities		70,799	4,834,407	168,904	16,489,270
Increase/Decrease in operating assets and liabilities					
Loans and advances to customers		7,849,942	653,323,772	4,615,734	179,627,518
Other assets	16.00	62,978	5,206,273	84,306	4,980,758
Borrowing from Banks		(7,983,719)	(663,364,452)	(4,868,944)	(201,097,546)
Deposits from other Banks		-	-	-	-
Deposit from customers		-	-	-	-
Other Liabilities		-	-	-	-
		(70,799)	(4,834,407)	(168,904)	(16,489,270)
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

Date : March 28, 2013
Place : Dhaka

Off-shore Banking Units

Notes to the Financial Statements

For the year ended 31 December 2012

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, 2012.

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%

- (a) 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 79.8499 (closing weighted average rate as at 31 December 2012) represents the year end.

	31-Dec-2012		31-Dec-2011	
	USD	Taka	USD	Taka
3.00 Balance with other Banks and Financial Institutions				
In Bangladesh (Note -3.01)	-	-	-	-
Outside Bangladesh (Note -3.02)	-	-	-	-
3.01 In Bangladesh	-	-	-	-
3.02 Outside Bangladesh				
Current Account	-	-	-	-
4.00 Loans and advances				
i) Loans, cash credits, overdrafts, etc				
Term Loan	3,000,000	239,549,700	6,737,606	551,492,604
Lease Finance	-	-	-	-
T.R. Loan	-	-	-	-
	3,000,000	239,549,700	6,737,606	551,492,604
ii) Bills purchased and discounted (note-5)				
Inside Bangladesh				
Inland bills purchased and discounted	2,383,564	190,327,385	6,495,900	531,708,253
Outside Bangladesh				
Foreign bills purchased and discounted	-	-	-	-
	2,383,564	190,327,385	6,495,900	531,708,253
	5,383,564	429,877,085	13,233,506	1,083,200,857
4.01 Geographical location-wise Loans and Advances				
Dhaka	5,383,564	429,877,085	13,233,506	1,083,200,857
Chittagong Division	-	-	-	-
Sylhet	-	-	-	-
Rajshahi Division	-	-	-	-
Khulna	-	-	-	-
Barisal	-	-	-	-
	5,383,564	429,877,085	13,233,506	1,083,200,857
4.02 Classification of Loans and Advances				
Unclassified :				
(i) Standard	5,383,564	429,877,085	13,233,506	1,083,200,857
(ii) Special mention account	-	-	-	-
Classified :				
(i) Substandard	-	-	-	-
(ii) Doubtful	-	-	-	-
(iii) Bad / Loss	-	-	-	-
	5,383,564	429,877,085	13,233,506	1,083,200,857
5.00 Bills purchased and discounted				
In Bangladesh	2,383,564	190,327,385	6,495,900	531,708,253
Outside Bangladesh	-	-	-	-
	2,383,564	190,327,385	6,495,900	531,708,253

	31-Dec-2012		31-Dec-2011	
	USD	Taka	USD	Taka
6.00 Fixed assets including premises, furniture and fixtures				
Cost				
Furniture and fixtures	-	-	-	-
Office equipment and machinery	-	-	-	-
	-	-	-	-
7.00 Other assets				
Advance deposits and advance rent	-	-	-	-
Interest receivable on Term loan	15,930	1,272,009	37,746	3,089,618
Interest receivable on Bills discount	9,702	774,732	50,864	4,163,396
	25,632	2,046,741	88,610	7,253,014
8.00 Borrowing from other banks, financial Institutions and its agents				
In Bangladesh:				
IFIC Bank Limited	4,929,566	393,625,390	12,913,285	1,056,989,841
Bangladesh Bank	-	-	-	-
	4,929,566	393,625,390	12,913,285	1,056,989,841
Outside Bangladesh	-	-	-	-
	4,929,566	393,625,390	12,913,285	1,056,989,841
9.00 Current deposits and other accounts				
IFIC Bank Limited	-	-	-	-
Bangladesh Bank	-	-	-	-
	-	-	-	-
10.00 Other liabilities				
Interest on bills discount	-	-	-	-
Due to Head Office	-	-	-	-
	-	-	-	-
11.00 Surplus in Profit and Loss Account				
Opening balance	408,831	33,464,030	239,927	16,974,760
Less: Adjustment/ payment for the year	(408,831)	(33,464,030)	(239,927)	(16,974,760)
Add: Addition during the year	479,630	38,298,437	408,831	33,464,030
	479,630	38,298,437	408,831	33,464,030
12.00 Contingent liabilities				
12.01 Acceptance & endorsement				
Back to Back bills	-	-	-	-
Less: Margin	-	-	-	-
	-	-	-	-
12.02 Letters of credits				
Letters of credits	-	-	-	-
Back to Back letter of credit	-	-	-	-
	-	-	-	-
Less: Margin	-	-	-	-

	31-Dec-2012		31-Dec-2011	
	USD	Taka	USD	Taka
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	355,555	28,391,016	482,255	39,474,002
LTR loan	-	-	-	-
Bills discount	371,440	29,659,441	147,131	12,043,060
Others	-	-	-	-
Interest on loans and advances	726,995	58,050,457	629,386	51,517,062
Interest on balance with other banks and financial institutions	-	-	-	-
Interest received from foreign banks	-	-	-	-
Total Interest income	726,995	58,050,457	629,386	51,517,062
14.00 Interest paid on deposits, borrowings, etc.				
Interest paid on IFIC Bank Limited	292,364	23,345,266	125,363	10,261,325
Interest paid on Bangladesh Bank	-	-	95,192	7,791,707
	292,364	23,345,266	220,555	18,053,032
15.00 Other operating income				
Service charge on loans	45,000	3,593,246	-	-
	45,000	3,593,246	-	-
16.00 Other Assets				
Opening other assets	88,610	7,253,014	172,916	12,233,772
Less : Closing other assets	(25,632)	(2,046,741)	(88,610)	(7,253,014)
	62,978	5,206,273	84,306	4,980,758

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, 2012 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 as on December 31, 2012 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.

Date : March 28, 2013
Place : Dhaka

Howladar Yunus
Howladar Yunus & Co.
Chartered Accountants

Statement of Financial Position

As on December 31, 2012

	Notes	Amount in Taka	
		31-Dec-2012	31-Dec-2011
ASSETS:			
Non Current Assets		175,693,807	184,473,805
Property Plant and Equipments	4	10,224,632	11,488,655
Investments	5	165,469,175	172,985,150
Current Assets		2,997,713,639	2,330,786,431
Margin loan to clients		2,738,664,417	2,180,764,511
Accounts receivable (DSE)		20,493,567	52,608,537
Advance Deposits and Prepayments	6	97,069,335	33,906,005
Cash & cash equivalents	7	141,486,320	63,507,378
TOTAL		3,173,407,446	2,515,260,236
EQUITY AND LIABILITIES			
Shareholders Equity		925,168,909	887,071,080
Share Capital	8	800,000,000	800,000,000
Holding Gain Reserve	20	520,136	-
Retained Earnings	10	124,648,773	87,071,080
Liabilities:			
Non Current Liabilities		-	-
Current Liabilities		2,248,238,537	1,628,189,156
Clients payable		189,831,952	93,362,236
DSE payable		92,916	202,886
General Provision	9	72,131,178	22,966,595
Bank Loan	11	1,689,664,354	1,433,774,567
Other Liabilities	12	201,835,297	26,904,697
Provision for income tax	13	94,625,047	50,978,175
Deferred tax liabilities	20	57,793	-
TOTAL		3,173,407,446	2,515,260,236

The annexed notes from an integral part of these financial statements.

Chief Executive Officer (Current Charge)

Director

Director

Signed as per our annexed report of event date.

Howladar Yunus & Co.
Howladar Yunus & Co.
Chartered Accountants

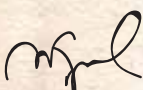
Date : March 28, 2013
Place : Dhaka

Statement of Comprehensive Income

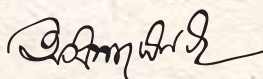
For the year ended December 31, 2012

	Notes	Amount in Taka	
		31-Dec-2012	31-Dec-2011
Income:		415,830,314	375,843,891
Operating Income	14	394,263,845	369,707,087
Non-operating Income	15	21,566,469	6,136,804
Expenses:		285,441,166	214,828,041
Operating Expenses	16	12,666,353	15,349,216
Office & administrative expenses	17	32,914,979	27,714,332
Financial Expenses	18	239,859,834	171,764,493
Profit/ (loss) before provisions & tax		130,389,148	161,015,850
Less: Provisional expenses	19	92,811,455	73,944,770
A. Net Profit After Tax		37,577,693	87,071,080
Other Comprehensive Income/(Loss)			
Holding Gain on Investment in Shares	20	577,929	-
Deferred Tax on Other Comprehensive Income		57,793	-
B. Other Comprehensive Income (Net off Tax)		520,136	-
Total Comprehensive Income (A+B)		38,097,829	87,071,080

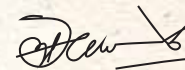
The annexed notes from an integral part of these financial statements.



Chief Executive Officer (Current Charge)



Director



Director

Signed as per our annexed report of event date.

