



THE REBIRTH OF POSSIBILITIES



Annual Report 2013



The theme line “Rebirth of possibilities” depicts factually the way IFIC Bank is thinking of itself. It’s the bank which deals with possibilities in many ways – like prism – where every color comes out to our vision with its own glory. We can look carefully the word “REBIRTH” – which is synonymous to: *Renaissance, Reincarnation, Regeneration, Renewal, Revival, Resurrection, New Start, New Beginning* etc. After crossing the glorious 30 years - IFIC Bank is in that powerful condition from where enormous possibilities are growing up – like from an old and matured tree’s bark new leaves are coming out. Using the power of sunlight - with the photo-synthesis process the new leaves of possibilities create foods for hope so that life can get fruits of success. With all the achievements of last 30 years and with the new leaves of possibilities IFIC Bank is stepping forward to its infinite journey – this is what we are calling:

THE REBIRTH OF POSSIBILITIES



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LETTER OF TRANSMITTAL



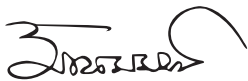
All Shareholders of IFIC Bank Limited
Bangladesh Securities and Exchange Commission
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited
Registrar of Joint Stock Companies & Firms

Annual Report for the year ended 31st December 2013

Dear Sir,

We are pleased to present before you a copy of the Annual Report 2013 along with audited financial statements including consolidated and separate balance sheet as at 31st December 2013, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year ended 31st December 2013 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



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



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.

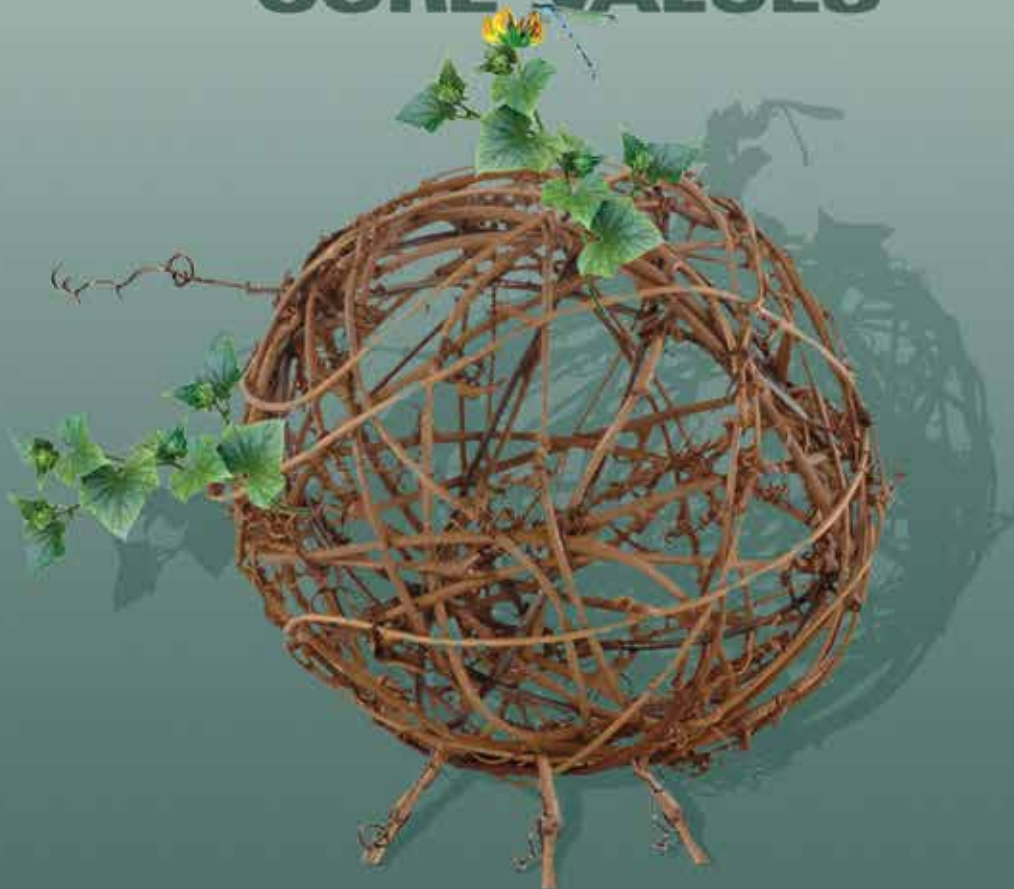
In an intensely competitive and complex financial and business environment, we particularly focus on growth and profitability of all concerned.

MISSION



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

CORE VALUES



ETHICAL PRINCIPLES



Codes of Conduct:

IFIC Bank's Codes 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.

Business Ethics:

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

Honesty and integrity

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

Compliance with laws and regulations

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

Good management and efficient and effective internal control

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

Standards

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

Concern for stakeholders

The Bank realizes the importance of proper conduct to various stakeholders with appropriate cooperation and mutual support. The Bank will treat its customers, counterparties or competitors with mutual good understanding and cooperation.

Preservation of the Bank's reputation

The Bank will uphold a good reputation and will refrain from engaging in any acts that may jeopardize its reputation.

STRATEGIC PRIORITY



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 up-gradation 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 action of 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 industry standards;
- Unfavorable movement of foreign exchange rates and or interest rates;
- Rise in price of essential products in the local and international market;
- Effect on remittance flow due to political and economical unrest in different countries around the world;
- Volatility in 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;
- Changes in accounting standards or practices;
- Under utilization and 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

BDT 20,000.00 million

Paid up Capital

BDT 3,806.52 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 Adviser

Mr. Ahsanul Karim

Tax Consultants

Adil & Associates

Credit Rating Agency

Credit Rating Agency of Bangladesh (CRAB)
Limited

Name of the Chairman

Salman F Rahman

Name of the Managing Director & CEO

M. Shah Alam Sarwar

Name of the CFO

S. M. Abdul Hamid

Name of the Company Secretary

A. K. M. Mozharul Hoque

No. of Employees

2,524

No. of Branches

112

No. of Shareholders

49,196

Investor Relations

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

Milestones

- 1976- Established as a joint venture Investment & Finance Company with the Govt. of Bangladesh.
- 1980- Commenced operation in Foreign Exchange Business in a limited scale.
- 1982- Obtained permission from the Govt. to operate as a commercial Bank, Set up its first overseas joint venture (Bank of Maldives Limited) in Maldives (IFIC's share in Bank of Maldives limited was sold to Maldives Govt. in 1992).
- 1983- Commenced operation as a full-fledged commercial bank in Bangladesh.
- 1985- Set up a joint venture Exchange Company in the Sultanate of Oman, titled Oman Bangladesh Exchange Company (Subsequently renamed as Oman International Exchange, LLC).
- 1987- Set up its first overseas branch at Karachi, Pakistan.
- 1993- Set up its second overseas branch at Lahore, Pakistan.
- 1994- Set up its first joint venture in Nepal, titled Nepal Bangladesh Bank Ltd.
- 1999- Set up second joint venture in Nepal for lease financing, titled Nepal Bangladesh Finance & Leasing Co. Ltd. (merged with NBBL in 2007).
- 2003- Set up a new Bank in Pakistan, NDLC-IFIC Bank 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, Implementation of Core Risk Management.
- 2007- Launched VISA branded Credit Card (completed full range of Cards i.e. Debit, Credit & Prepaid by 2010).
- 2010- Set up Off-shore Banking Unit (OBU).
- 2011- Established a fully owned exchange company named IFIC Money Transfer (UK) Ltd.
- 2012- Inauguration of 100th Branch at Tejgaon-Gulshan Link Road in Dhaka.
- 2013- Achieved the landmark of BDT 100 billion deposit.

INFORMATION ON CORPORATE GOVERNANCE



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

BOARD OF DIRECTORS



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., IFIC Money Transfer (UK) Ltd. and IFIC Securities Ltd. He is also the Chairman & CEO of New England Equity Ltd., Shore Cap Holdings Ltd. and NEEL Petroleum & Chemicals 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 Gazi Tanks (Legends of Rugganj) Cricketers. 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 and the Risk Management 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 Executive Committee and the Risk Management Committee of the Board of Directors of IFIC Bank Ltd.

Mr. Syed Anisul Huq

Independent Director



Mr. Syed Anisul Huq, a Bachelor of Commerce from the 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 Risk Management Committee of the Board.



Mr. Mohammed Nayem Syed

Independent Director

Mr. Mohammed Nayem Syed is an MBA from London, UK. He is the Managing Director of Kuliarchar (UK) Ltd., Shahajalal Foods (UK) Ltd. & Karnaphuly Printers Ltd. and he is also one of the Director of Red-Sea International Ltd. Along with being a well known personality in the business sector in England & Europe, he is also a Member of the British Bangladesh Chamber of Commerce. He has an excellent business management background and is associated with many social and charitable organizations and trusts. He is a member of the Audit Committee of the Board of Directors of the Bank and also a Director of IFIC Money Transfer (UK) Ltd.



Mr. Jalal Ahmed

Director

Mr. Jalal Ahmed is an Additional Secretary to the Government of the People's Republic of Bangladesh. He was nominated as Director to the Board of IFIC Bank Ltd. 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, BSCCL and Bangladesh Services Ltd. He is a member of the Audit Committee and the Risk Management Committee of the Board of Directors of IFIC Bank Ltd. He is also a Director of IFIC Money Transfer (UK) Ltd. and IFIC Securities 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 People's 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 and the Risk Management Committee of the Board of Directors of IFIC Bank Ltd. and also 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 People's 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, UK. He is a member of the Audit Committee of the Board of Directors of the Bank.



Mr. M. Shah Alam Sarwar

Managing Director & CEO

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 UCB. He was also the Managing Director and CEO of IPDC and Premier Bank Limited. Prior to his joining in IFIC Bank Limited, he was the Managing Director of Trust Bank Limited. He is a Post-graduate 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.

Audit Committee of the Board

Chairman

Syed Anisul Huq

Members

Mohammed Nayem Syed
Jalal Ahmed
Arijit Chowdhury

Secretary to the Committee

A. K. M. Mozharul Hoque

Executive Committee of the Board

Chairman

Mohammad Lutfar Rahman

Members

Monirul Islam
A. R. M. Nazmus Sakib

Secretary to the Committee

A. K. M. Mozharul Hoque

Risk Management Committee of the Board

Chairman

Mohammad Lutfar Rahman

Members

Syed Anisul Huq
Monirul Islam
Jalal Ahmed
A. R. M. Nazmus Sakib

Secretary to the Committee

A. K. M. Mozharul Hoque

Senior Management

Managing Director & CEO

M. Shah Alam Sarwar

Deputy Managing Director

Mati-ul Hasan
S. M. Abdul Hamid
Muhammad Mustafa Haikal Hashmi

Senior Executive Vice President

A. K. M. Mozharul Hoque
Fariduddin Al Mahmud
Alkona K. Choudhuri

Executive Vice President

Md. Bader Kamal
Md. Sharifur Rahman
Sajjad Zabir
Shah Md. Moinuddin
Abu Nasser Al-Razi
Ashim Chowdhury
Md. Nurul Hasnat