Howladar Yunus & Co.
Howladar Yunus & Co.
 Chartered Accountants


Date : March 28, 2013

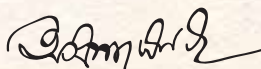
Place : Dhaka


Statement of Cash Flows

For the year ended December 31, 2012

	Notes	Amount in Taka	
		31-Dec-2012	31-Dec-2011
A) Cash flows from operating activities:			
Net profit before tax		130,389,148	162,686,160
Add: Non cash transaction		176,853,943	27,325,363
Sundry Payable		73,429	117,333
Liabilities for expenses		752,504	1,593,987
Unrealized interest income		174,104,667	23,523,066
Depreciation		1,923,343	2,090,977
Increase/(decrease) in accounts payable		96,469,717	93,362,236
Increase/(decrease) in DSE Payable		(109,970)	202,886
(Increase)/Decrease in accounts receivable (DSE)		32,114,970	(52,608,538)
(Increase)/Decrease Advance Deposit and Prepayments		(63,163,330)	(33,906,005)
Net cash flows from operating activities		372,554,477	197,062,103
B) Cash Flows From Investing Activities:			
Investments in Securities		8,093,904	(97,996,150)
Membership at cost		-	(74,989,000)
Purchase of property, plants and equipments		(659,320)	(13,579,630)
Loan to clients		(557,899,906)	(2,180,764,512)
Net Cash Flows From Investing Activities		(550,465,322)	(2,367,329,292)
C) Cash Flows From Financing Activities:			
Issue of share capital		-	800,000,000
Loan from Dhaka Bank Limited		539,505	40,186,900
Loan from IFIC Bank Limited		58,556,862	1,393,587,667
Loan from Prime Bank Limited		196,793,419	-
Net cash flows from financing activities		255,889,786	2,233,774,567
D) Net increase in cash and cash equivalents (A+B+C)		77,978,942	63,507,378
E) Opening cash and cash equivalents		63,507,378	-
F) Closing cash and cash equivalents (D+E)		141,486,320	63,507,378


Chief Executive Officer (Current Charge)


Director


Director

Date : March 28, 2013
Place : Dhaka

Statement of Changes in Equity

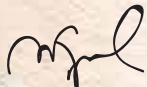
For the year ended December 31, 2012

Particulars	Share Capital	Retained Earnings	Holding gain	Total
Opening Balance as on 01.01.2012	800,000,000	87,071,080	-	887,071,080
	-	-		-
Holding gain during the year			520,136	520,136
Profit/(Loss) during the period	-	37,577,693		37,577,693
Balance as on December 31, 2012	800,000,000	124,648,773	520,136	925,168,909

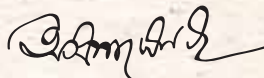
Statement of Changes in Equity

For the year ended December 31, 2011

Particulars	Share Capital	Retained Earnings	Holding gain	Total
Opening Balance	-	-		-
Increase Share Capital	800,000,000	-		800,000,000
Profit/(Loss) during the period	-	87,071,080		87,071,080
Balance as on December 31, 2011	800,000,000	87,071,080	-	887,071,080



Chief Executive Officer (Current Charge)



Director



Director

Date : March 28, 2013
Place : Dhaka

Notes to the Financial Statements

For the year ended December 31, 2012

SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1. STATUS OF THE REPORTING ENTITY

1.1. Corporate History:

IFIC Securities Limited was incorporated in Bangladesh and registered with Joint Stock Companies and Firms vide its registration number C-87904/10 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. The registered office of the company is located at BDBL Bhaban (10th Floor), 8 Rajuk Avenue, Dhaka.

1.2. Nature of business:

The principal objectives of the company for which it was established are to carry on the business of stock brokers, dealers in relation to shares and securities dealing and other services as mentioned in the Memorandum and Articles of Association of the Company.

2. Basis of Preparation:

2.1. Statement of Compliance:

The financial statements of IFIC Securities Limited have been prepared in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994 and other applicable laws in Bangladesh.

2.2. Measurement bases used in Preparing the Financial Statements:

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standard Committee (IASC).

2.3. Use of estimates and judgments:

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

2.4. Accounting Convention and Basis:

These Financial Statements have been prepared under the Historical Cost Convention and Going Concern basis in accordance with applicable International Accounting Standards in Bangladesh which does not vary from the requirements of the Companies Act 1994, and other laws and rules applicable in Bangladesh.

2.5. Functional and presentational currency and level of precision:

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.6. Reporting period:

The financial period of the company covers one year from 1 January to 31 December and followed consistently.

2.7. Components of the Financial Statements:

According to the International Accounting Standard (IAS) 1 as adopted by ICAB as BAS 1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- i) Statement of Financial Position
- ii) Statement of Comprehensive Income
- iii) Statement of Changes in Equity
- iv) Statement of Cash Flows
- v) Notes to the Financial Statements

3. Principal Accounting Policies:

The accounting policies set out below have been applied in preparations of these financial statements

3.1. Property, Plant and Equipment

3.1.1. Recognition and Measurement:

Items of Property, Plant and Equipment (PPE) are initially measured at cost. After initial recognition, an item of PPE is carried at cost less accumulated depreciation and impairment losses in compliance with the requirements of BAS-16: Property, Plant and Equipment.

3.1.2. Disposal of Fixed Assets:

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Comprehensive Income, which is determined with reference to the net book value of the assets and net sales proceeds.

3.1.3. Depreciation on Fixed Assets:

Depreciation is recognized in the Comprehensive Income on a written down value basis over the estimated useful life of each property, plant and equipment in accordance with the provisions of BAS 16: Property, Plant and Equipment.

Rate of depreciation on Property, Plant and Equipment considering the useful life of assets are as follows:

SL No	Particulars of Assets	Dept. Rate
01	Furniture & Fixture	10.00%
02	Electric Goods	20.00%
03	Computer & Equipments	20.00%
04	Office Renovation	10.00%
05	Other Assets	40.00%

3.2. Accounts Receivables

Accounts Receivables are consider good and realizable. No provision or allowance to be made during the year.

3.3. Advance, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

3.4. Cash and Cash Equivalent:

Cash and Cash equivalent include cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.5. Other Current Assets:

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet.

3.6. Other Corporate Debt, Accounts Payable, Trade and Other Liabilities:

Liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier.

3.7. Income Tax:

The company has to pay income tax on its total turnover as tax deducted at source and provision has been made accordingly as per Income Tax Ordinance 1984 under section 53BBB.

3.8. Provisions:

Provision is recognized on the balance sheet date if, as a result of past events, the company has a presents legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.9. Revenue Recognition:

Commissions are realized income whenever the commission amount transferred from clients account to Company's account and satisfying all the conditions for revenue recognition as provided in BAS-18 "Revenue".

3.10. Cash flow Statement:

Statement of Cash Flows is prepared in accordance with BAS-7 "Cash Flow Statement". The cash flow from the operating activities has been presented under indirect Method and considering the provisions of Paragraph 19(2) of BAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

3.11. Responsibility for Preparation and Presentation of Financial Statements:

The Management is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act, 1994 and as per the Provision of "The Framework for the preparation and presentation of Financial Statements" issued by the International Accounting Standard Board (IASB) as adopted by the Institute of The Chartered Accountants of Bangladesh (ICAB).

3.12. Risk and uncertainties for the use of estimates in preparing financial statements:

Preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

3.13. Comparative Amounts:

Certain comparative amounts have been re-classified & rearranged to confirm with the current year's presentation.

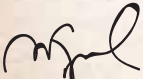
		Amount in Taka	
		31-Dec-2012	31-Dec-2011
4.00	Property, Plant & Equipment		
	Furniture and Fixture	3,441,520	3,757,961
	Electric Goods	1,931,908	2,372,825
	Computer and Equipments	2,946,007	3,450,309
	Office Renovation	1,707,585	1,897,316
	Other Assets	197,612	10,244
		10,224,632	11,488,655
	Details please refer to Annexure-A		
5.00	Investments		
	Membership with DSE	74,989,000	74,989,000
	Investment in Shares	90,480,175	97,996,150
		165,469,175	172,985,150
	Investment in shares are details in Annexure - B		
6.00	Advance Deposit and Prepayments		
	Advance Income Tax	94,735,270	30,328,670
	Bank Guarantee	466,208	1,109,478
	Pre-paid Rent	1,867,857	2,467,857
		97,069,335	33,906,005
7.00	Cash & cash equivalents		
	Cash in Hand	13,519	9,424
	Cash at Bank:	141,472,801	63,497,954
	IFIC Bank Ltd. Motijheel Branch, A/c No. 1001-365185-001	140,366,519	63,251,728
	IFIC Bank Ltd. Motijheel Branch, A/c No. 1001-354511-001	1,106,281	245,956
	Dhaka Bank Ltd. Foreign Exchange Branch, A/c No. 2031.10.11050	1	271
		141,486,320	63,507,378
8.00	Share Capital		
	Authorized Capital:		
	30,00,00,000 Ordinary Shares of Tk 10/- each	3,000,000,000	3,000,000,000
8.01	Issued, Subscribed, & Paid-up Capital		
	80,000,000 Ordinary Share of Tk 10/- each	800,000,000	800,000,000
8.02	Shareholding position:		

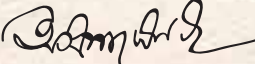
Shareholder	2012 "Number of Shares	2011 "Number of Shares	Face value	2012 Amount in Taka	2011 Amount in Taka
IFIC Bank Limited	79,999,400	79,999,400	10	799,994,000	799,994,000
Mr. Mohammad Abdullah	-	100	10	-	1,000
Mr. Syed Zahidul Islam	-	100	10	-	1,000
Mr. Sk. Rashid Ahmed	-	100	10	-	1,000
Mr. M. Shah Alam Sarwar	100	-	10	1,000	-
Ms. Alkona K Choudhuri	100	-	10	1,000	-
Mr. S.M. Abdul Hamid	100	100	10	1,000	1,000
Mrs. Zaitun Sayef	100	100	10	1,000	1,000
Mr. Ashim Chowdhury	100	-	10	1,000	-
Mr. Fariduddin Al Mahmud	100	100	10	1,000	1,000
	80,000,000	80,000,000		800,000,000	800,000,000

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
9.00	General Provision		
	Provision for Investment	1,158,950	1,158,950
	Provision for Margin loan	70,972,228	21,807,645
		72,131,178	22,966,595
9.01	Provision for Margin loan		
	Opening Balance	21,807,645	-
	Add: Transferred during the year	49,164,583	21,807,645
		70,972,228	21,807,645
10.00	Retained Earnings:		
	Opening balance	87,071,080	-
	Add: Profit during the year	37,577,693	87,071,080
		124,648,773	87,071,080
11.00	Bank Loan :		
	Loan From IFIC Bank Ltd, Motijheel Branch	1,452,144,530	1,393,587,667
	Loan From Dhaka Bank Ltd, Foreign Excahnge Branch	40,726,405	40,186,900
	Loan From Prime Bank Ltd. SBC Tower Branch	196,793,419	-
		1,689,664,354	1,433,774,567
12.00	Other Liabilities		
	Sundry Payable	190,763	117,334
	Liabilities for expenses	4,016,801	3,264,297
	Unrealized interest income	197,627,733	23,523,066
		201,835,297	26,904,697
12.01	Sundry Payable		
	Leads Corporation	-	66,700
	VAT Payables	37,344	12,434
	Tax Payable	153,419	38,200
		190,763	117,334
12.02	Liabilities for expenses		
	Mobile/ Telephone Allowance	5,000	13,267
	Fuel Allowance	-	40,940
	Electricity	128,207	80,000
	CDBL	1,404,664	1,150,000
	Water	17,120	16,800
	WASA	17,500	-
	Newspaper	13,184	4,000
	Audit fees	200,000	100,000
	Casual worker wages	13,950	-
	Printing & Stationery	200,000	146,980
	Cleaners	6,000	3,000
	Connectivity Bill	25,850	-
	Insurance	37,286	23,000
	DSE Bil	5,000	16,000
	Incentive Bonus	1,943,040	1,670,310
		4,016,801	3,264,297

		Amount in Taka	
		31-Dec-2012	31-Dec-2011
12.03	Unrealized interest income		
	Opening Balance	23,523,066	-
	Add: Transferred during the year	174,104,667	23,523,066
		197,627,733	23,523,066
13.00	Provision for Income Tax		
	Opening Balance	50,978,175	-
	Add: Provision for the year	43,646,872	50,978,175
		94,625,047	50,978,175
14.00	Operating Income		
	Brokerage Commission	102,155,110	98,904,161
	Interest on Margin Loan	292,108,735	270,802,926
		394,263,845	369,707,087
15.00	Non-operating Income		
	Documentation Charge	60,300	232,500
	Account Opening Fee	146,000	169,500
	CDBL Income	2,158,777	5,700,000
	Miscellaneous	65,906	34,804
	Dividend Received	132,000	-
	Capital gain (realised)	19,003,486	-
		21,566,469	6,136,804
15.01	CDBL Income		
	BO Maintenance Charge	1,620,000	2,110,000
	Pledgement & Corporate Action Charge	538,777	3,590,000
		2,158,777	5,700,000
16.00	Operating Expenses		
	Howla	1,011,444	884,276
	Laga	5,554,909	5,611,495
	CDBL	6,100,000	8,853,445
		12,666,353	15,349,216
17.00	Office & administrative expenses		
	Salary and Allowances	19,834,049	13,738,479
	Director's Remuneration	120,750	150,000
	Board Meeting Fees	-	41,370
	Entertainment	757,287	765,887
	Conveyance	53,305	42,160
	Auditors Fee	200,000	191,000
	Printing Stationery	795,584	402,690
	DSE	-	99,410
	Office Rent	7,496,320	6,077,250
	Electricity	320,000	229,976
	Regulatory	63,612	139,668
	Repair and Maintenance	74,500	93,284
	Legal & Professional Fees	98,000	249,285
	WASA	70,000	-
	Newspaper	33,304	20,606

	Amount in Taka	
	31-Dec-2012	31-Dec-2011
Cleaner's	14,000	5,400
Water	77,390	62,840
Software Maintenance	219,450	200,000
Connectivity	630,814	384,600
Depreciation	1,923,343	2,090,977
Crockeries	5,150	5,610
Security Guard	113,400	-
Gas & Fuel	14,721	-
Rates and Tax	-	62,500
Advertisement	-	34,505
Courier	-	2,000
Amortization of Preliminary expenses	-	2,624,835
	32,914,979	27,714,332
17.01 Salary and Allowances		
Basic Salary	13,794,329	9,765,649
Car Maintenance	497,526	260,420
Fuel Allowance	696,970	340,115
Utility	447,000	221,000
Bonus	1,355,587	1,113,540
Insurance Vechile	50,653	23,000
Incentive Bonus	1,943,040	1,670,310
Leave Fare Assistance	637,750	77,500
Casual Worker Wages	173,700	91,500
Telephone and Mobile	237,494	175,445
	19,834,049	13,738,479
18.00 Financial expenses		
Bank Charges	156,009	105,414
Bank Guarantee Charge	3,518,720	2,786,598
Interest on Bank loan	236,185,106	168,872,481
	239,859,834	171,764,493
19.00 Provisional Expenses		
Income Tax	43,646,872	50,978,175
Investment	-	1,158,950
Margin Loan	49,164,583	21,807,645
	92,811,455	73,944,770
20.00 Holding gain on Investment in shares		
Investment at Market Price	90,480,175	-
Investment at Cost Price	89,902,246	-
Holding Gain on Investment in Shares	577,929	-
Deferred Tax on Holding Gain @ 10%	57,793	-
Holding Gain Reserve (Net off Tax)	520,136	-


Chief Executive Officer (Current Charge)


Director


Director

Date : March 28, 2013
Place : Dhaka

Annexure-A

Schedule of fixed assets For the year ended December 31, 2012

Particulars	Opening Balances			Cost			Rate	Depreciation		Written Down Value
	No. of Shares	Unit Cost	Total Cost	Addition	Disposal	Closing Balances		For the Year	Closing Balances	
Furniture and Fixture	2,000,000	35	70,000,000	65,950	-	4,241,462	10%	417,551	799,942	3,441,520
Electric Goods	397,000	71	27,996,150	42,060	-	3,008,091	20%	593,206	1,076,183	1,931,908
Computer and Equipments				232,200	-	4,545,086	20%	862,577	1,599,079	2,946,007
Office Renovation				2,108,129	-	2,108,129	10%	210,813	189,732	1,707,585
Other Assets				17,073	-	336,183	40%	6,829	131,741	197,612
Total			13,579,632	659,320	-	14,238,952		2,090,977	4,014,320	10,224,632

Annexure-B

Statement of Investment in Shares For the year ended December 31, 2012

Sl. No.	Name of the company	Opening Balances			Buy during the Year (With Bonus)			Sale during The Year			Closing Balance			Market unit cost on 31.12.2012	Market Value	Capital Gain
		No. of Shares	Unit Cost	Total Cost	No. of Shares	Unit Cost	Total Cost	No. of Shares	Unit Cost	Total Cost	No. of Shares	Unit Cost	Total Cost			
1	GNFL	2,000,000	35	70,000,000	430,000	2.74	1,178,000	30,000	39.27	1,178,000	2,400,000	29.17	70,000,000	30.90	74,160,000	85,000
2	Titas Gas	397,000	71	27,996,150	444,750	71.68	31,878,300	758,000	70.06	53,102,550	83,750	80.86	6,771,900	65.30	5,468,875	4,002,600
3	DESCO				55,500	69.14	3,837,300	55,500	103.47	5,742,400	-	-	-	-	-	1,905,100
4	Powergrid				69,000	53.40	3,684,700	47,000	49.04	2,304,800	22,000	62.71	1,379,662	55.60	1,223,200	203,550
5	Megna Petrolium				47,400	136.76	6,482,530	34,400	124.38	4,278,530	13,000	169.54	2,204,000	158.50	2,060,500	321,830
6	Karmophuli				27,000	49.47	1,335,560	27,000	49.47	1,335,560	-	-	-	-	-	84,210
7	Summit Power				53,500	54.77	2,930,180	53,500	54.77	2,930,180	-	-	-	-	-	766,270
8	Unique Hotel				389,000	96.35	37,479,310	386,000	96.67	37,315,126	3,000	54.73	164,184	126.20	378,600	10,985,426
9	Northern Ins.				60,000	61.78	3,706,950	-	-	-	60,000	61.78	3,706,950	45.50	2,730,000	-
10	Eastland Ins.				30,000	76.90	2,307,000	-	-	-	30,000	76.90	2,307,000	56.60	1,698,000	-
11	Malek Spinning				110,000	30.62	3,368,550	-	-	-	110,000	30.62	3,368,550	25.10	2,761,000	-
12	BEXIMCO				100,000	59.55	5,955,000	100,000	59.55	5,955,000	-	-	-	-	-	649,500
Total													89,902,246		90,480,175	19,003,486

Annexure-H



*IFIC
Money Transfer
(UK) Limited*

Report of the Directors

For the year ended 31 December 2012

The Directors present their report with the financial statements of the company for the year ended 31 December 2012.