Senior Vice President

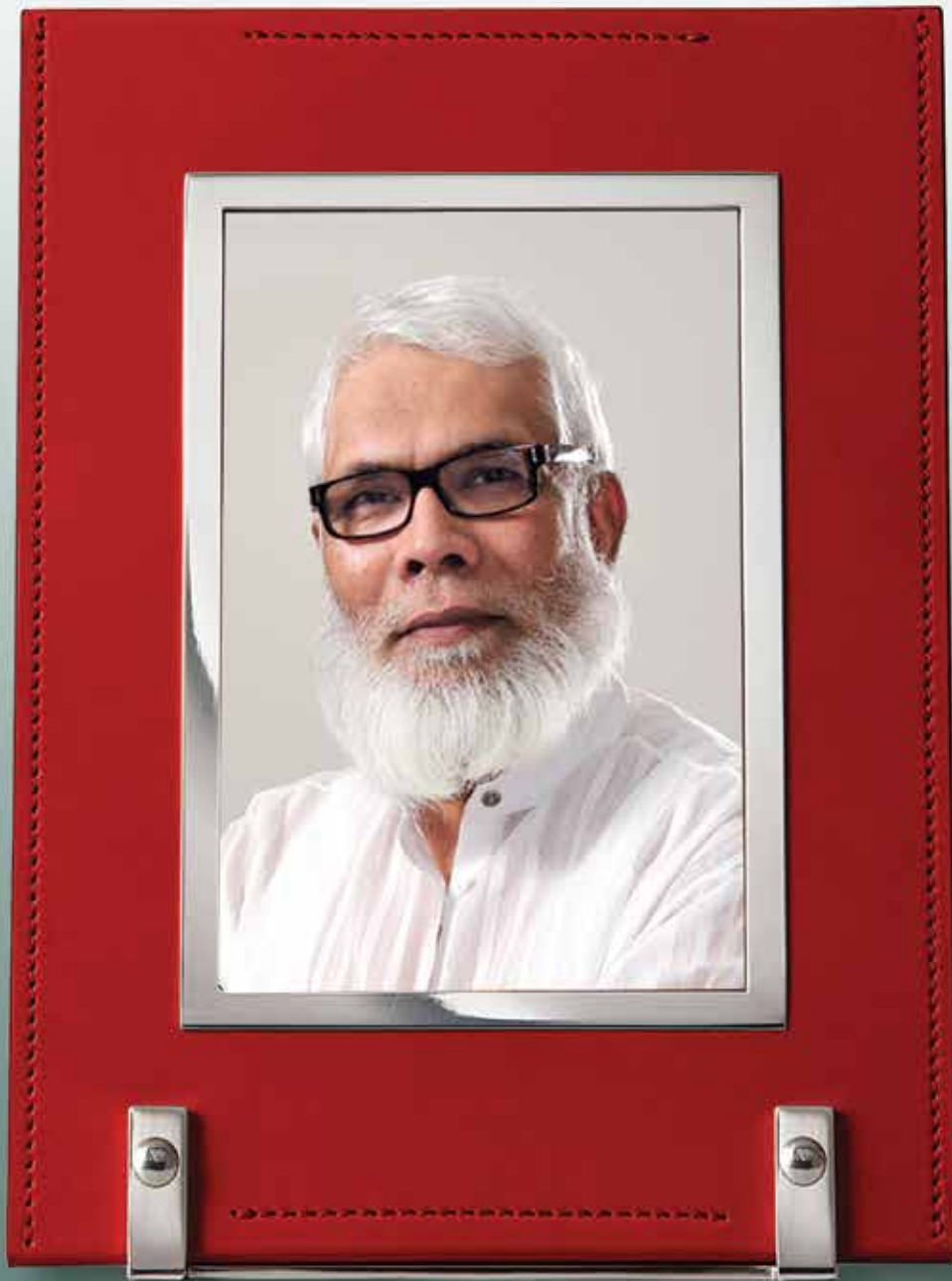
Md. Shahjahan Miah
Mohammad Shahed Shah Munnah
Md. Mohidur Rahman
Shahjahan Kabir
Md. Badrul Alam
Shamsul Alam
A. K. M. Jaur Rahman
Syed Fazle Ahmed
Nurul Basher Abdul Mamun
Iqbal Parvez Chowdhury
Shaik Sohail Khurshid
Saiful Momin
Md. Jahir Uddin Ferdous
Md. Zahidul Kabir
Ferdousi Begum

First Vice President

M. Mozibar Rahman
A. F. M. Asaduzzaman
Mir Golam Mowla
Shahab Rashid Khan
Md. Manirul Islam
Raihan Uddin Ahmed
S. M. Shafiqul Haider
Zulfiqar Ali Khan
Bidyut Kanti Das

Vice President

Moklesur Rahman
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. Zulfiqer Ali Chakder



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, at the **37th Annual General Meeting** of your Bank — IFIC Bank Limited. At the very outset, I would like to express my profound gratitude and sincere thanks for your continued belief, passion, support and patronage extended to the Bank towards making IFIC as a foremost brand in our country.

The Directors' Report on Financial Statements & Internal Control, the Financial Statements for the year ended on 31 December 2013 together with the Auditors Report thereon are already in your hands. The Annual Report sent to you gives a detailed overview of your Bank's performance during the year 2013 which has been presented through various quantitative and qualitative parameters. In today's meeting, I would like to share with you some thoughts on how your Bank retained well-position even in a fragile global economy, how we strengthen its operational efficacy in the present scenario and the strategies designed by us to make your Bank the trustworthy one.

Before I begin to discuss the specific issues of your Bank, I would like to touch upon the economic and banking environment in which the Bank achieved its performance during the year 2013.

Despite improved global financial conditions and reduced short-term risks, the world economy continues to expand at a subdued pace. After a marked downturn over the past two years, global economic activity is expected to slowly gain momentum in the second half of 2013. Most world regions are likely to see a moderate strengthening, but growth will still remain below potential. In the baseline outlook, global growth has been revised slightly downward from the forecasts presented in the *World Economic Situation and Prospects 2013*. Growth of world gross product (WGP) is now projected at 2.30 percent in 2013, the same pace as in 2012, before gradually strengthening to 3.10 percent in 2014. Several key risks and uncertainties remain, and, if not mitigated, could derail global growth again, as in the past few years.

In Bangladesh, the gross domestic product (GDP) in Fiscal Year 2013 (ended 30 June 2013) grew by 6.00%, higher than projected in the Asian Development Outlook (ADO) 2013 in April. Export growth accelerated briskly, but imports were flat, such that net exports markedly contributed to growth. Agriculture growth slowed to 2.20% because weather was unfavorable and rice prices fell. Industry grew by 9.00%, with strong expansion in construction and small-scale manufacturing. Services growth slowed slightly to 5.70%, reflecting stagnant imports and politically inspired strikes that disrupted trade.

Imports rose by only 0.80% in FY2013. Exports grew by 10.70%, accelerating from 6.20% growth in FY2012, on higher garment exports. The balance of payments showed a large surplus of \$5.10 billion in FY2013, boosting gross international reserves to \$15.10 billion. Following the tragic garment factory collapse in April 2013, comprehensive protocols were signed to foster worker safety and welfare.

IFIC Bank Limited was quite successful in achieving decent growth in most of its business areas, like Deposits and Loans & Advances mainly due to active monitoring of its business activities and timely & prudent decision making by the Board and the Management. The Bank was able to register a growth of 17.00% in Deposits over the preceding year which stood at BDT 107,778.00 million as on 31 December 2013. Total outstanding Loans & Advances of the Bank also stood at BDT 84,110.00 million as on 31 December 2013, marking an increase of 9.00% over the previous year. The Bank earned a Profit before Taxes of BDT 2,708.00 million in 2013. Bank's Non-Performing Loans (NPLs) stood at 3.77% of total Loans & Advances at the end of the year 2013. Capital Adequacy Ratio (CAR) of the Bank as per Basel-II framework was 10.37% as against required minimum of 10.00%. Consolidated Earnings per share of the Bank stood at BDT 3.60 against face value of BDT 10.00 for the year 2013.

In the year 2013, the Bank made direct contribution of BDT 1,869.00 million to the government exchequer by paying Income Tax on its earnings and through deduction of Income Tax, VAT, Customs Duties and Excise Duty at source from various payments and services.

The Bank has signed a Participation Agreement of BDT 2,000.00 million 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.

The Bank started its retail banking business through establishing Direct Sales Team from May, 2012. At present the Bank has 606 Direct Sales Agents (DSA) who are working throughout the country. During the year 2013, it launched 03 (three) new products which were **Sanchita** – Female Savings Account, **Freedom** – Flexi DPS Account and **Salary Overdraft** for IFIC employees. As of December 31, 2013, the retail deposit of the Bank stood at BDT 64,080.00 million.

In the wake of a series of fire incidents in the RMG industries during the year 2013 in which a large number of poor garments workers lost their valuable lives, the Board decided to offer loans to procure fire-fighting instruments at 6.00% interest in order to boost-up the overall safety and prevention measures in Readymade Garments (RMG) and other industries. Such loan shall be for maximum 05(five) years and to be allowed without any collateral security. Accordingly, Management of the Bank has extended the above facility to some industrial units.

The Bank has a pleasant involvement and proactive participation in benevolent activities like donations to different charitable organizations, to poor people and religious institutions, city beautification and patronizing art & culture, etc. As a trend-setter, the Bank is gradually organizing its involvements in more structured CSR initiative format, in line with the Guidance of Bangladesh Bank.

During the year 2013, the concentration of the Bank was mainly focused in the field of providing disaster relief, both in participation and expenditure wise, besides, 'Education', 'Health' and 'Sports' sectors also arrested more attention for the responsiveness of the Bank to address the changing needs of the society. The total expenditure on CSR activities, during the year 2013 was approximately BDT 48.55 million.

Your Bank would concentrate on sharpening its competitive edge by improving its business strategies and by protecting its credibility through performing the promises.

I would like to take this opportunity to thank the Members of the Board for their valuable guidance, support and prudent counsel. I and my colleagues on the Board place on record our appreciation for continued support and guidance received from the Government, Bangladesh Bank, Bangladesh Securities & Exchange Commission and other regulatory authorities, various financial institutions, banks and correspondents at home and abroad.

We also place on record our appreciation for the generous confidence and continued support from our customers, shareholders, investors and vendors.

Like past years, our performance during 2013 was driven by the dedication and commitment of our employees. On your behalf as well as on behalf of the Board of Directors, I like to congratulate all the employees of the Bank on achieving yet another impressive performance.

Before I conclude, I would like to thank all of you again for your gracious presence and the keen interest you have shown in the Bank.

Let there be good days ahead for all of us. May the Almighty Allah bestow His choicest blessings on all of us.

Allah Hafez.



Salman F Rahman
Chairman



**Managing Director &
CEO'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 2013. It was a successful year for IFIC Bank as we have achieved phenomenal growth in business and profitability.

Underlying Economic Environment

Macroeconomic situation in Bangladesh has been quite stable for a considerable period of time in recent years and proved resilient to global financial crisis posting GDP growth rate averaging 6.2 percent during the past five years. Substantial remittance inflows and export activities helped to achieve this solid economic growth rate. The growth rate of credit to private sector declined from 19.7 percent in FY12 to 10.8 percent in FY13. This decline, however, was compensated partly by newly introduced overseas financing by Bangladeshi corporate. Other than European Union and US export diversification to the newly discovered markets improved earnings from exports to record a satisfactory growth of 10.7 percent in FY13 as against 6.2 percent in FY12. The growth of imports decreased from 2.4 percent in FY12 to 0.8 percent in FY13 due mainly to major reduction in imports of food grain, some consumer goods and capital machinery. A lower trade deficit and higher growth of workers' remittances led the current account balance to a significant surplus of USD 2525 million in FY13. The overall balance also showed a huge surplus of USD 5128 million in FY13 with substantial contribution from current account balance, capital account and financial account.

Financial Performance

Total deposit of the Bank reached a benchmark position of BDT 107,778 million in 2013 against BDT 92,433 million in 2012, demonstrating a growth of 16.61%. Loans and Advances reached at BDT 84,110 million from BDT 77,160 million, posting a moderate growth of 9%. The foreign exchange business grew by 2.58% from BDT 179,162 million to BDT 183,791 million. Because of effective monitoring of loan portfolio the NPL ratio of the Bank significantly decreased to 3.77% in 2013 from 5.13% in 2012.

Due to notable recovery of loans and advances and fall in cost of fund, the Bank earned operating profit of BDT 3832.44 million in 2013 showing an increase of 11% over 2012.

Balance Sheet of the Bank stood at BDT 132.02 billion (eqvt. USD 1.70 billion approximately) in 2013 from BDT 114.73 billion in 2012.

Capital Adequacy

In the year, total shareholders' equity stood at BDT 9,098 million, which is 17% higher than that of 2012. The Bank maintained Capital Adequacy Ratio (CAR) of 10.37% under Basel-II guidelines as against minimum requirement of 10% set by Bangladesh Bank.