INCORPORATION

The company was incorporated on 16 September 2010 and commenced trading on 1 August 2011.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of money service business including international money transfers.

DIRECTORS:

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report.

Mohammad Lutfar Rahman
Mohammed Nayem Syed

Other charges in directors holding office are as follows:

Syed Monjurul Islam - appointed 18 July 2012-resigned 27 November 2012
Mohammad Abdullah - appointed 10 January 2012-resigned 29 November 2012
Mahmudul Huq Bhuiyan - resigned 18 July 2012
Anwaruzzaman Chowdhury - resigned 18 July 2012
Arastoo Khan - resigned 23 August 2012
Jalal Ahmed - appointed 27 November 2012
Mohammad Shah Alam Sarwar - appointed 18 December 2012

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
4 January 2013

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 year ended 31 December 2012 set out on pages and 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 examination supplied to us.

Ahmed & Co

Ahmed & Co
Ferrari House (2nd Floor)
102 College Road
Harrow
Middlesex
HA1 1ES
4 January 2013

Profit & Loss Account

For the year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover		9,257	57
Administrative expenses		78,035	25,796
Operating Loss	2	(68,778)	(25,739)
Interest payable and similar charges		24	-
Operating loss on ordinary activities before taxation		(68,802)	(25,739)
Tax on loss on ordinary activities	3	-	-
Loss for the financial period		(68,802)	(25,739)

The notes from part of these financial statements

Balance Sheet

As at 31 December 2012

	Notes	2012 £	2011 £
Fixed Assets		116,358	-
Tangible assets	4	116,358	-
Current Assets		63,501	131,884
Debtors	5	11,567	-
Cash at Bank and in hand		51,934	131,884
Creditors		81,614	6,623
Amounts falling due within one year	6	81,614	6,623
Net Current (Liabilities)/Assets		(18,113)	125,261
Total Assets less current liabilities		98,245	125,261
Capital and Reserves			
Called up share capital	7	192,786	151,000
Profit and loss account	8	(94,541)	(25,739)
Shareholders' Funds		98,245	125,261

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 December 2012.

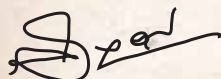
The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2012 in accordance with Section 476 of the Companies Act 2006.

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 4 January 2013 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 year ended 31 December 2012

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each assets over its estimated useful life.

Short leasehold	-	10% on cost
Plant and machinery	-	15% on cost
Computer equipment	-	33% on cost

2. OPERATING LOSS

The operating loss is stated after charging:

Depreciation own assets

Formation costs

Directors' remuneration and other benefits etc

	2012 £	2011 £
Depreciation own assets	15,239	-
Formation costs	-	330
	15,239	330
Directors' remuneration and other benefits etc	-	-

3. TAXATION

Analysis of the charge

Noliability to UK corporation tax arose on ordinary activities for the year ended 31 December 2012 nor for the period ended 31 December 2011.

4. TANGIBLE FIXED ASSETS

	Short Leasehold £	Plant and machinery £	Computer equipment £	Total £
Cost				
Additions	75,006	53,862	2,729	131,597
At 31 December 2012	75,006	53,862	2,729	131,597
Depreciation				
Charge for the year	6,250	8,079	910	15,239
At 31 December 2012	6,250	8,079	910	15,239
Net Book value				
At 31 December 2012	68,756	45,783	1,819	116,358

	2012	2011
	£	£
5. DEBTORS: Amounts falling due within one year		
Other debtors	11,567 -	
6. CREDITORS: Amounts falling due within one year		
Trade creditors	74,187	-
Taxation and social security	1,502	243
Other creditors	5,925	6,380
	81,614	6,623
7. CALLED UP SHARE CAPITAL		
Allotted, issued and fully paid:		
Number: Class: Nominal value:	£	£
192,786 Ordinary £ 1	192,786	151,000

41,786 Ordinary shares of £ 1 each were allotted and fully paid for cash at par during the period.

8. RESERVES	Profit and loss account	
	2012	2011
	£	£
At 1 January 2012	(25,739)	-
Deficit for the period	(68,802)	(25,739)
At 31 December 2012	(94,541)	(25,739)

9. **ULTIMATE CONTROLLING PARTY**

The company is fully owned and controlled by IFIC Bank Limited, a company incorporated in Bangladesh.

Important Events 2012



Loan disbursement to JOYEETA Members

State Minister for Women and Children Affairs Dr. Shireen Sharmin Chowdhury and Governor of Bangladesh Bank Dr. Atiur Rahman attended a function organized on the occasion of handing over a special loan - Joyeeta - of IFIC Bank to the grassroots women entrepreneurs. A total of Tk 51.00 Lac was distributed among 17 Samities or cooperatives of about 200 grassroots women.

35th Annual General Meeting-2012

The 35th Annual General Meeting (AGM) of IFIC Bank was held on July 11, 2012 at the Convention Centre of Bashundhara Residential Area in Dhaka.

Presided over by the Chairman of the Bank Mr. Salman F Rahman, the meeting was attended by the Chairman of the Executive Committee of the Board Mr. Mohammad Lutfor Rahman, members of the Board of Directors Mr. Monirul Islam, Mr. Arastoo Khan, Mr. Syed Monjurul Islam and immediate-past Managing Director Mr. Mohammad Abdullah. Company Secretary A.K.M. Mozharul Hoque conducted the meeting.



100th Branch opened at Tejgaon-Gulshan Link Road

On June 24, 2012, the 100th Branch was inaugurated at Tejgaon-Gulshan Link Road at Tejgaon in the city to mark the 29th anniversary of IFIC Bank Limited.

Honorable Minister for Industries Mr. Dilip Barua inaugurated the branch while Chairman of the Bank Mr. Salman F Rahman presided over the function.

Members of the Board of Directors Mr. Syed Manjurul Islam and Mr. Monirul Islam, prominent lawyer Barrister Rafiqul Haque, Publisher of The New Age Mr. Shahidullah Khan Badal, former Managing Directors, noted industrialists and businessmen, were among others, present at the function.

Former Managing Directors of IFIC Bank Mr. Shawkat Ali Chowdhury and Mr. Mohammad Abdullah, Chairman of Advanced Development Group Mr. SM Anwar Hossain and Director of Nina Holdings Ltd. Mr. Junayed Abu Saleh Musa addressed the ceremony.





105th Branch at Konapara in Demra
 The 105th branch IFIC Bank Limited was inaugurated on December 17, 2012 at Konapara in Matuail under the Demra Police Station.

IFIC Bank's Chairman of Executive Committee of the Board of Directors Mr. Mohammad Lutfar Rahman inaugurated the branch as the Chief Guest. Member of the Board of Directors Mr. Monirul Islam, Managing Director of the Bank Mr. Shah A Sarwar, Deputy Managing Director (Business) Mr. Mati-ul Hasan, Deputy Managing Director (Operations) Mr. Wakar Hoque, other top executives and local dignitaries were present at the inaugural ceremony.



Foundation Course for 13th Batch Management Trainees

An eleven-day long Foundation Course for 13th Batch Management Trainees was held from December 17 to 27, 2012 at the IFIC Bank Academy at Motijheel. Managing Director & CEO of the Bank Mr. Shah A Sarwar inaugurated the training course while Deputy Managing Director (Business) Mr. Matiul Hasan, SEVP & Head of Human Resources Division Mrs. Alkona K. Choudhuri and other senior officials attended the programme.



IFIC Bank receives 'Certificate of Merit' from ICAB

IFIC Bank Limited received the Certificate of Merit award during the 12th ICAB National Award Giving Ceremony for 'Best Presented Annual Reports 2011' on October 01, 2012.

Organized by the Institute of Chartered Accountants of Bangladesh (ICAB), the ceremony was attended by Honourable Finance Minister Mr. Abul Maal Abdul Muhith MP as the Chief Guest and Honourable Commerce Minister Mr. Ghulam Muhammed Quader MP as Special Guest. On behalf of IFIC Bank, immediate-past Managing Director Mr. Mohammad Abdullah received the award.

Top officials from different commercial banks, non-banking financial institutions (NBFIs), NGOs and elites of the society attended the ceremony that took place at Pan Pacific Sonargoan Hotel, Dhaka.



104th Branch Opened at Gabtoli

The 104th branch IFIC Bank Limited was inaugurated on November 26, 2012 at Gabtoli Bagbari (Mirpur) in the capital.

IFIC Bank's Chairman of Executive Committee of the Board of Directors Mr. Mohammad Lutfar Rahman inaugurated the branch as the Chief Guest. Member of the Board of Directors Mr. Monirul Islam, former Managing Director of the Bank Mr. Mohammad Abdullah, Deputy Managing Director (Business) Mr. Mati-ul Hasan, Deputy Managing Director (Risk) Mr. Zaitun Sayef, Deputy Managing Director (Operations) Mr. Waker Hasan, Company Secretary A. K. M. Mozharul Hoque, other top executives, former local lawmaker Mr. S. A. Khaleque and local dignitaries were present at the inaugural ceremony.



Induction Program for 13th Batch MTs

An Induction Program was organized at IFIC Bank Training Institute to welcome its newly joined Management Trainees on September 02, 2012. The 13th Batch Management Trainee of IFIC Bank Limited recruited through a very rigorous and comprehensive process. A total of 43 (forty three) MTs joined in IFIC Bank this year mostly are Business Graduates from reputed Educational Institutes of the country. Former Managing Director Mr. Mohammad Abdullah welcomed the new comers while Mr. Mati-ul Hasan, Deputy Managing Director (Business), Mr. Wakar Hasan, Deputy Managing Director (Operations), Ms. Alkona K. Choudhuri, Senior Executive Vice President & Head of HRM and other senior management officials were also present.