Growth initiatives undertaken in 2013

- Undertook various initiatives to bring changes in Business Process. Branch led model was revived for strengthening customers' satisfaction.
- To explore business potential through financial inclusion of un-banked population, the mobile banking project made a significant progress aiming to be launched in the first Quarter of 2014.
- Undertook massive initiatives for Human Resources development by way of training at home and abroad. Implemented HR software for total automation of HR management of the Bank.
- Opened 7 new branches in the country, making a total network of 112 branches.
- Continued focus on CSR activities in different fields such as Health, Education, Disaster Relief and sports.

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 BDT 20 million to Bangladesh Association of Banks (BAB) for financial assistance to the victims of Savar Rana Plaza Tragedy.
- The Bank donated BDT 10 million to Bangladesh Olympic Association for sponsoring 8th Bangladesh Games.
- The Bank donated BDT 10 million to PROYASH for education and training of autistic & poor student.
- The Bank donated BDT 2.5 million to Rangpur Cantonment for making a documentary & publishing a book on Liberation War.

- The Bank distributed a good number of Blankets and Shawls through our branches located in northern & south western areas to save distress people from severe cold wave.
- The Bank donated BDT 1 million to Jalalabad Education Trust for financial support to poor students.
- The Bank contributed to Daridra Durikoron Sangstha for its adult & youth education project.
- The Bank sponsored events organized by Sir Salimullah Medical College for organizing debate & quiz competition.
- The Bank contributed to Utsho Bangladesh for supplying foods to unprivileged Children/Orphans.
- The Bank donated a LED TV to Shamsun Nahar Hall, Dhaka University for entertainment of the students.
- The Bank also sponsored CSR activities in Agriculture/Associated sectors and income generating activities through 55 Branches.

Commitments for 2014

- Operating vision of the Bank is to achieve long term sustainable growth. In line with that the Bank is pursuing strategy through proper management of Balance Sheet and maintenance of liquidity and long term solvency.
- A major project has been undertaken to up-grade MISYS Online Banking Solution software to bring it at par with International Standard.
- The long expected countrywide Mobile Banking project is at the verge of implementation in 2014.
- The Bank is reducing dependency on large ticket deposits and huge emphasis has been given to increase retail deposits especially CASA deposit through diversified products and services.
- In case of financing, we are focused on providing credits to the deserving valued clients by offering competitive price.
- The Bank will intensify its efforts to reduce the NPL ratio.
- Comply regulatory and internal requirements at all time.
- Initiate more CSR activities in deserving fields.

While concluding, I would like to express my profound gratitude to the regulatory authorities especially Bangladesh Bank, Bangladesh 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 inspiring results.



M. Shah Alam Sarwar
Managing Director & CEO

DIRECTORS' REPORT



Hon'ble Shareholders,

Assalamu Alaikum.

The Board of the Directors of IFIC Bank Limited is delighted to welcome you all to the 37th Annual General Meeting of the Bank. It is indeed a pleasure for the Board, to present the Directors' Report along with the Audited Financial Statements of the Bank for the year ended December 31, 2013 and the Auditors' Report thereon before you. The Board also likes to take the opportunity to highlight briefly on the operational performance of the Bank during the year 2013 in the context of domestic and international economic scenario.

1. Global Economy:

After suffering a major setback during the previous years, the global economy is experiencing more slow growth than anticipated and still growth is projected to remain subdued. In the year 2013, the World Economy grew at a moderate rate of 2.90 percent as compared to 3.30 percent of 2012. The growth in advanced economies is expected to pick-up gradually following a weak 1.20 percent growth in 2013. In emerging market and developing economies, the growth rate is expected to slow down to 4.50 percent in 2013. However, global activity is expected to strengthen moderately but downside risks to global growth prospected still dominated the outlook.

Despite global growth projected to recover from slightly below 3.00 percent in 2013 to 3.60 percent in 2014, the overall balance of risks to near and medium global growth outlook is still dominated by downside risks. Although near term tail risks in advanced economies have diminished, key advanced economies should maintain a supportive macroeconomic policy mix anchored by credible plans for medium term public debt sustainability. The main downside risk is related to the possibility of the longer growth slowdown in emerging market economies especially given risks of lower potential growth, slowing credit and weak external conditions.

South Asia's GDP growth rose to an estimated 4.60 percent in 2013 from 4.20 percent in 2012 on a market price-calendar year basis. Growth was, however, well below its pre-crisis pace, reflecting a combination of domestic imbalances, weakening investment rates and a challenging external environment.

2. Bangladesh Economy:

The economy of Bangladesh has successfully tackled the contagion effect of global economic crisis and managed to maintain a quite stable macroeconomic situation for a considerable period of time in recent years and proved resilient to global financial crisis posting GDP growth rate averaging 6.20 percent during the past five years. Using the 1995-96 base year the Bangladesh economy achieved GDP growth of 6.0 percent in FY13, and 6.20 percent using the 2005-06 base. Substantial remittance inflows and export activities helped to achieve this solid economic growth rate.

Inflation decreased sharply to 6.8 percent (using the new 2005-06 base) at the end of FY13 driven by a gradual decline both in food and non-food inflation. Broad Money (M2) registered 16.70 percent growth in FY13 due mainly to growth in net foreign assets; however, Broad Money growth was lower than the targeted growth of 17.70 percent and 17.40 percent actual growth in FY12. Total domestic credit declined from 19.20 percent in FY12 to 10.90 percent in FY13. The growth rate of credit to private sector declined from 19.70 percent in FY12 to 10.80 percent in FY13. This decline, however, was compensated partly by newly introduced overseas financing to Bangladeshi corporations.

The outlook for the Bangladesh economy is favorable over the medium term in the light of a growing working age population and likely continued global demand for Bangladeshi products. Faster growth of beyond 7.00 percent will require sustained investments in infrastructure, especially in the energy sector. Bangladesh Bank's projections suggest that the GDP growth outlook for FY14 is unlikely to deviate significantly from the last 10 years' average of 6.20 percent. This is based on current and projected trends of a number of variables including global growth, exports, investments, imports, remittances etc.

3. Banking Sector:

In the context of the depression led financial crisis in the global economy, the banking sector of Bangladesh is playing a lead role to achieve the desired rates of economic growth. It is worth noting that the contribution of Banking to GDP is increasing day by day. Presently, a total of 56 banks in the country are running businesses. Among those, 04 are State Owned Commercial Banks, 31 Private Commercial Banks, 08 Islamic Commercial Banks 09 Foreign Commercial Banks and 04 Specialized Banks. Among those, the PCB's share in the total assets of the banking sector is almost 63 percent. With a view to maintaining a sound, efficient and stable financial system, in 2013,

Bangladesh Bank (BB) has initiated a number of policy measures, giving augmented emphasis on risk management in the banks, the periodic review of stability of individual banks as well as the whole banking system, exercise of stress testing, inclusion of underserved/un-served productive economic sectors and population segments in the financial system, etc. Focus has also been made on Corporate Social Responsibility (CSR) and Green Banking activities, and a dedicated department has been formed to monitor the initiatives being undertaken by banks. A revised risk management guideline has already been put into effect for banks, aiming at developing more shock resilient capacity of banks in the future.

3.1. Changes in Monetary and Credit Regulations:

Consequent upon the changes in global and domestic scenario, required changes have been brought in the monetary policy. Specially, importance has been given to limiting supply of credit in unproductive and wasteful sectors together with ensuring sufficient supply of credit in productive and priority sectors. As published by Bangladesh Bank, captioned through 'Chronology of Major Policy Announcements: FY13', the major policy measures taken by the Bangladesh Bank in the monetary and credit fronts in FY 2013 were as follows:

- Secondary trading window has been established through TCS Market Infrastructure (MI) under the supervision of Bangladesh Bank.
- The interest rates of repo and reverse repo of Bangladesh Bank have been re-fixed at 7.25 percent and 5.25 percent respectively reducing from the prevailing rates of 7.75 percent and 5.75 percent.
- A special unit titled as "NRB Bond Communication Unit" has been established in Debt Management Department of Bangladesh Bank with a view to answer questions and settle various queries and complaints raised by Bangladeshi expatriates residing abroad, scheduled banks and public regarding Wage Earner Development Bond, U.S. Dollar Investment and Premium Bond. All scheduled banks have been instructed to contact directly to "NRB Bond Communication Unit" to know information and settle complaints regarding above bonds.
- The charge structure for the transactions made through Bangladesh Automated Clearing House (BACH) has been re-determined considering reactions from different sectors where charge distribution between BACH and participating banks has been rationalized and settlement of some transactions has been put out of charge schedule.
- Regarding loan classification and provisioning, it has been decided that short term micro-credit will include any micro-credits not exceeding the amount of BDT 50,000.00 and repayable within twelve months.
- Existing Form L has been newly formulated including some information as a part of ongoing automation process of Bangladesh Bank which has to be submitted to Department of Off-site Supervision, Bangladesh Bank for every month within 10 working days of following month through Bangladesh Bank web portal after filling it up appropriately.
- With a view to facing the ongoing challenges of increased competition and expansion of diversified financial business of the FIs in Bangladesh under the recent global recession, Bangladesh Bank has issued several prudent guidelines on risk management for the FIs which includes risk based capital adequacy, stress testing and five core risks management.
- Banks are required to report their green banking initiatives/ activities on quarterly basis and school banking on half yearly basis to BRPD. Banks are also required to submit report on CSR, gender equality and education budget related activities to ACFID on a half yearly basis.
- Some amendments have been made into the BRPD Circular (No.15 dated 23 September 2012 on the captioned subject) in light of current credit conditions and the greater preponderance of longer term finance.
- Bangladesh Bank's permission in terms of section 18A will have to be obtained by any person (which includes individuals, firms, business organizations or concerns incorporated or not) to enable the person concerned to act or accept an appointment to act as an agent in trading and commercial transactions or as a technical or management adviser of any person residing outside Bangladesh or of a person resident in Bangladesh but not citizen of Bangladesh.
- Recipients of foreign currency usance bills against direct and deemed export of products manufactured in Bangladesh discount those bills in foreign currency through their AD banks in order to have immediate provision of fund.

- The remittable limit has been enhanced from USD 10,000.00 to USD 20,000.00 in a calendar year for IT/Software firms. Accordingly, the limit for issuance of international card to a nominated official of IT/Software firm is also increased to USD 2,000.00 from USD 1,000.00 within the revised total limit of USD 20,000.00 only.
- All persons residing outside Bangladesh, foreign nationals residing in Bangladesh and foreign companies (other than banking companies) not incorporated in Bangladesh are required to obtain permission from Bangladesh Bank (section 18B of the Foreign Exchange Regulation Act, 1947) to establish any place of business for trading, commercial or industrial activities in Bangladesh.
- ADs may allow their cardholder customers to use ICCs for online payment not exceeding USD 100.00 or its equivalent at a single transaction against legitimate purchases of items of goods and services (such as downloadable application software, e-books etc.) from reputed and reliable sources abroad.

4. IFIC in the banking sector of Bangladesh:

International Finance Investment and Commerce Bank Limited (IFIC Bank) was set up at the instance of the Government in 1976 as a joint venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint venture banks/financial institutions abroad. In 1983 when the Government allowed banks in the private sector, IFIC was converted into a full fledged commercial bank. The Government of the People's Republic of Bangladesh now holds 32.75% of the share capital of the Bank. The rest of the share capital is held by some leading industrialists of the country having vast experience in the field of trade and commerce and by general public. A total of 112 branches of IFIC are dedicated to fulfill the Mission of providing service to the clients with the help of a skilled and dedicated workforce whose creative talents, innovative actions and competitive edge make the Bank's position unique in giving quality service to all institutions and individuals. As one of the leading banks of the banking sector in the country, IFIC is always committed to the welfare and economic prosperity of the people and the community.

4.1. Client as Trusted & Development Partner:

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

The Bank looks after every client to make him/her a development partner through addressing his/her needs and wants to provide best services at affordable prices. The Bank puts a client in the ladder where he/she climbs customer-supporter-advocate phases and finally becomes development partner of the Bank.

The Bank seeks to provide a professional, safe and enjoyable work environment that supports job enthusiasm, positive relationships and effective teamwork. The Bank works to provide clear communication of direction and goals and to motivate the team to achieve these goals. The Bank seeks to inspire loyalty to the company by treating all the employees with respect, recognition and understanding.