102nd Branch Opened at Chandra (Kaliakoir)

The 102nd Branch of IFIC Bank was inaugurated on September 27, 2012 at Chandra in Kaliakoir under Gazipur district to render modern banking services to the locality.

Renowned lawyer Barrister Rafiqul Haque inaugurated the 102nd Branch inaugurated the branch while immediate-past Managing Director Mr. Mohammad Abdullah, Deputy Managing Director (Operations) Mr. Wakar Hasan, Company Secretary A K M Mozharul Hoque, other top officials and local luminaries attended the ceremony.

IFIC Contact Centre Opened in the city

The IFIC Bank Contact Centre was inaugurated on September 17, 2012 at AJ Heights at Progati Sarani in the city.

Managing Director of Elegant Group and owner of the premises Mr. Tanveer Ahmed inaugurated the Centre at a simple ceremony while Bank's Deputy Managing Director (Business) Mr. Mati-ul Hasan, Deputy Managing Director (Operations) Mr. Wakar Hasan and senior officials attended the function.

Customers are receiving information on accounts, cards, loan, branch or ATM locations, exchange rates etc. from the Contact Centre by simply dialing 16255 or 044720 16255 from any phone.



Workshop on Strategic Leadership

A two day-long "Strategic Leadership" workshop was organized from June 09 to 10, 2012 by HRM Division at BRAC Centre for Development Management (BCDM), Savar.

Former Managing Director of IFIC Bank Limited Mr. Mohammad Abdullah and Deputy Managing Director (Business) Mr. Mati-ul Hasan are seen with the participants. A senior management team of 24 (twenty four) Managers and Head of the Divisions of the Bank participated in the workshop which was purely on residential basis.



Workshop on "Green Banking"

A workshop on "Green Banking" was held on October 20, 2012 at IFIC Bank Training Institute at Chamber Building 8th floor, 122-124 Motijheel C/A, Dhaka. About 30 Executives & Officers working at different branches & Head Office attended the workshop.

Deputy Managing Director (Business) of the Bank Mr. Mati-ul Hasan inaugurated the workshop while Dr. Shah Mohammad Ahsan Habib, Professor and Training Director of BIBM, and Khondker Morshed Millat, DGM of Central Bank were the facilitator of the workshop.





Workshop on 'Relationship Management & Key Account Development'
IFIC Bank's HRM Division organized a two day long Training Workshop on Relationship Management & Key Account Development for its Relationship Managers and for officials with high customer focus at Spectra Convention Centre, Gulshan on December 02 - 03, 2012. The Program was organized in collaboration with TACK International, United Kingdom. A Team consists of 22 (Twenty Two) officials from various Branches & Divisions of IFIC Bank Limited participated in the program. Mr. Neil Parry, Master Trainer of TACK International, UK conducted the program. Mr. Wakar Hasan, DMD (Operation), IFIC Bank Limited was present at the closing ceremony and distributed certificate among the participants.



Training Program on 'Continuous Improvement'
IFIC Bank HRM Division organized a two day long Training Program on Continuous Improvement for its future leaders at BRAC CDM, Rajendrapur on September 22 - 23, 2012. The Program was organized in collaboration with SENSEI International, Dubai. A team consists of 36 (thirty six) officials from various Branches & Divisions of IFIC Bank Limited participated in the program. Mr. Wakar Hasan, Deputy Managing Director (Operations) inaugurated the program. Ms. Saroja Koirala, Chief of HR of Nepal Bangladesh Bank was also present in the training program. Mr. Ranjan De Silva, Managing Partner of SENSEI International conducted the program.

AGM 2011








*Worldwide
Correspondents Network*

Worldwide Correspondence Network

 **AFGHANISTAN**
Bank Alfalah Limited


 **ARGENTINA**
HSBC Bank Argentina SA

 **AUSTRALIA**
BNP Paribas SA
Citibank Limited
Citibank N.A.
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
Belfius Bank SA/NV
Fortis Banque S.A./N.V.

 **BHUTAN**
Bank of Bhutan


 **BRAZIL**
Banco De Tokyo-Mitbushi 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, PEOPLES REPUBLIC OF**
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
Ping An Bank Co. Ltd.
Standard Chartered Bank
Wachovia Bank, NA
Woori Bank (China) Limited
Zhejiang Tailong Commercial
Bank Co.Ltd.


 **CZECH REPUBLIC**
Ceska Sportelna A.S.
CommerzBank AG

 **DENMARK**
Danske Bank A/S
Nordea Bank Denmark A/S.
Spar Nord Bank
SydBANK A/S

 **EGYPT**
Bank Audi SAE
MasreqBank


 **FINLAND**
Danske Bank
Danske Bank A/S
Nordea Bank Finland PLC
Pohjola Pankki Oyj (Pohjola Bank
PLC)

 **FRANCE**
Banque Revillon
BNP Paribas SA
CommerzBank AG
Fortis Banque France
JPMorgan Chase Bank NA
Korea Exchange Bank
Monte Paschi Banque S.A.
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
DZ Bank AG Deutsche
Zentral-Genossenschaft
HSBC Trinkaus UND Burkhardt
KGAA
HSH NordBank 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 New York
The Bank of Nova Scotia
The Bank of Tokyo-Mitsubishi UFJ Ltd.
The Bayerische 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 N.A.
Bank of Nova Scotia
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
The BNP Paribas India
CITIBank N.A.
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 N.A.
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 OF**
Export Development Bank of Iran
Karafarin Bank

 **IRELAND**
ABN AMRO Bank NV
CITIBank N.A.
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 Dellemilvia
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 UBAE SPA
Banco Di Napoli SPA
Banco Popolare Di Verona E
Novara SCRL
Banco Popolare Soc. Cooperative
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(Banco
Popolare Gr
Iccrea Banca
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

 **JAPAN**
Bank of Nova Scotia
The Bank of Tokyo-Mitsubishi UFJ Ltd.,
The Bayerische Hypo-Und
Vereinsbank AG

- CITIBank N.A.
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
Gifu Shinkin Bank
- KENYA**
Standard Chartered Bank
- KOREA, REPUBLIC OF**
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
- KSA**
Islamic Development Bank
The Saudi British Bank, Riyadh, KSA
- KUWAIT**
CITIBank N.A.
National Bank of Kuwait
- LUXEMBOURG**
Danske Bank International A/S
- MALAYSIA**
Bank Of Nova Scotia Berhad
CITIBank Berhad
HSBC Bank Malaysia Berhad, Malaysia
JPMorgan Chase Bank Berhad
Malayan Banking Berhad (Maybank)
Standard Chartered Bank
- MALDIVES**
Bank of The Maldives (PLC)
- MALTA**
AKBank T.A.S.
- NEPAL**
Himalayan Bank Limited
Nepal Bangladesh Bank Ltd
- NETHERLANDS**
ABN AMRO Bank N.V.
Bank of America N.A.
CommerzBank AG Kantoor Amsterdam
Deutsche Bank AG
Deutsche Bank Netherland NV
ING Bank NV
Korea Exchange Bank
The Royal Bank of Scotland N.V.
- NEW ZEALAND**
Bank of New Zealand
- NORWAY**
Danske Bank
- Nordea Bank Norge ASA
Sparebanken Rogaland
- OMAN**
Bank Dhofar S.A.O.G.
BankMuscat S.A.O.G.
- PAKISTAN**
Habib Bank Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Oman International Bank
Summit Bank Limited
- PANAMA**
Korea Exchange Bank
- PHILIPPINES**
Asian Development Bank
Hongkong And Shanghai Banking Corp.Ltd.
Korea Exchange Bank
- 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
Deutsche Bank Polska SA
- QATAR**
Doha Bank
MasreqBank
Standard Chartered Bank
- ROMANIA**
Unicredit Tiriac Bank SA
- RUSSIAN FEDERATION**
Necklace Bank Limited
- SINGAPORE**
Axis Bank Limited
Bank of America, N.A.
Bank of Nova Scotia
The Bank of Tokyo-Mitsubishi UFJ Ltd.
The Bayerische 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.
- SLOVENIA**
Nova Kreditna Banka Maribor D.D.
Slovenska Zadruznakmetijska Bankadd
Unicredit Banka Slovenija D.D.
- SOUTH AFRICA**
CITIBank N.A.
Firstrand Bank Limited
NEDBank Limited
- SPAIN**
Banco De Sabadell S.A.
- Banco Espanol De Credito
Banco Pastor SA
Caja De Ahorros De Galicia
Caja Espana De Inversones
Caja Laboral Popular
CommerzBank AG
HSBC Bank PLC
La Caixa D'estalvis I Pensions De Barcel
Bank of Tokyo-Mitsubishi UFJ Ltd.,
- SRI LANKA**
ICICI Bank Limited
Nations Trust Bank Ltd.
Seylan Bank Limited
Standard Chartered Bank
- SWEDEN**
Danske Bank
Nordea Bank Sweden AB
Skandinaviska Enskilda Banken
Svenska Handelsbanken
SWEDBank
- 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 (Zurich)
Valiant Bank
Zurcher Kantonal Bank
- TAIWAN**
Bank of New York
The Bank of Nova Scotia
Chang Hwa Commercial Bank Ltd
CITIBank N.A.
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
- THAILAND**
Bangkok Bank Public Company Ltd.
Bank of Ayudhya Public Company Limited
Bank of Tokyo-Mitsubishi UFJ Ltd.
The CITIBank N.A.
Credit Agricole 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
- TURKEY**
AKBank T.A.S.
Alternatifbank AS
Asya Katilin Bankasi AS
Finansbank A.S.
Fortis Banque S.A./N.V.
HSBC Bank A.S.
Turk Ekononi Bankasi A.S.
Turkiye Garanti Bankasi AS
- U.A.E.**
Axis Bank Limited
- CITIBank N.A.
Emirates NBD Bank PJSC
Habib Bank AG Zurich
Habib Bank Limited
HSBC Bank Middle East
MasreqBank PSC
Standard Chartered Bank
United Bank Limited
- 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 Harriman And Co.
Cathay Bank
CITIBank N.A.
City National Bank
Citizens Bank Of Rhode Island
Deutsche Charter 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 Regions Bank
US Bank N.A.
Wachovia Bank, NA
Wells Fargo Bank N.A.
Woori Bank
- UKRAINE**
Credit Dnepr Bank
- UNITED KINGDOM**
Bank of America N.A.
CITIBank N.A.
CommerzBank AG
Danske Bank A/S
Habib Bank AG Zurich
Habib-UK Plc
HSBC Bank PLC (Midlland Bank PLC)
Intesa Sanpaolo SPA
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
- UZBEKISTAN**
Central Bank of The Republic Uzbeki
National Bank For Foreign Economic
- VIETNAM**
Bank For Investment & Development O Viet
Hongkong and Shanghai Banking Corp.Ltd.
JPMorgan Chase Bank, N.A.
Korea Exchange Bank
Vietnam Technological and Commercial JOI
Woori Bank