4.2. Cluster Management:

Cluster Management is considered as a new and highly efficient forms of innovative support providers that provide and channel specialized and customized business support services to enterprises. Our high quality cluster management is committed to ensuring cluster excellence in the Bank and efficient cluster Managers act as a driving force for clusters. The performance of the Cluster Management is very much linked to the professional expertise and the capability of cluster managers, who dispose of good cluster insight, necessary for an efficient support to cluster members.

5. Financial Performance of IFIC in 2013:

5.1 Deposits:

The Bank mobilized a total deposit of BDT 107,778.05 million as of 31 December 2013 as against BDT 92,432.76 million as of 31 December 2012 indicating an increase of around 17% 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.

5.2 Loans and Advances:

The total Loans and Advances of the Bank stood at BDT 84,110.39 million as of 31 December 2013 as against BDT 77,159.76 million as of 31 December 2012 marking an increase of 9% 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 aid Lease Financing. Besides, the Bank is financing individual borrowers under Consumer Financing Scheme. The Bank is gradually increasing its involvement in Agricultural Sector as per directives of the Bangladesh Bank. Credit portfolio of the Bank as on 31 December 2013 categorized as follows:

Sl. No.	Particulars	Outstanding (BDT in Million)	Percentage
1	Consumers Financing (Excluding Credit Card)	5,517.38	6.54
2	Credit Card	260.22	0.31
3	Small Enterprise Financing	13,173.14	15.96
4	Medium Enterprise Financing	11,029.70	13.07
5	Large Enterprise Financing	51042.10	60.46
6	Agriculture Financing	1,098.30	1.30
7	OBU	708.84	0.84
8	IFIC Securities Ltd.	1,280.70	1.52
	Total	84,110.38	100

5.3 Operating Profit:

IFIC Bank generated profit of BDT 2,947.87 million in the year 2013 before provisions as against BDT 3,110.38 million in the year 2012 showing a negative growth of about 5.00%.

5.4 Income:

The interest income increased by around 6.00% was BDT 11,111.31 million in the year 2013 as against BDT 10,442.62 million in the year 2012. 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 BDT 52.95 million during the year 2013 as against BDT 331.83 million in the year 2012.

5.5 Expenses:

The total expenses of the Bank for the year 2013 stood at BDT 12,075.22 million as against BDT 10,705.08 million the year 2012. The interest paid to the depositors and on borrowings represented BDT 8,494.16 million which was about 70% of the total expense. The total operating expense of the Bank was BDT 3,581.06 million in the year 2013 in comparison to BDT 3,068.12 million in the year 2012.

5.6 Capital & Reserves:

The authorized capital of the IFIC Bank was BDT 20,000.00 million and the paid-up capital stood at BDT 3,806.52 million as on 31 December 2013. 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	BDT in million
Paid up Capital	3,806.52
Statutory Reserves	3,374.08
Other Reserve	187.13
Retained Surplus	1,730.12
Total Capital & Reserves	9,097.85

5.7 Capital Adequacy Ratio:

During the year 2013, the capital increased by BDT 1,707.15 million and the Bank maintained Capital Adequacy Ratio (CAR) of 10.37% as against the minimum requirement of 10.00% under Basel-II framework.

6. Credit Rating:

Status	2012	2011
Long -term	AA2	AA2
Short-term	ST-2	ST-2

The Credit Rating Agency of Bangladesh Limited (CRAB) rated IFIC Bank during the year 2012. The CRAB retained both the long term rating of IFIC Bank Limited to 'AA2' and short term rating at 'ST-2' in the year 2012. CRAB performed the rating based on audited financial statements up to 31 December 2012 and other relevant information as well as some operational updates of 2013. Commercial banks rated 'AA2' have very strong capacity to meet their financial commitments and 'ST-2' are considered to have strong capacity for timely repayment and characterized with commendable position in terms of liquidity, internal fund generation and access to alternative sources of funds. However, the rating of the Bank based on the financials of the year 2013, is yet to be finalized.

7. 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, 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 under Basel-II during 2013 and 2012:

(BDT in million)

Particulars	31 December 2013	31 December 2012
Tier — I (Core Capital)	8,324.15	6,738.69
Paid up Capital	3,806.52	3,460.47
Share premium	-	-
Statutory Reserve	3,374.08	2,832.54
General Reserve	55.77	55.77
Retained Earnings	1,087.78	389.91
Tier-II (Supplementary Capital)	1,306.70	1,185.00
General Provision	812.30	753.31
Provision for Off Balance Sheet exposure	428.72	365.50
Preference Share	-	-
Exchange Equalization Fund	-	-
Revaluation reserves of Securities (Up to 50% of the revaluation)	8.02	8.54
Assets Revaluation Reserves	57.65	57.65
Total Capital	9,630.85	7,923.70
Total Risk Weighted Assets (RWA)	92,915.37	77,798.80
Minimum Capital Requirement	9,291.54	7,779.88
Surplus	339.31	143.82
Capital Adequacy Ratio:	10.37%	10.18%
Tier-I Capital to Risk Weighted Assets (RWA)	8.96%	8.66%
Tier-II Capital to Risk Weighted Assets (RWA)	1.41%	1.52%

8. Overseas Operations:

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

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

8.1 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 from Oman. IFIC Bank holds 25% shares,

and the balance 75% is held by the Omani sponsors. The exchange company has a network of 15 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.

8.2 NIB Bank Ltd., Pakistan:

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

To meet the Minimum Capital Requirement (MCR) of the State Bank of Pakistan, the Overseas Branches in Pakistan have been amalgamated with a reputed leasing company in Pakistan named National Development Leasing Corporation Ltd. Therefore, the existence of our above Overseas Branches has been ceased w.e.f. 2nd October 2003 and a new joint venture bank titled NDLC-IFIC Bank Ltd. emerged in Pakistan w.e.f. 3rd October 2003. The Bank was subsequently renamed as NIB Bank Ltd. Due to the increase of the capital of NIB, IFIC's stake in it has reduced to 0.23%.

8.3 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 21 (twenty one) branches at different important locations in Nepal. IFIC Bank presently holds about 23.68% shares in NB Bank. Purchasing share of NB Bank standing in the name of Bank Asia Ltd. is under process with concerned authority in Nepal.

8.4 IFIC Money Transfer (UK) Limited:

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

8.5 Foreign Remittance:

The IFIC Bank handles both inward and outward remittance products. The outward remittance includes FC Cash/FDD and Wire transfer by SWIFT. The Bank's inward remittance covers Account Credit Service under Electronic Fund Transfer (EFT) arrangement and Instant Cash Payout Service. The inward foreign remittance business amounted to BDT 8,187.32 million in 2013 in equivalent USD 105.15 million.

The Bank has entered into an agreement with UDDIPAN, a renowned NGO, for channeling foreign remittance through their network where the Bank does not have any presence. At present 101 Branches of UDDIPAN are performing the remittance distribution of our Bank throughout the country.

Including Bank's own joint venture exchange company in Oman and fully-owned Subsidiary exchange company in UK, there are 9 (nine) Exchange Companies for catering inward foreign remittances from abroad which are:

- ◆ Oman International Exchange LLC, Oman
- ◆ IFIC Money Transfer (UK) Limited, UK
- ◆ Placid NK Corporation, USA -Global Company
- ◆ Multinet Trust Exchange LLC, UAE
- ◆ Al Fardan Exchange, UAE
- ◆ Sigue Global Services Ltd. (SMT) – Global Company
- ◆ MoneyGram Payment System, Inc. – Global Company
- ◆ Xpress Money Service s Ltd., UK
- ◆ Trans-Fast Remittance LLC – Global Company (Under Process)

8.6 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 29 Standard Settlement Instructions (Nostro Account) involving 8 currencies e.g. AUD, ACU-D, CAD, CHF, EUR, GBP, JPY and USD at important financial centers. Total correspondents of IFIC Bank Ltd. stand at 464 as of 31st December 2013.

9. 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.

9.1 Corporate Banking:

IFIC Bank consistently provides maximum effort to develop new products & services to meet the changing needs of growing corporate business of the country. Dedicated & skilled Relationship Managers team offers a package of flexible & structured financial, advisory & operational support to encourage business growth of corporate customers.

The Bank is providing financial facility to corporate customer including RMG, Textiles, Power, Telecommunications, Construction, Ship Building & Trade & Commerce sector etc. Corporate Banking expertise covers areas like Working Capital Financing, Project Financing, Trade Financing, Lease Financing, Syndication Loan, Treasury & Off-Shore Banking, etc.

9.2 Lease Financing:

Now-a-days lease financing is the most emphasized topic to any challenging corporate institution or organization to develop their financial resources as well as profit maximization or maximization of owner's equity. IFIC Bank provides Lease Finance facility to Corporate Business House, Manufacturing and Service industries. IFIC offers Lease Financing against industrial machinery & equipments, office equipments, generators, vehicles, sea or river vessels, construction equipments, Agriculture equipments etc.

9.3 Syndication Finance:

Syndication loan is offered by a group of lenders who work together to provide funds for a single borrower for large project to spread the risk of a borrower default across multiple lenders. IFIC Bank successfully involves in a good number of loan syndication arrangements for large-scale projects of Spinning, Power, Steel, Telecom, Pharmaceuticals, Food Processing, and Fast Moving Consumer Goods (FMCG) sector of the country. To support the large volume of credit requirement of our corporate client, IFIC Bank has also been arranging fund from the banking industry as lead bank.

9.4 Project Finance:

Apart from working capital & trade finance, IFIC Bank offers project loan for developing large and medium scale industry of the country. The Bank has been financing Term Loan (Industrial) facility for establishing new project and/or BMRE of various projects in the sectors viz. Textile, RMG, Power, Steel, Telecom, Power, Pharmaceuticals, Ship Building, Real estate.

9.5 SME:

In order to foster the growth of SME as well Agri./Rural Credit sector, SME division was created in year 2011, as per the instruction of Bangladesh Bank. IFIC Bank Limited is now actively participating in financing Small & Medium Enterprises and agricultural sector, during the year 2013 as per the directives of Bangladesh Bank.

During the year 2013, total disbursement in SME Sector is BDT 16,794.60 million and outstanding of SME Loan of IFIC Bank Ltd. is BDT 21,428.40 million as on December 31, 2013 – which is 25.63% of the total loan portfolio of the Bank.

SME division has executed several “**Participation Agreement**” with Bangladesh Bank, the last one is “Brick Kiln Efficiency Improvement Projects” - in order to avail “Refinance Loan Facility”, (funded by various donor agencies like ADB, JICA etc.) @ 5% interest from Bangladesh Bank, for extending loans to Small Enterprises, Brick Kiln Projects with improved technology, Agro based Industries & Women Entrepreneurs.

So far Re- finance claimed from Bangladesh Bank : (up to 31.12.2013) : BDT 238.15 million.

Re finance Sanctioned by Bangladesh Bank : (upto 31.12.2013) : BDT 168.50 million.

9.6 Financing to Women Entrepreneurs:

In order to facilitate financing to the women entrepreneurs, IFIC Bank Ltd. has already designed asset products, named “JOYEETA” @ 10% interest P.A and “PROTYASHA” - at usual interest rate.

In this regard, we have already financed Women Entrepreneurs at grassroots level, who are engaged in Handloom operation, at Rangamati, through IFIC Rangamati branch, CHT, in the form of “Cluster” for BDT 0.95 million.

In addition IFIC Bank Ltd. has also established ‘Dedicated desks’ for Women Entrepreneurs at 107 branches (upto December-2013).

9.7 Agriculture/ Rural Financing:

The role of agriculture is very important for increasing domestic food production, poverty alleviation & employment generation. In order to give priority in Agricultural Sector, Bangladesh Bank has given special emphasis, by way of fixing targets for disbursement of Agriculture/Rural Credit to the all commercial banks of the country.

As part of this program IFIC Bank Ltd. has fixed a disbursement target of Agri. Loan of BDT 1,220.00 million during last fiscal year 2012–2013 (July'12 to June'13). As against the target, IFIC Bank Ltd. has disbursed an amount of BDT 1,076.70 million, which is 88.25% of the target.

During the year 2013–2014 (July'13 to June'14), the Bank has fixed a Agri./Rural Credit loan disbursement target of BDT 1,250.00 million.

IFIC Bank Ltd. already financed Flower cultivation on “Cluster basis”, for BDT 3.24 million among forty (40) farmers at Kaliganj, under Jhenaidah district, during the year–2013 to the grass root level farmers.

9.8 Green Financing:

IFIC Bank has signed a Participation Agreement of BDT 2,000.00 million 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.

9.9 Retail Banking:

- ◆ Retail Banking Division of the bank started its journey in February, 2012 by restructuring and remodelling existing retail banking business model with due approval of the Board of Directors;
- ◆ Retail Banking Division started its business through establishing Direct Sales Team from May, 2012. At present the Bank has 606 Direct Sales Agents (DSA) who are working throughout the country;
- ◆ Business of retail banking division is monitored from 04 (four) separate sales zones as under:
 - ✓ Sales Zone – 1 (Dhaka - 1, Narayanganj, North Bengal, South Bengal, Mymensingh & comilla)
 - ✓ Sales Zone – 2 (Dhaka -2)
 - ✓ Sales Zone – 3 (Sylhet)
 - ✓ Sales Zone – 4 (Chittagong)
- ◆ In the year 2013, retail banking division launched 03 (three) new products which are as under:
 - ✓ Sanchita – Female Savings Account
 - ✓ Freedom – Flexi DPS Account
 - ✓ Salary Overdraft for IFIC employee
- ◆ In 2013, we have re-redesigned “School Savings Plan – A Plus” account
- ◆ In 2013, retail banking division initiated following activities to boost the business, service & process of the Bank:
 - ✓ A total of 36 business campaign performed in different location of the country from which a number of business leads were generated
 - ✓ Retail banking division publish “**Deposit Performance Report**” on monthly basis in which all types of deposit information of the bank are analysed with various tables and graphs. Competitor banks information also covered in this report;
 - ✓ Implementation of customer type code rectification project through which we can find out total retail portfolio of the bank. As of 31-12-2013 retail deposit of the bank was BDT 64,080.00 million;
 - ✓ Introduce monthly deposit and debit card appreciation policy for all branch employee which shall come into effect from January 2014 to motivate and recognize true business performers of the bank
 - ✓ Settled scholarship claim of customer under School Savings Plan – A Plus account

9.10 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.

The Bank has been issuing prepaid cards. This is suitable for the customers who do not maintain any account with the bank. Pre-Paid Cards can be used both at home and abroad.

In addition to above, 50 ATMs have been deployed at strategic locations. Moreover, IFIC Cardholders have free access to ATMs in Q-Cash Network which covers most part of the country. POS are also deployed at Branches and Merchants.

10. Risk Management:

It is known to all that, risks are extremely unpredictable and the Banking industry is a diversity and complexity of financial activities. Naturally, Banking Business is in fact a business of risk taking. So it is vital to manage all sorts of risks efficiently to emerge as the winner out of these risk ventures. IFIC strongly believe that robust risk management is a must for sustainable growth in the bank business comparing to challenging financial and economic environment. Risk management has normally been viewed as support to minimize potential loss that could arise from unexpected outcome of any event. A structured risk management framework is needed for a bank to address properly so that the risks associated in different areas can be minimized. Risk is an integral part of the Banking business and IFIC Bank's aim is to deliver maximize shareholders' value by achieving an appropriate trade-off between risk and returns.

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 analyses including Value at Risk (VaR) analysis and Stress Testing are being done on a regular basis. The Bank has different committees for risk management, viz. Credit Committee, Asset Liability Committee (ALCO), Investment Committee and Risk Management Committee which regularly meet to review the credit, market, foreign exchange, operational, asset liability, money laundering, liquidity, ICT, compliance, strategic, concentration, management, reputational risk etc. 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 of the Board has also been constituted to address the overall risk.

10.1 Credit Risk Management (CRM):

Banking industry is going through a rapid change and considering the complex situation of the industry it is inevitable to upgrade and update the existing policies and processes. IFIC Bank Limited is no exception and it is continuously innovating, updating and upgrading its policies and processes to meet the changes, challenges and requirements of industry, market, regulator and customers.

The Bank has introduced Credit Risk Management in the year 2004. The Credit Risk Management Policy is being reviewed periodically to cope with the pace of changes in the industry. Credit Risk Management policy rests on bank's sound and prudent management culture and complies with industry standard, interest rate, corporate governance principles and industry best practices.

As part of this change management, the credit approval process has been reviewed to give faster service delivery to its different stake-holders. The organizational structure of Credit

Risk Management Division is also under going through a revamping process to meet the expected future challenges. The Division is focusing to provide quality credit decisions at reasonable turnaround time.

Further, considering the macro and micro economic scenario, the industry and sectorial growth pattern, international trade and commerce trends, local business potentials the bank has accordingly evolved the strategic direction to measure, assess and concentrate its risk appetite in different sectors and products.

10.2 Remedial Asset Management:

Non-performing loans seriously affect profitability of the Bank. All loans are expected to be promptly repaid in accordance with the agreed terms. But some Borrowers do not follow discipline of payment of their loans and default. Some fail due to numerous reasons beyond their control. Bank's growth is retarded if loans are classified resulting in not only suspension of interest income from those loans but forces to arrange loan loss provision from the income of the Bank. Non-Performing Loans (NPL) also tarnishes image of the Bank and Bank comes under surveillance of regulatory body and even by its customers. Thus recovery of stuck-up loans is a major concern for the Bank. Therefore, recovery of stuck-up Loans and advances is imperative to increase its profitability and improve its quality of Assets.

Remedial Asset Management has a Recovery Policy which was lastly amended by the Board of Directors in its 570th emergency meeting held on 17th November 2011 for strengthening recovery of Non-performing loans.

On the basis of above recovery policy and related circulars of Bangladesh Bank RAM Division takes following steps for improvement of quality of Assets and increasing of profitably of the Bank:

1. Providing Action Plan
2. Waiver of interest
3. Rescheduling of NPLs
4. Foreclosure of Security
5. Writing-off Classified Loans

With a concerted effort percentage of classified loans compared to total loans & advances substantially reduced to 3.77% in 2013 from 5.31% in 2012.

RAM Division also completes loan Classification and Provisioning exercise on quarterly basis as per Bangladesh Bank circulars. Loan classification and provisioning exercise is an important task for the Bank.

Comparative performance of Recovery and Income from Recovery in the year 2012 and 2013 against NPLs are as under:

(BDT in million)

Particulars	2012	2013
Recovered by		
a) Cash	483.40	1,478.95
b) Retaining of properties as Banks Asset	---	370.26
c) Re-schedulement & Declassification	365.50	2,339.20
d) Waiver of Interest	11.60	19.86
Total	860.50	4,208.27
Total Loans & Advances	77,159.76	84,110.39
Total classified Advances	4,095.60	3,168.00
Percentage of classified loans against Total loans	5.31%	3.77%
Income against recovery	272.90	860.67

10.3 Foreign Exchange Risk Management:

All financial activities involve a certain degree of risk. The success of the trading business depends on the ability to manage effectively the various risks encountered in the trading environment and the organization's policies and processes require development over time to ensure that this is done in a controlled way. Today's Financial Institutions engage in activities starting from Import, Export and Remittance to complex derivatives involving basic Foreign Exchange and Money Market to complex structured products. All these require high degree of expertise that is difficult to achieve in the transaction originating departments and as such the expertise is housed in a separate department i.e. Treasury.

Foreign Exchange risk management is one of the important responsibilities of the Treasury Division. The Foreign Exchange risks are measured and monitored by the Treasury Division of the Bank. Treasury Front Office independently conducts the Foreign Exchange transactions and Treasury Back Office is responsible for processing. The Treasury Mid Office is responsible for monitoring and management of risk exposure related to treasury operation. Regular Foreign Exchange operations are done following the Bangladesh Bank Guidelines.

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 Division) and Treasury Back Office have been demarcated. The Operational Guidelines have also been formulated specifying the roles and responsibilities of the 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.

10.4 Asset Liability Management:

Asset Liability Management is the most important aspect for the Financial Institutions 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 failure to take timely measures in giving a sense of direction may threaten the survival of institution. As such, it is important that Senior Management as well as the Board of Directors understand the existence of such risks on the Balance Sheet and they should ensure that the structure of the Bank's Business and the level of Balance Sheet risk it assumes are effectively managed and appropriate policies and procedures are established to control and limit these risks, and that resources are available for evaluating and controlling interest rate risk.

A Policy Guideline on Asset Liability Management has been formulated, approved by the Board of Directors of the Bank and revised time to time. As per the Policy Bank's 'On' and 'Off' Balance Sheet positions are managed in such a way that the Bank is able to offer competitively priced Products and Services to Customers maintaining appropriate risk/award profile that creates stakeholders value.

Asset Liability Committee (ALCO) 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.

10.5 Internal Control and Compliance:

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.

10.6 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 Limited has been complying all the rules and regulations on AML/CFT issues. As directed by the Bangladesh Financial Intelligence Unit (BFIU), IFIC Bank Ltd. has formulated "Guidelines on Prevention of Money Laundering" and "Policy for Combating Financing of Terrorism".

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 Transaction, Suspicious Transaction Report(STR), Cash Transaction Report (CTR), Know Your Customer(KYC) procedures, 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.

It needs to be mentioned here that as per requirement of Bangladesh Financial Intelligence Unit (BFIU) of Bangladesh Bank IFIC Bank Ltd. has implemented goAML Software provided by United Nations Office on Drugs & Crime (UNDOC) to submit CTR, STR & other necessary statement related to AML/CFT law through goAML software to Bangladesh Financial Intelligence Unit (BFIU).

To create awareness among the customer on AML/CFT issue, IFIC Bank has published posters for hanging on the prominent place of the branches & leaflet for distributing among the customer in the year, 2013.

As directed by Bangladesh Financial Intelligence Unit (BFIU), IFIC Bank has introduced a separate Customer Acceptance Policy in the year, 2013.

IFIC Bank submitted 7(seven) Suspicious Transaction Report (STR) to BFIU in the year, 2013.

IFIC Bank Ltd. regularly arranges Training Programs on Prevention of Money Laundering & Combating Financing of Terrorism for all categories Executives/Officers of the Bank. During the year 2013, the Bank arranged 13 training courses on Prevention of Money Laundering & Combating Financing of Terrorism where 608 Executives/Officers of the Bank attended

11. Information & Communication Technology (ICT):

Information and communication technologies (ICTs) have great promise to reduce poverty, increase productivity, boost economic growth, and improve accountability and governance. However, new age business environment is very dynamic and under goes rapid changes as a result of technological innovation, increased awareness and demands from customers. IFIC Bank has been adopting the benefit of Technology from the very inception.

The Technology is changing rapidly and today Business organizations, especially the banking industry operates in a complex and competitive environment characterized by these changing conditions and highly unpredictable economic climate. Information and Communication Technology (ICT) is at the centre of this global change. IFIC Bank is not behind of that, it has been trying to apply new technology in its different area to extract the benefit of the technology and to ease the users and finally satisfaction of the valuable customers of the Bank.

Now, 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, Internet Banking, Centralized Asset Management System, Automated emailing customer's statement, Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN) etc. under the guidelines of Bangladesh Bank.

The Bank also implemented Remittance Software Remit4U for faster & secured remittance service for its customers and Human Resource Management System for effective management of the human resource and to improve performance of its employee.

To address the challenges with its aging messaging infrastructure, the IFIC Bank has already deployed Microsoft Exchange Server 2010 for corporate mailing system to manage its mailing system efficiently which ultimately reduces the time, manual handling and use of papers.

The Bank is taking Data Backup on daily basis. 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 is expanding its own ATM network and has introduced Call Centre / Contact Centre and is going to launch Mobile Banking very soon.

The Bank has also taken steps for 'Financial Inclusion' and devising low cost delivery channel through Mobile Banking which is on the verge of launching. IFIC Bank also taken up-gradation project of Core Banking Solution (CBS) for more automation, efficient processing, reduce cost and more Green environment. To design & place world class processing steps, IFIC involved world renowned KPMG International as process partner for its journey to the goal.

IFIC Bank has strategically formulated Year 2014 as Technology Acquisition and Infrastructure Placement for ensure efficient Operation and better Customer Service with proper compliance and control. The effort will significantly reflected in next years - Honorable Shareholders and Customers will be proud more to be with IFIC Bank.