Branch Network of IFIC Bank

Dhaka Division	54
Chittagong Division	22
Rajshahi Division	10
Rangpur Division	03
Khulna Division	09
Barisal Division	02
Sylhet Division	08
Total Branches	108
(Including 1 SME Service Centre)	

DHAKA DIVISION

Motijheel Branch

Islam Chamber
125/A, Motijheel C/A.
Dhaka-1000
Tel : 9565215-18, 7111934, 7111923-26
7162701
Mobile:01713-063922
Fax : 880-2-9566352
E-mail : ificmoti@bol-online.com

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@bol-online.com

Moulvibazar Branch

6/1, Mokim Katra, Dhaka
Tel : 7316891, 7316097, 7316421
Fax : 7315934, Mobile:01713038736
E-mail: ificb@bol-online.com

Dhanmondi Branch

Royal Plaza (1st & 2nd floor)
House # 8A, Road # 4, Mirpur Road
Dhanmondi, Dhaka-1205.
Tel : 8628381, 8628379, 9660320
9660336
Mobile:01713229813, 01678010053
Fax : 880-2-8612161
E-mail : ificdhan@bol-online.com
SWIFT: IFICBDDH006

Shantinagar Branch

24, Shantinagar, Chamelibag, Dhaka
Tel : 8317839, 8318728, 9356094
Mobile:01713-229827, 01678010054
Fax: 9353759
E-mail: ificshan@ificbankbd.com

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 : ificguln@bol-online.com

Islampur Branch

Paradise Complex, 104, Islampur Road
Dhaka
Tel : 7391607, 7391369
Fax: 7391240, Mob: 01713-229829
E-mail: ific-islampurbr@yahoo.com

Bangshal Branch

29/1, Nazira Bazar Lane, North South Road
Dhaka
Tel : 9563679, 9566407
Mobile:01713229830, 01678010058
Fax: 7166365
E-mail: ificbang@ificbankbd.com

Elephant Road Branch

73/1, Elephant Road (1st Floor), Dhaka
PABX: 9676151-2, 9672119
Mobile:01711-431981
Fax: 8613361
E-mail: ificelephant@dhaka.net

Naya Paltan Branch

Orchard Plaza, 71, Naya Paltan
(1st Floor), Dhaka
Tel : 8361338, 8362765,
Mobile:01713229831, 01678010060
Fax: 8317263
E-mail: ificnaya@dhaka.net

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

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

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

Lalmatia Branch

House # 405E, Road No.16(New), 27(Old)
Dhanmondi R/A, Dhaka
Tel :9128746,
Mobile:01730097279
Fax: 8150801
E-mail: ificlal@yahoo.com

Pallabi Branch

Kashem Chamber
(1st & 2nd floor), Commercial Plot # 11, Main
Road # 3, Section # 7 Pallabi, Mirpur, Dhaka
Tel: 9016441, 8061258
Mobile # 01713035111, 01678010065
Fax: 9001276
E-mail: pallabibr@ificbd.com

North Brook Hall Rd.

58-60, North Brook Hall Road, Sutrapur
(1st floor), Dhaka-1100
Tel: 7172178, 7176741
Mobile # 01713011719, 01678010067
Fax: 7172179

Nawabpur Road Branch

Barek Plaza, 63, Nawabpur Road
P.S. Sutrapur, Dhaka.
Tel : 9561036, 9561094
Mobile: 01713064289, 01678010068
Fax: 7125268
E-mail: ificnawabpur@dhaka.net

Narayanganj Branch

66/1, Bangabandhu Road, Narayanganj
Tel : 7645000-3, 7631960, 7633541
7633206, 7645004-5
Mobile: 01730034886
Fax : 7633485
E-mail: ificnarg@bol-online.com

Nitaiganj Branch

28, R.K. Das Road, Netaiganj, Narayanganj
Tel : 7632464, 7632943
Fax: 7632943
Mob: 01713229834

Konabari Branch

Konabari Plaza, Konabari, Neelnagar
Gazipur Sadar, Gazipur
Tel : 9297133
Mobile: 01711-436078, 01678010074
Fax: 9298727
E-mail: ifickona121@gmail.com

Muktarpur Branch

Muktarpur, P.O. Panchasar, Dist. Munsiganj
Tel : (0691)62390, Fax: 0691-62390
Mobile No.01713229835

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: narsingdi-ific@yahoo.com

Ghorasal Branch

Ghorasal Bazar, P.O. Ghorasal
P.S. + Upazila. Palash, Dist. Narsingdi
Tel : (06254) 74301
Mobile # 01713229837, 01678010078
Fax: 06254-74301
E-mail: ificghorosal09@gmail.com

Madhabdi Branch

Mitali Building (1st Floor), 35, Madhabdi
Bazar, Dist. Narsingdi
Tel : 0625756498, Mob: 01711436624
Fax: 06257-56498
E-mail: ificbankltdmadhabdi@yahoo.com

Bajitpur Branch

215, Bajitpur Bazar, P.O. Bajitpur
Dist. Kishoreganj
Tel : 0942364329, Mobile: 01713229839
Fax: 09423-64329
E-mail: ificbajit@ificbankbd.com

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

Faridpur Branch

Oriental Property, (1st Floor)
118, Thana Road, Faridpur
Tel : (0631) 62101, 64051
Fax: 063164051
Mobile No.01711434947
E-mail: sattarificb@yahoo.com

Takerhat Branch

Sufi Janab Ali Road (Lasker Market)
P.O. Khalia, P.S. Rajoir, Dist. Madaripur
Tel: 06623-56324, Mobile # 01713-010614
Fax: 0662356324
E-mail: ificktkt@ificbankbd.com

Ashulia Branch

"Rifat Square Plaza" Jamgora
Ashulia, Dhaka
Tel: 7788411 Mobile No. 01713423767
01678010069, Fax: 7788412
E-mail: ificashu@ificbankbd.com

Rupganj Branch

"Manik Villa", Tarabo Bazar
Rupganj, Narayanganj
Tel: 03895750505
Mobile No. 01714166955
Fax: 03895788502

Banani Branch

"Glowing Stone"
House No. 54, Road No. 11, Block-C
Banani, Dhaka
Tel: 8858064, 8858057
Mobile No. 01730019781, 01678010070
Fax: 8858064

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

Shariatpur Branch

469, Tulasar Sadar Road
Shariatpur Sadar, Shariatpur
Tel: 060161496
Mobile No. 01730332032
Fax: 060161497
E-mail: obaidific@gmail.com

Mohakhali Branch

"Gulshan Bhaban"
Plot No.355, A.K. Khandaker Sarak
Gulshan, Dhaka
Tel: 9899503, 9899507
Mobile No. 01730332033
Fax: 9899503

Dania Branch

"Al-Madina Shopping Complex" (1st floor)
Gobindapur Bazar, Dania, Jatrabari, Dhaka
Tel: 7546218, 7546268
Mobile No. 01730332034, 01678018352
Fax: 7546218
E-mail: ificdania@ificbankbd.com

Chandra SME/Krishi Br.

Suborno Ibrahim General Hospital
1st Floor, Nayarhat, Chandra Sarak
Vill.: Vataria (Chandra), Gazipur

Tongi SME/Krishi Branch

22, Muktijodhya Samsad Road
Tongi Bazar, Tongi, Gazipur
Tel: 9816354
Mobile No. 01730332035

Tanbazar Branch

"Amin Market" (1st floor)
7, S.M. Maleh Road, Narayanganj
Tel: 7630891, FAX: 7630892
Mob: 01730003591, 01678018360
E-mail: ifictanb@ifictanbbd.com

Stock Exchange Br.