12. Corporate Governance:

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

IFIC Bank complies with the guidelines regarding composition of the Board of Directors, all Committees, term of the Office of the Directors as well as competence and eligibility of the Directors as outlined by the Bangladesh Bank, the Companies Act 1994 and the Bank Company Act (Amended) 2013. The Bank has also implemented the requirements of Corporate Governance Guidelines of the Bangladesh Securities & Exchange Commission as enumerated in its notification no. BSEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012. As per mentioned notification of BSEC, the compliance status of the Bank has been reported in this Annual Report for information.

13. Human Resources Management:

IFIC always considers the human resource as a valuable tool for development. While extraordinary products and unique services still afford a competitive advantage, the one advantage that stands the test of time is people.

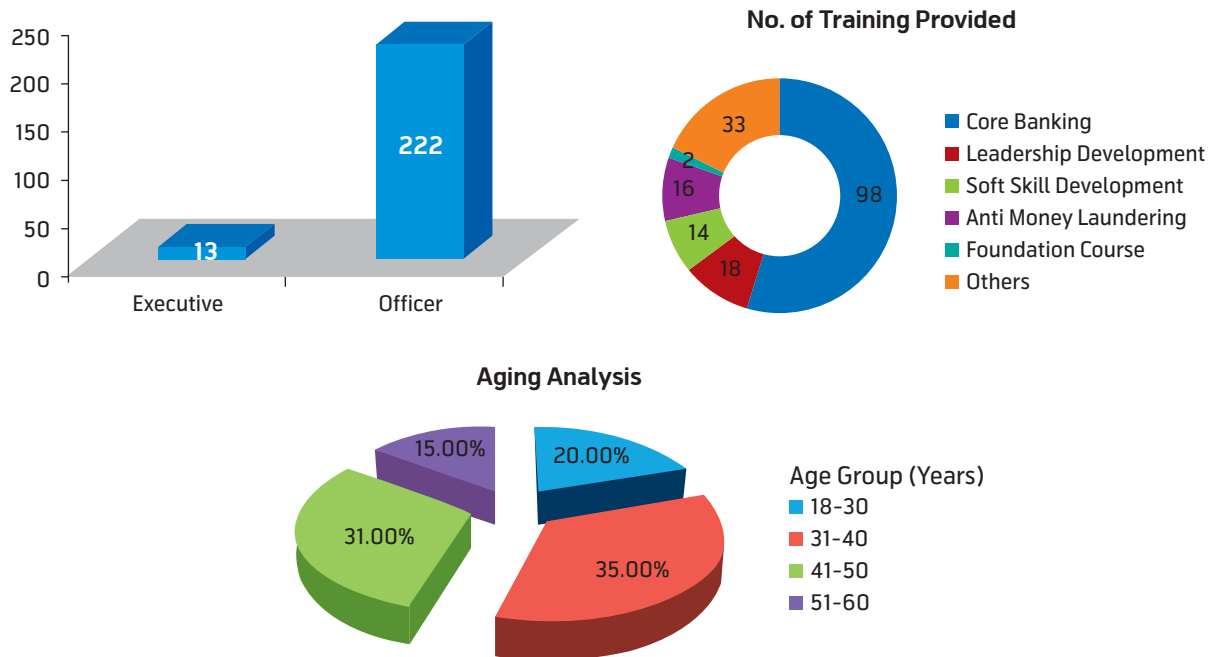
As a strategic partner, we develop and deliver innovative human resource programs and services designed to support the mission of the Bank. Our core services and competencies include recruitment and staffing, employee relations, organizational & employee development, compensation & benefits, HRIS, and regulatory compliance.

We provide quality HR services to attract, develop, motivate and retain a diverse workforce within a supportive work environment. We do this with an emphasis on HR practices based on consultation and communication with the concerned workforce from the grassroots level to strategic management level.

We have a collaborative hiring process with the business needs and we recruit for attitude and train for skill.

Human Resource Management Division has implemented comprehensive HR software - Orbits, that operates a central storage of HR data with the number of extensive workflows, notifications and analytical reports. It establishes a mutual environment for the HR specialists, managers and employees in order to provide the effective management and compliance. Through this software, we adopt environment friendly process in every steps of HR from recruitment to career management, compensation to performance management, and availing leave to talent management.

We present below a snapshot of HR Health in 2013:



Human Resource Management Division has implemented comprehensive HR software - Orbits, that operates a central storage of HR data with the number of extensive workflows, notifications and analytical reports. It establishes a mutual environment for the HR specialists, managers and employees in order to provide the effective management and compliance. Through this software, we adopt environment friendly process in every steps of HR from recruitment to career management, compensation to performance management, and availing leave to talent management.

14. Law and Legal Affairs Division:

In the year of 2013 there were 777 cases pending in both Lower and Higher Courts having Suit value of BDT 10,047.50 million. To facilitate the process of disposing of the pending Court Cases, the Law and Legal Affairs Division took various steps and as a consequence, only 25 (Twenty Five) Writ Petitions, 03 (Three) Artha Rin Suits, 19 (Nineteen) Execution Cases and 05 (Five) Criminal Cases (under N.I. Act.) were disposed of and an amount of BDT 683.90 million were realized through legal means. On the other hand, Law and Legal Affairs Division provided legal services including preparation of various legal documents to different Divisions and Departments of the Head Office as well as 110 Branches of the Bank on regular basis as Law and Legal Affairs Division is providing such Legal Services in addition to its daily work of pursuing pending Court Cases. As a result, our Branches, various Divisions and Departments of the Head Office got versatile legal services from the Law and Legal Affairs Division in time which expedited their respective activities. Besides, Law and Legal Affairs Division examined and scrutinized various legal documents sent by different Divisions and Branches of the Bank with records kept with various Land Offices in Dhaka and outside Dhaka. In line with the Bank Business, Officers of Law and Legal Affairs Division attended various Government Offices including Anti Corruption Commission Office, Board of Revenue Office, Law Commission Office and CID Office and resolved many legal issues faced by the Bank.

The Officers and Executives of Law and Legal Affairs Division regularly attended both Lower and Higher Courts and also attended the Chamber of Panel Lawyers who was assigned by the Bank 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 Labour Courts in Dhaka and Chittagong relating to various Cases filed by Ex-Employees against the Bank.

It is to be mentioned here that, as per decision of the Board, Law and Legal Affairs Division has established a Centralized System for monitoring and following up the pending Court Cases directly in an aim to lessen the burden of the Branch Managers so that they may concentrate their attention on other business matters of the Branch.

15. Branch Expansion Programme:

During the year 2013, the Bank opened 6 (six) new Branches at different places of the country to provide banking services to the customers. Out of these 6 (six) Branches, 3 (three) urban Branches were opened at Dholaikhal Branch, Dhaka, Bagerhat Branch, Bagerhat & Taherpur at Rajshahi. 3 (three) rural branches were opened at Gouripur Bazar, Comilla, Meghola Bazar, Dohar & Miah Bazar, Comilla. Besides, a Collection Booth was opened at Medical College for Women and Hospital at Uttata, Dhaka. Thus, the total number of Branches of the bank stood at 112 including 7 (seven) SME/Krishi Branches throughout the country. IFIC Bank Limited has also planned to expand its network within the country by opening more new Branches in the year 2014. Furthermore, the Bank has planned to relocate some branches in the year-2014 as their locations are not suitable from business point of view.

Moreover, Satkhira Branch was relocated to a new premise with construction and decoration work during the year 2013. Apart from that, 1 (one) old Branch was fully renovated in the year 2013 namely – Kushtia Branch, Kushtia.

16. Green Banking:

Bangladesh is one of the countries in the world that faces risk of climate changes. In this context, Green Banking is a part of various steps undertaken worldwide in order to protect the environment. As part of implementing Green Banking activities IFIC Bank initiated various measures. Bangladesh Bank has recognized IFIC Bank as one of the Top Ten Private Commercial Banks for contribution to Green Banking activities across the country. Our Green Banking Policy Guideline and Green Office Guide have been circulated to all our Branches and Divisions/Departments at Head Office for creating awareness on Green Banking activities & providing instructions about conserving energy, water, gas, printer cartridge, paper etc. Our Green Banking activities are on multidimensional areas which include both in-house Green activities and external green activities towards supporting Green Economy as part of our Green Banking initiatives.

The bank had developed software related to Environmental Risk Rating (EnvRR) and circulated to all Branches for rating the applicable projects while financing according to the guidelines of Bangladesh Bank to protect environmental degradation. Bank has started setting up solar panel with the provision of the maximum use of natural light, use of energy saving bulbs and other equipments, reduced paper, water and electricity use etc. We have already five (05) solar powered branches. Our Bank has already introduced e-recruitment, e-leave, mobile banking, Contact Centre (Call Centre), Phone Banking services, etc to reduce the paper consumption. As a part of awareness builds up among the employees, we are arranging training/workshop on “Green Banking” on a regular basis.

17. Corporate Branding & Publicity:

The Bank undertook various activities in 2013 for making the IFIC Bank brand visible. The Bank carried out sustained corporate branding and promotional activities 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. Special attention was given for the publicity of a flexi-DPS product named 'Freedom' and women's savings product called Sanchita.

To increase brand visibility, we sponsored the live program titled *Apnar Jiggasha* during the month of Ramadan and *Kemon Budget Chai* in NTV, live programme on Ekushay Book Fair and *Borsho Bidaya and Hajaro Konthe Borsho Baran* in Channel I. The Bank also did branding of the news scroll and a documentary programme titled "IFIC Bank Ei Banglaye" in ATN News and also L-shape branding in Shomoy TV.

The bank set up two billboards at the rooftop of Gabtoli Branch for maintaining brand visibility in outdoor. The Bank carried out branding at ATM booths, ATM machine screens and new Bank branches in different parts of the country.

IFIC Bank set up a stall in BATEXPO - 2013 of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), SME/Entrepreneurship Fair, Career/Employment Fair etc. and sponsored a good number of programmes in cooperation with different organizations.

The Bank celebrated the Pahela Baishakh 1419 in a festive mood by printing colourful banners, festoons, greeting cards and distributing traditional sweets to value clients and different stakeholders.

We received wide coverage in print and electronic media on different events and activities like Annual General Meeting, Annual Business Conference and opening of branches etc.

18. Corporate Social Responsibility (CSR):

IFIC Bank always committed to contribute towards social development through its Corporate Social Responsibility (CSR) programmes. Accordingly, the Bank undertook a good number of CSR programmes in order to address the needs of common people for making a positive and meaningful contribution to the society.

IFIC Bank donated BDT 20.00 million for helping the victims of Rana Plaza Tragedy, BDT 2.50 million to Rangpur Cantonment for sponsoring the documentary and book publication, BDT 10.00 million to PROYASH, which is an institution for children with special needs and disability and BDT 10.00 million for organizing the 8th Bangladesh Games held in Dhaka from 20-28th April, 2013.

The bank distributed winter clothes among poor people like the previous year. The Bank spent BDT 2.818 million for this purpose. Jalalabad Educational Trust received financial assistance of BDT 1.00 million to raise their fund for educational activities.

The Bank provided a donation of BDT 0.70 million to BARIDRA DURIKORON SANGSTHA (BADUS), a social welfare organization working for the eradication of poverty and BDT 0.249 million to Sandeepon, a registered non-government, non-political, not for profit, secular and charitable organization.

IFIC Bank donated BDT 0.40 million to Utsho Bangladesh for supplying food underprivileged children and orphans and disbursed BDT 0.33 million to the landless people in underdeveloped areas as per instruction of Bangladesh Bank.

The Bank donated BDT 0.554 million to debate & Quiz Society of Sir Salimullah Medical College for organizing year-long programs in 2013 on the college campus and also donated modern television set to Shamsunnahar Hall of Dhaka University.

19. Contribution to National Exchequer:

IFIC Bank has contributed significantly to the effort of the government in collection of revenue. As per law, the Bank deducts VAT and TAX at sources and excise duty from various payments and services and deposits the same to the government exchequer. During the year 2013 the Bank deposited Tk. 1,869 million of withholding taxes. Besides, the Bank also paid income tax on its earning of Tk 1,010 million during the year 2013, which was Tk. 808 million in the year 2012.

20. Business Focus:

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

2013 has been a year of significant progress for us. Building on our consistent track record of growth, the Bank shall continue to deliver a strong performance, both operationally and financially.

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

21. Shares of IFIC Bank Limited:

The Authorized Capital and the Paid-up Capital of the Bank stood at BDT 20,000.00 million and BDT 3,806.52 million respectively as on December 31, 2013. A total number of 359,976,862 shares are recorded with the Central Depository System (CDS), while 20,675,250 shares still remain in scrip form till the Balance Sheet date.

The consolidated Net Asset Value (NAV) per share was BDT 24.29 as on December 31, 2013 which was BDT 22.73 as on December 31, 2012. The consolidated Earnings per Share (EPS) were BDT 3.60 for the year ended on December 31, 2013 as against BDT 2.98 as on December 31, 2012. The Market Capitalization of IFIC was BDT 13,056.37 million at the end of the year 2013 as against BDT 12,526.91 million at the end of the year 2012.

22. Dividend:

To strengthen the capital base of the Bank, the Board of Directors in its 623rd Emergency Meeting held on March 20, 2014 has recommended 15% Stock Dividend for the Shareholders for the year 2013 subject to approval of the Shareholders in the 37th Annual General Meeting.

23. Appointment of External Auditors:

In the 36th Annual General Meeting of the Bank, M/s. Howladar Yunus & Co., Chartered Accountants were re-appointed as the External Auditors of the Bank for the term till conclusion of the next Annual General Meeting. As M/s. Howladar Yunus & Co. has completed their second successive years of audit and in terms of Bangladesh Bank's Guidelines and the directives of BSEC, they are eligible for re-appointment.

24. Rotation of Directors:

In order to comply with the provision mentioned under Section 91(2) of the Company Act-1994 and Clause Nos. 109 & 110 of the Articles of Association of the Bank, at least one third of the Directors shall retire from the Office in the 37th Annual General Meeting.

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

25. Dependability for Internal Control & Financial Reporting:

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

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

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

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

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

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

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

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

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

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

26. Acknowledgement:

The success of this Bank is mainly attributable to the support and cooperation from the varied group of stakeholders. With the sincere efforts of all the Executives, Officials and members of the staff, IFIC Bank has made remarkable progress in the year 2013. 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. We gratefully acknowledge the support provided by all valued customers who have been with us in the course of our journey.

The Board also place on record its thanks and gratitude for the valued contribution made by all the patrons and well-wishers of the Bank in attaining 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 enhancing customers' satisfaction, in which they have placed trust and confidence.

For and on behalf of the Board of Directors



Salman F Rahman
Chairman



**REPORT OF THE EXECUTIVE
COMMITTEE 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 612th Meeting held on 26.08.2013 with the following 03 (three) Members:

Mr. Mohammad Lutfar Rahman	Chairman
Mr. Monirul Islam	Member
Mr. A. R. M. Nazmus Sakib	Member

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

The above mentioned Executive Committee of the Board was formed in line with BRPD Circular No. 11 dated 27.10.2013.

The Terms of Reference of the Executive Committee in addition to the roles and responsibilities mentioned in the BRPD Circular No. 11 dated October 27, 2013 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 the subsequent Meetings for ratification.

During the year 2013, a total of 10 (ten) Meetings of the Executive Committee were held where as many as 124 nos. proposals/issues were considered/decided by the Committee.

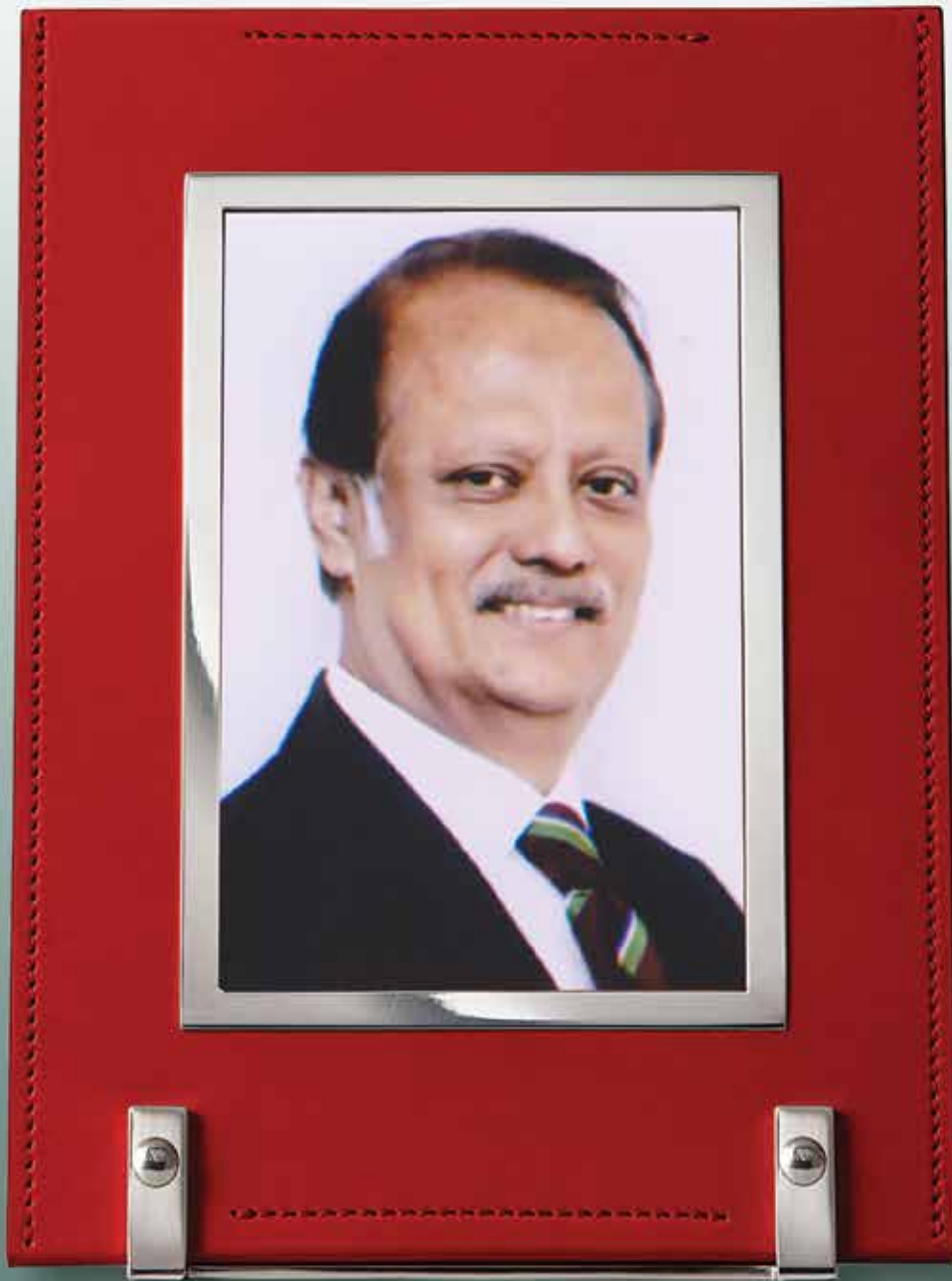
The particulars of the members of the Executive Committee and attendance by each member are given below:

Name of the Director	Position	Total number of meetings held during 2013	Total attendance	Remarks
Mr. Mohammad Lutfar Rahman	Chairman	10	10	Directors who could not attend any Meeting were granted leave of absence.
Mr. Syed Anisul Huq	Member (upto 25.08.2013)	10	06	
Mr. Monirul Islam	Member	10	10	
Mr. A. R. M. Nazmus Sakib	Member	10	09	

The Executive Committee expresses its sincere thanks to the Members of the Board of Directors 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 on 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 re-constituted by the Board of Directors in its 612th Meeting held on 26.08.2013 in accordance with the BRPD Circular No. 11 dated October 27, 2013 issued by Bangladesh Bank and the Notification of Bangladesh Securities and Exchange Commission vide No.SEC/CMRRCD/2006-158/134/admin/44 dated August 07, 2012.

The Audit Committee of IFIC Bank Limited is comprised of 04 (four) members from the Board of Directors including 02 (two) Independent Directors. The composition of the present Audit Committee of the Board is as follows:

Mr. Syed Anisul Huq	Independent Director	Chairman
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 to the Audit Committee of the Board.

The Audit Committee is a sub-committee of the Board of Directors and reports on its activities to the Board of Directors on quarterly basis. 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 2013.

The particulars of the members of the Audit Committee and attendance by each member are given below:

Name of the Director	Position	Total number of meetings held during 2013	Total attendance	Remarks
Mr. Syed Anisul Huq	Chairman	07	06	Directors who could not attend any Meeting were granted leave of absence.
Mr. Monirul Islam	Member (upto 25.08.2013)	07	05	
Mr. Mohammed Nayem Syed	Member	07	03	
Mr. Jalal Ahmed	Member	07	07	
Mr. Arijit Chowdhury	Member	07	07	

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

- ◆ Risk Based Internal Audit & Inspection Plan for -2013;
- ◆ Auditors' Report and Audited Financial Statements for the year ended 31st December, 2012;
- ◆ Management Report on the Financial Statements of the Bank for the year 2012;
- ◆ Proposed Agenda for meeting of the Audit Committee to be held during the month from March to December, 2013;
- ◆ Status of Compliance on (i) Irregularities & lapses/errors & omissions & (ii) Significant non-complied irregularities & lapses observed in Internal Audit & Inspection Reports of 23 (twenty three) Branches conducted for the Quarter ended as on 30.12.2012;
- ◆ Summary Report of Brief Highlights on Audit & Inspection Reports on the Branches conducted by Internal Control & Compliance Division;
- ◆ Summary Report on the Bangladesh Bank Inspection on Comprehensive Inspection Report on Dhanmondi, Bangshal, Islampur, Mohakhali, Stock Exchange, Konabari, Brahmanbaria and Sylhet Branches as on the position of 31.03.2012;
- ◆ Directors' Report-2012;
- ◆ Statement of Fraud & Forgeries occurred in the Bank upto 31.12.2012;
- ◆ Re-appointment of External Auditors of the Bank for the year 2013;
- ◆ Branch-wise Recovery Position of Non-performing Loans (NPL) upto February, 2013;

- ◆ Branch-wise Recovery Position of Non-performing Loans (NPL) upto March, 2013;
- ◆ Un-audited Accounts for the first quarter ended on 31.03.2013;
- ◆ Un-Audited Accounts for the half year ended on 30.06.2013;
- ◆ Summary Report on the Bangladesh Bank Inspection on Comprehensive Inspection Report on Narayanganj, Federation, Kawranbazar, Nawabpur, Lalmatia, Faridpur, Rajshahi and Khatunganj Branches as on the position of 31.03.2012;
- ◆ Summary Report of Brief Highlights on Audit & Inspection Reports on the Branches conducted by Internal Control & Compliance Division;
- ◆ Status of Compliance on (i) Irregularities & lapses/errors & omissions & (ii) Significant non-complied irregularities & lapses observed in Internal Audit & Inspection Reports of 35 (thirty five) Branches conducted for the Quarter ended as on 31.03.2013;
- ◆ Annual Report on the Health/Overall status of IFIC Bank Ltd. for the year 2012;
- ◆ Statement of Fraud & Forgeries occurred in the Bank upto 30.06.2013;
- ◆ Summary Report on the Bangladesh Bank Inspection on Comprehensive Inspection Report on Federation, Narayanganj, Kawranbazar, Uttara, Rajshahi, Pabna, Bogra & Mohakhali Branches as on the position of 31.12.2012;
- ◆ Summary Report on Brief Highlights on Audit & Inspection Reports on the Branches conducted by Internal Control & Compliance Division;
- ◆ Statement of Fraud & Forgeries occurred in the Bank upto 30.09.2013;
- ◆ Summary Report on findings of Audit & Inspection of the Branches of the Bank conducted by Audit & Inspection Department of ICC during the year 2012;
- ◆ Extract from BRPD Circular No. 11 dated 27.10.2013 issued by Bangladesh Bank regarding formation and roles & responsibilities of the Audit Committee of the Board.