16, Motijheel C/A, Dhaka
Tel: 9515791-3, FAX: 9515794
Mob: 01730006635, 01678018361

Savar Bazar Branch

Savar Bazar, Savar, Dhaka
Tel: 7744809, FAX: 7744808
Mob: 01730003599, 01678018363
E-mail: ificsav@ificbankbd.com

Panchaboti Branch

"Gafur Super Complex"
Panchaboti, Hariharpara, Enayetnagar
Fatullah, Narayanganj
Tel: 7670033, FAX: 7610032
Mob: 01730330896, 01678018362
E-mail: ificpnc@ificbankbd.com

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

Nawabgonj SME/Krishi Branch

Nawabgonj Adhunik Banijjik Biponi
(1st floor), Union Parisad - Kolakopa
P.S./Upa-zilla - Nawabgonj, Dist.- Dhaka
Mob: 01730338570

SME Service Centre Dholaikhal

Al-Noor Steel Market, 25, Goalghat Lane
Dholaikhal New Road, Dhaka.
Mob: 01730318278

Board Bazar Branch

(1st floor), Village - Kalmeshwar
Union - Gacha, Ward No.5
Upazilla - Gazipur Sadar
P.S. Gazipur Sadar, Dist. - Gazipur
Mob: 01811421949

Tangail Branch

"Laso Plaza" (1st floor)
Khalpar Road, Tangail, P.S.- Tangail Sadar
Pouroshova - Tangail,
Municipal Holding No.59, Ward No.13
Dist.-Tangail
Mob: 01713043925

Dhamrai SME/Krishi Branch

"Haji Monir Plaza", (1st floor)
Dhamrai Bazar, Dhamrai
P.S. & Pouroshova - Dhamrai
Ward No. 3, Holding No. 24
Dist. -Dhaka
Mob: 01730709797, 01913472825

Mirpur Branch

"RABEYA COMMERCIAL COMPLEX" (1st floor)
Plot No.33, Block- Kha, Section- 6
Post Office-Mirpur
P.S. - Mirpur
Dist. - Dhaka
Mob: 01713109105

Bashundhara Branch

Ka- 5/2, Ka-7/1, 7/2 Jagannathpur,
Bashundhara Road, Ward No.17, Dhaka City
Corporation, P.S. Badda, Dhaka.
Mob: 01755543548

Mohammadpur Branch

Mohammadpur Branch (urban) "Ring Tower"
(1st floor) (Flat Type B-1 North side & A-1
South side), Mohammadpur Housing Estate
Block-F, Plot No.16/B, Probal Housing
Ward No. 43, Ring Road, Dhaka-1207
Mob: 01755543540

Gulshan-Tejgaon Link Road Branch

Gulshan-Tejgaon Link Road Branch (Urban)
Ground & Mezzanine Floor
"NINA KABB0"
227/A, Gulshan-Tejgaon Link Road, Dhaka
Ward No. 37, P.S.- Tejgaon,

Manikgonj Branch

"Rudronil Plaza", 134, Shahid Rafique Sarak
Manikgonj.
Mob: 01713001775

Gabtolli Bagbari Branch

259, Bagbari, Mirpur (Gabtolli), P.O. Mirpur
Ward No.9, P.S. - Darus Salam, Dhaka.
Mob: 01711441714

Konapara Branch

"F.R. Tower", (1st floor) Konapara, Matuail
Demra, Dhaka
Union Parishad - Matuail, Ward No. 6
P.S. - Demra, Dist. - Dhaka.
Mob: 01714112635

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

Khatunganj Branch

249/250, Khatunganj Road, Chittagong
Tel : 031-612904, 619809, 613056, 632288
Mob: 01713229841, Fax : 880-31-610290
E-mail: ificktg@colbd.net

Laldighi Branch

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

Noju Miah Hat Branch

Burichar, P.O. Nur Ali Bari, P.S. Hathazari
Chittagong
Tel : 031-670908, Mob: 01713121031
Fax: 031-2570611
E-mail: ificnazu@colbd.com

Hathazari Branch

Popular Super Market
(Ground Flr), Bus stand, Hathazari
Chittagong
Tel : 0312601430, Mobile: 01713229843
Fax: 031-2601193
E-mail: ifichat@gmail.com

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

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: ificsam@ificbankbd.com

Sheikh Mujib Road Branch

Azmal Arcade (1st floor), 1806, Sk. Mujib
Road, Pathantuli, Chittagong.
Tel : (031) 713981, 721972
Mobile: 01714031228, Fax: 031-713981
E-mail: ificsmr@asiatelnet.com

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

Brahmanbaria Branch

Ground floor, 4. Court Road
P.O. Box No. 09, Brahmanbaria
Tel : (0851) 58655, 58552, 59739
Mobile: 01711439720, Fax: 0851-58552
E-mail: ificbbar@ificbankbd.com

Comilla Branch

190/193 Rajgonj, Crossing. Chatipatty,
Comilla
Tel : (081) 68662, 77044
Mobile: 01713229812, Fax: 081-71402
E-mail: ificcomi@ificbankbd.com

Companiganj Branch

15, West Nabipur, P.O. Companiganj
P.S. Muradnagar, Dist. Comilla
Tel:0802659123
Mobile # 01714080176, 01678010098
Fax: 080-2659037

Feni Branch

99, Islampur Road (1st Floor), Feni
Tel : (0331) 73179, 61764
Mobile: 01713229847, 01678010201
Fax: 0331-73150
E-mail: ificbf@yahoo.com

Choumuhani Branch

667/785, South Bazar,
Choumuhani, Begumgonj, Noakhali
Tel : (0321) 52778, 52779
Mobile: 01713107230
Fax: 0321-52778
E-mail: ificbchou@gmail.com

Fatikchhari Branch

"Haque Market" (1st Floor)
Bibirhat, Fatikchhari, Dist. - Chittagong.
Tel: 0302256202
Mobile No. 01713423765
Fax: 030-2256203
E-mail: ificfatk@ificbankbd.com

CDA Avenue Branch

1005/2/1872, CDA Avenue
East Nasirabad, Panchlaish, Chittagong
Tel: 031-2555919, 2555920
FAX: 031-2555918
Mob: 01730329087, 0678018365

Madam Bibir Hat Br.

Madam Bibir Hat, Bhatiary, Sitakundu,
Chittagong
Tel: 031-2780919, 2780920
FAX: 031-2780921
Mob: 01730317373, 01678018366

Aulankar More Br.

(1st floor) Aulankar More, Chittagong
P.S. Pahartoli, Chittagong City Corporation,
Ward No.10
Mob: 01730709795

Ashugonj Br.

(1st floor), "Sheria Sayed Tower", Vill -
Ashugonj Bazar, Union - Ashugonj Sadar
Union, Ward No. 1, Upazilla - Ashugonj
P.O. Ashugonj, P.S. Ashugonj, Dist.B.Barua
Mob: 01714102034

Chandina Br.

Chandina Branch (rural) "Aziz Plaza" (1st
floor), Chandina Bazar, Village - Nabiabad,
Ward No. 5, Pouroshava - Chandina
P.O. - Chandina, P.S. - Chandina
Dist. - Comilla, Mob: 01819438183

Rangamati Br.

Rangamati Branch (Urban)
(1st & 2nd floor) 22/2, Bazar Fund Road,
Kathaltoli, Rangamati
Mob: 01552451227

Gouripur Bazar Br.

Gouripur Bazar Branch, (1st & 2nd floor)
"Suruzzaman Tower", Gouripur Bazar,
Comilla.
Mob: 01922363833

RAJSHAHI DIVISION**Rajshahi Branch**

3, Shaheb Bazar, Ghoramara, Rajshahi
Tel : (0721) 774586, 774856, 774396
Mob: 01711405660, 01678010206
Fax: 0721-774556

Naogaon Branch

263, Main Road, Thakur Mansion (1st floor)
Naogaon
Tel : (0741) 62769, 62868
Mobile: 01713229848, Fax: 074162867

Pabna Branch

Chamber Building
Benai Patty, (Sona Patty), Pabna
Tel : (0731) 66053
Mobile: 01713200818, Fax: 073164122

Bogra Branch

Station Road, Satmatha Holding
No.707/169, Satmatha Bogra
Tel : (051) 66080, 65324
Mobile No.01714029471, 01678010213
Fax: 051-66080
E-mail: ificbogra@yahoo.com

Chapai Nawabganj Branch

21, Daudpur Madrasha Road (1st Floor)
Puratan Bazar, Chapainawabganj
Tel : (0781) 55081
Mobile: 01713202488, Fax: 0781-55081
E-mail: ificchapaibranch@gmail.com

Baneshwar Branch

Baneshwar Islamia High School Market
Baneshwar, P.S. Puthia, Dist. Rajshahi
Tel : (0644) 7290190
Mobile: 0171-3201692, 01556331977
01678010215

Belkuchi Branch

"Bhuiyan Plaza" (1st floor)
P.O. Shernagar, P.S. Belkuch
Sirajgonj
Tel: 07522-56446, FAX: 07522-56437
Mob: 01730019787, 01678018359

Kashinathpur SME/Krishi Br.

(1st floor), Village - Haridebpur
Union - Jeetshakini, Ward No. 5
Upazilla - Bera, P.O. Kashinathpur
P.S.- Bera, Dist. - Pabna
Mob: 01714101832

Joypurhat Br.

(1st floor) Joypurhat Sadar Road, Joypurhat
P.S.- Joypurhat, Pouroshova - Joypurhat,
Municipal Holding No.138/0, 138/1 & 138/2
Ward No.08, Dist. - Joypurhat
Mob: 01730709796

Birol Bazar Br.

(1st floor), Birol Bazar, Dinajpur
Upazilla – Birol, Union Parishad – Birol
P.O. – Birol, P.S. – Birol, Ward No.7, Dinajpur
Mob: 01811422289, 01755658703

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

Dinajpur Branch

Maldahpatty, Dinajpur
Tel : (0531) 65680, 63414
Fax: 0531-51632, Mobile # 01713229849
E-mail: ificb@yahoo.com,
ificbdnj@btel.net.bd

Shetabgonj SME/Krishi Br.

(1st floor), School Road, Murshidhat
Shetabgonj, P.S. – Bochagonj
Pourshova – Shetabgonj, Ward No.3
Holding No.521, Dist. Dinajpur
Mob: 01817560826

KHULNA DIVISION

Khulna Branch

Fatema Building
81, Lower Jessore Road, Khulna
Tel : (041) 720396, 720397
Fax: 720399, Mobile: 0171-3229851
E-mail: ificb060@btcl.net.bd

Boro Bazar Branch

1, Sir Iqbal Road, Kalibari, Khulna
Tel: (041) 812099, 812100
Mobile: 01713229852
Fax: 041-812099
E-mail: ificboro@khulna.bangla.net

Jessore Branch

59, N.S.C. Road
(Garikhana Road), Jessore
Tel : (0421) 68762, 68764, 68765
Fax: 0421-68763
Mobile # 01713403300, 01678010218
E-mail: jsrific@yahoo.com

Benapole Branch

Bandar Complex, Benapole, Jessore
Tel : (04228) 75001-2
Mobile: 0171-3229810
Fax: 04228-75002
E-mail: ificbena@yahoo.com

Satkhira Branch

Najmul Sarani (1st Floor), Satkhira
Tel : (0471) 62602, 63319
Mobile: 01713400254
Fax: 0471-63319
E-mail: ific-sat@btel.net.bd

Noapara Branch

Dhaka – Khulna Highway, 97 Noapara Bazar
Jessore.
Tel : (04222) 71397
Mobile: 0171-3400537, 01678010221
Fax: 0422271397
SWIFT: IFICBDDH063
E-mail: ific.noapara@gmail.com

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: ificbankkush@gmail.com

Kaligonj SME/Krishi Br.

Sheikh Super Market (1st floor), Nimtola
Boro Bazar,
P.O.- Noldanga, Kaligonj, Jhenidah
Mob: 01730318277

Poradah Br.

“Khan Super Market” (1st floor)
Vill – Khatdah, Union – Poradah
Ward No.4, Upazilla – Mirpur, P.O. Poradah
P.S. – Mirpur, Dist. Kushtia
Mob: 01711573136

BARISAL DIVISION

Barisal Branch

95, Sadar Road, Barisal
Tel : (0431) 64013, 64305
Fax: 0431-64305
Mob: 01714067409, 01678010224
E-mail: ific.barisal@gmail.com

Bhola Br.

Bhola Branch (Urban)
(1st floor) “Amena Plaza”, Sadar Road,
Bhola, P.S.- Bhola Sadar
Pourshova – Bhola, Ward No.6
Dist. – Bhola, Mob: 01714098303

SYLHET DIVISION

Sylhet Branch

Laldighirpar, Sylhet
Tel : (0821) 715489, 715490
Fax : 880-821-722022
Mobile # 01711-438372, 01678010225
E-mail: WEB-www.ificbankbd.com

Beani Bazar Branch

Zaman Square, Main Road, Beani Bazar
Sylhet
Tel: 03799288429
Mob: 01711922493, 01678010226
Fax: 08223-88429
E-mail: ificbbeani@gmail.com

Tultikar Branch

Point View Shopping Center (1st floor)
Amberkhana
Sylhet.
Tel : (0821) 714357, 721729
Fax: 0821721729, Mob: 01713301067
E-mail: ificbtul@btcl.net.bd

Subid Bazar Branch

Hannan Shopping Centre
(1st Flr), Subid Bazar, Sylhet
Tel : (0821) 712898, 712832
Mobile: 01713229838, 01678010228
Fax: 0821-712898

Uposhohor Branch

Sattar Mansion (1st floor) Mendibagh C/A.
Uposhohor, Dist. Sylhet.
Tel: (0821) 816024
Mobile: 0171-3300202, Fax: 0821-814155
E-mail: ificuposhohor@gmail.com

Moulvi Bazar (Dist.) Branch

69/1, Central Road, Paschim Bazar
P.O. & Dist. Moulvi Bazar
Tel : (0861) 52392, 52363
Fax: 086152363
Mobile # 01711435687, 01678010230
E-mail: ificmanager@gmail.com

Sreemongal Branch

Razzaque Cosmopolitan Super Market
(1st Floor), Hobigonj Road,
Shreemongal, Moulvi Bazar
Tel : (08626) 71924
Mobile: 01711401728, Fax: 08626-71924
E-mail: ificsmgl@ificbankbd.com

Goala Bazar

“Haji Nasibullah Market”
Goalabazar, Osmaninagar, Dist. – Sylhet
Mobile No. 01713257277, 01678010233
T&T – 08242-56743
Fax: 08242-56743-44

Particulars 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
Ph # (968) 2483 2197
Fax # (968) 2483 5036
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, Sur
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, Nizwa
Sultanate of Oman
Ph # (968) 2541 3084,
Fax # (968) 2541 1741

Suwaiq Branch

Post Box No.497,
Postal Code No.315
Muscat – Sohar Highway, Suwaiq
Suqaiq Roundabout, Next to Bank Muscat
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
Neat 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-Muscat Highway
Barka
Sultanate of Oman
Fax No-(968) 2688 5143

Falaj Branch

P.O Box No -70
Postal Code No -327
Sohar Industrial Estate
Next to Doha Shopping Centre
Sohar-Muscat Highway
Sultanate of Oman.
Tel/fax: (968) 2675 1420

Saham Branch

Post Box No.878
Postal Code No.319
Saham
Beside Omantel Office
Sultanate of Oman
Ph # (968) 2445 5442
Fax # (968) 2685 5446

Ruwi Branch

Post Box No. 1585
Postal Code . 114,
Hay Al Mina, Ruwi Souq Street
Sultanate of Oman
Ph # (968) 2479 4792
Fax # (968) 2479 6792

Seeb Branch

Post Box 994 Seeb C/A (Opposite to Bank
Sohar) Sultanate of Oman
Ph # (968) 24420766
Fax # (968) 24420757

Shinas Branch

Post Box No.402
Postal Code No.324
Sultanate of Oman
Ph # (968) 26748315
Fax # (968) 26748315
Mobile (968) 96488747

Particulars 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 : 4780698, 4780770, 4781195,
4256734
Fax : 977-4781824

Battar Bazar Branch

Bidur Municipality Ward No.3, Battar Bazar,
Nuwakot.
Tel : 010-560256, Fax : 977-10-560754

Bhainsepati Branch

Sainbu, Bhainsepati, Lalitpur, Kathmandu
Tel : 010-5520028
Fax : 977-10-5544630

Janakpur Branch

Bhanuchowk, Janakpurdham,
Nepal
Tel : 041-523385, 041-521548,
041-522747
Fax : 041-521549

Kalimati Branch

Kalimati, Kathmandu
Tel : 4277386, 4284936
Fax : 977-41-521549

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, Birgunj
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

Tatopani Branch

Kodarilipani, Liping,
Sindhupal Chowk, Nepal
Tel : 0196-33025, 008613989029053
Fax : 00873761886881

Dhangadi Branch

Dhangadhi Municipality Ward No. 2,
Chauraha, Main Road,
Dhangadhi, Kailali, Nepal
Tel : 091-521785, 091-521532
Fax : 091-523393

Pokhara Branch

Pokhara Sub-Metropolitan Ward No. 9,
Chiplidhaunga, B.P. Marga, Pokhara.
Tel : 061-533134, 061-533135
Fax : 061-521810

Lalitpur Branch

Kumaripati, Lalitpur, Nepal
Tel : 555-3011, 5535497
Fax : 977-1-5535497

Dharan Branch

Dharan, Mahendra Path, Sunsari, Nepal
Tel : 025-5-24729
Fax : 025-5-30166

Bhaktapur Branch

Bhaktapur, Katunya Ward No.6
Bhaktapur District, Nepal
Tel : 01-6613195
Fax : 01-6613170

Particulars Branches of NIB Bank Limited, Pakistan

Registered Office

8th Floor, PNSC Building, Lalazar Road, Off Moulvi Tamizuddin Khan Road, Karachi-74000, Pakistan
Tel: 111-333-111, (+92) 021-35277234, (09221) 352772/7164
E-mail: info@nibpk.com, Website: www.nibpk.com, Swift: NIBPPKKA
NIB has a network of 179 branches all over Pakistan. For details please visit the website.

Particulars Branches of IFIC Money Transfer (UK) Limited, UK

Mr. Md. Monwar Hussain
Chief Executive Officer

IFIC Money Transfer (UK) Ltd.,
18 Brick Lane, London E1 6RF, UK

Tel: 00447951786188 (cell), 00442070609142 (phone), Fax: 00442072479670, Email: monwar@ificexchange.co.uk



IFIC BANK
LIMITED

ইন্টারন্যাশনাল ফাইন্যান্স ইনভেস্টমেন্ট এন্ড কমার্স ব্যাংক লিমিটেড

Head Office

BDBL Bhaban (8th-10th & 16th-19th Floors)

8 Rajuk Avenue, G.P.O. Box 2229

Dhaka 1000, Bangladesh

Telephone : 9563020, 9562060, 9562062, 9562068

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Web: www.ificbank.com.bd