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 2013.



Syed Anisul Huq
Chairman, Audit Committee

Corporate Governance

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

In order to establish good corporate governance in our bank, we have reshuffled/modernized our governance system as several prudential regulations specifying qualification of a Bank Director and a Chief Executive Officer and most importantly three Circular/Circular Letters issued by Bangladesh Bank on 27 October 2013 in connection with responsibilities and formation of banks' Boards of Directors to comply with the existing rules and regulations in line with the Bank Company Act (Amended) 2013 as well as corporate governance guidelines issued by Bangladesh Securities and Exchange Commission.

The banks have also been asked to form **Risk Management Committee** along with the existing Executive and Audit ones to minimize fraud and forgeries in the banking sector.

The Central Bank has specified the terms of reference and responsibilities of the committees to ensure accountability and transparency of the banks' management.

The Bank considers good corporate governance to be a prerequisite for value creation and reliability:

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

Members' Meetings

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

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

The Board of Directors

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

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

Composition of the Board

The Board of IFIC Bank Limited consists of nine Members including Managing Director as Executive Director and ex-officio member of the Board. As per the guideline of Bangladesh Bank and as well as in compliance with the Bangladesh Securities and Exchange Commission's corporate governance guideline, the Board consists with three Independent Directors.

Re-election of Directors

In compliance of the Companies Act and Bank's Articles of Association, each Director, other than the Managing Director, retires by rotation once every three years and is required to stand for re-election by the shareholders at the annual general meeting.

Independent Director

To comply with corporate governance guidelines of Bangladesh Securities and Exchange Commission, the Board of Directors appointed three Independent Directors on the Board and approved by the shareholders in the Annual General Meeting. A full compliance report of the said guidelines is provided here.

Board Meetings

During the year 2013, there were 20 meetings of the Board. The attendance by directors at the Board meeting held during the year is provided here after.

Executive Committee

As approved by Bangladesh Bank, the Board has Executive Committee. The committee comprises three Members from the Board. In order to have functioning and quick disposal of credit proposals, the Board has delegated authority to Executive Committee of the Board to approve proposal within certain limit and it is observed to be effective to accelerate the various decisions which otherwise had to wait for Board meeting. The committee met 10 times during the year and played instrumental role for the Board in approving strategic plans and policy guidelines. The report of the Executive Committee is deployed here before.

Audit Committee

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

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

The report is given in this annual report.

Risk Management Committee

As asked by Bangladesh Bank, to assist the Board of Directors in fulfilling its oversight responsibilities and to play effective role in minimizing current and future risks arised on the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters, the Risk Management Committee has already been constituted. The Risk Management Committee in Management level has also been re-shuffled.

Directors' Remuneration

The non-executive directors (Directors other than Managing Director) of the Board representing shareholders do not take any remuneration or reimbursement of any expenses for attending Board meeting or for any other purpose. The Board members receive only BDT 5000.00 for attending the Board/Committee Meetings. The fees given to directors are disclosed in the note to the financial statements.

Management

The Managing Director, as directed by the Board of Directors, is the Chief Executive Officer (CEO) of the Bank. In terms of the financial, business and administrative authorities vested upon him by the Board, the CEO discharges

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

Financial, Statutory and Regulatory Reporting and compliance

In the preparation of quarterly, semi-annual and annual financial statements, the Bank has complied with the requirements of the Companies Act 1994, Bank Company Act (Amended) 2013 and rules and regulations of Bangladesh Bank, BSEC and stock exchanges. Status of various compliances is annexed here with.

Internal Control

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

External Audit

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

Audit and inspection by Bangladesh Bank

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

Proclamation to our Shareholders

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

Credit Ratings

The Bank is rated by Credit Rating Agency of Bangladesh Limited (CRAB). They have retained both the long term rating of the Bank to "AA2" and short term rating at "ST-2" which is valid till June 30, 2014.

Compliance of Regulatory Guidelines

The Bangladesh Securities and Exchange Commission (BSEC) issued corporate governance guidelines (Notification dated 07 August 2012), on 'comply' basis, the companies listed with stock exchanges. Through the said notification, BSEC has asked the listed companies to report the compliance status of the said notification in the annual report. Compliance report on the said corporate governance guidelines is given here. Status of compliance of Bangladesh Bank's guidelines for Corporate Governance is also annexed.

Compliance Report on BSEC Notification

The Bangladesh Securities and Exchange Commission (BSEC) requires all listed companies to report on the compliance of the conditions describes in BSEC’s notification dated 07 August 2012 on “Comply” basis. The Board of Directors of IFIC Bank Limited has taken appropriate steps to comply with the conditions as detailed here:

Annexure-I

Compliance of Condition No. 1.5 (xx): Board Meetings held during the year 2013 and attendance by each Director:

SL No	Name of the Directors	Position	No. of Meetings held	No. of Meetings attended	Remarks
01.	Mr. Salman F Rahman	Chairman	20	20	Directors who could not attend any Meeting were granted leave of absence by the Board.
02.	Mr. Mohammad Lutfar Rahman	Director	20	13	
03.	Mr. Monirul Islam	Independent Director	20	17	
04.	Mr. Syed Anisul Huq	Independent Director	20	13	
05.	Mr. Mohammed Nayem Syed	Independent Director	20	03	
06.	Mr. A. R. M. Nazmus Sakib	Govt. Nominated Director	20	16	
07.	Mr. Jalal Ahmed	Govt. Nominated Director	20	17	
08.	Mr. Arijit Chowdhury	Govt. Nominated Director	20	18	
09.	Mr. M. Shah Alam Sarwar	Managing Director & CEO	20	20	

Annexure-II

Compliance of Condition 1.5 (xxi): The pattern of Shareholding as on 31.12.2013

- (a) Parent/Subsidiary/Associated companies and other related parties: Nil
- (b) Directors, Chief Executive Officer (CEO), Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children:

SL	Name of the Directors	Shares held	Name of the Spouses	Shares held
01.	Mr. Salman F Rahman	* 7,615,189	Mrs. Syeda Rubaba Rahman	* 2,620,955
02.	Mr. Mohammad Lutfar Rahman	10,771,722	Mrs. Shoma Alam Rahman	11,648,642
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 7,563,352 nos. shares of Mr. Salman F Rahman and 2,620,955 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 Ministry of Finance, Govt. of the People’s Republic of Bangladesh against its holding of 124,658,077 nos. shares of the Bank.

Managing Director & CEO and his spouse and minor children	- Mr. M. Shah Alam Sarwar	Nil
Company Secretary and his spouse and minor children	- Mr. A. K. M. Mozharul Hoque	Nil
Chief Financial Officer and his spouse and minor children	- Mr. S. M. Abdul Hamid	Nil
Head of Internal Audit and his spouse and minor children	- Mr. Fariduddin Al-Mahmud	1,842

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

SL	Designation	Name	Shares held
01.	Deputy Managing Director (Business)	Mr. Mati-ul Hasan	Nil
02.	Deputy Managing Director & CRO	Mr. M. M. Haikal Hashmi	Nil
03.	Senior Executive Vice President	Ms. Alkona K. Choudhuri	Nil
04.	Executive Vice President	Mr. Md. Bader Kamal	Nil
05.	Executive Vice President	Mr. Md. Sharifur Rahman	Nil

(d) Shareholders holding ten percent (10%) or more voting interest in the Company: Govt. of the People's Republic of Bangladesh holds 124,658,077 nos. shares which is 32.75 percent of the total outstanding shares of the Bank.

Annexure-III

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

Report under condition no. 7 (ii)

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1	Board of Directors:			
1.1	Board's Size: Number of Board Members shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	Independent Directors:			
1.2 (i)	At least one fifth (1/5) of the total number of Directors of Board shall be Independent Directors	✓		
1.2 (ii)	Independent Directors means a Director:			
1.2 (ii) (a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	✓		
1.2 (ii) (b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or Director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	✓		
1.2 (ii) (c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2 (ii) (d)	Who is not a Member, Director or Officer of any Stock Exchange	✓		
1.2 (ii) (e)	Who is not a shareholder, Director or Officer of any Member of Stock Exchange or an intermediary of the capital market	✓		
1.2 (ii) (f)	Who is not a partner or an Executive or was not a partner or an Executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	✓		

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

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

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.5 (xxi)	Pattern of shareholding and name wise details (disclosing aggregate number of shares):			
1.5 (xxi)(a)	Parent/Subsidiary/Associated Companies and other related parties	✓		
1.5 (xxi)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children	✓		
1.5 (xxi)(c)	Executives (top five salaried employees other than stated in 1.5 (xxi)(b))	✓		
1.5 (xxi)(d)	Shareholders holding ten percent (10%) or more voting interest in the company	✓		
1.5 (xxii)	In case of the appointment/re-appointment of a director the company shall disclose:			
1.5 (xxii)(a)	A brief resume of the director	✓		
1.5 (xxii)(b)	Nature of his/her expertise in specific functional areas	✓		
1.5 (xxii)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
2	Chief Financial Officer (CFO), Head of Internal Audit (HIA) and Company Secretary (CS):			
2.1	Appointment of CFO, HIA and CS and defining their respective roles, responsibilities & duties	✓		
2.2	The CFO and the CS shall attend the meetings of the Board of Directors	✓		
3	Audit Committee:			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	✓		
3.1	Constitution of the Audit Committee:			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	✓		Constituted as per BB's circular
3.1 (ii)	The Board of Directors shall appoint Members of the Audit Committee who shall be Directors of the Company and shall include at least 1 (one) Independent Director	✓		
3.1 (iii)	All Members of the Audit Committee should be "financially literate" and at least 1 (one) Member shall have accounting or related financial management experience	✓		

Condition No.	Title	Compliance Status (✓ has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
3.1 (iv)	Expiration of the term of service of Audit Committee members making the number lower than 3(three) and fill up the vacancy(ies) by the Board not later than 1 (one) month from the date of vacancy(ies)	✓		
3.1 (v)	The Company Secretary shall act as the Secretary of the Committee	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director	✓		
3.2	Chairman of the Audit Committee:			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director	✓		
3.2 (ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		Shall be invited to remain present
3.3	Role of Audit Committee:			
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principles	✓		
3.3 (iii)	Monitor Internal Control Risk management process	✓		
3.3 (iv)	Oversee hiring and performance of external Auditors	✓		
3.3 (v)	Review along with the Management, the Annual Financial Statements before submission to the Board for approval	✓		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	✓		
3.3 (vii)	Review the adequacy of internal audit function	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the Management	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory Auditors	✓		
3.3 (x)	Disclosure of Audit Committee about the uses/applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/ prospectus			N/A
3.4	Reporting of the Audit Committee:			
3.4.1	Reporting to the Board of Directors:			
3.4.1 (i)	Reporting to the Board of Directors on the activities of the Audit Committee	✓		
3.4.1(ii)(a)	Reporting to Board of Directors on conflicts of interests			N/A
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system			N/A

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

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



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

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

The Company’s Responsibilities

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

Our Responsibilities

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

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

Conclusion

In our opinion, the company has complied with the conditions of corporate governance guidelines for the year ended 31 December 2013.

Dhaka, 3 April 2014

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

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Employees 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 for overall Human Resource Strategy to keep the company competitive and successful. The Compensation & 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 pay package competitive in the industry. Bank's compensation & benefits is designed in the following way:

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 adjusted by Cost of Living Adjustment so that real salary remain same which in fact ensure the purchasing capacity of the employees.

Pay for Performance:

These programs sometimes referred to as variable pay programs 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.

Management of IFIC Bank put one of the highest priorities on the employee's performance which will in turn increase the Bank's employees productivity & per employee profitability. The Management of the Bank has already introduced very modern and effective performance appraisal system based on the famous management theory MBO. Balanced Scorecard model has been followed in designing individual employees Key Performance Indicators (KPI) which will reflect the overall business performance of IFIC Bank. The compensation & benefits strategy of the Bank has a direct correlation with employee's performance management system.

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 employees can enjoy a comfortable family life. Bank also provides hospitalization insurance and group life insurance facilities to ensure the medical & social security for employee's family.

Long term 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 for long term committed employees. 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.

Process Re-engineering for Disbursement of Salary:

As a part of process re-engineering, Human Resource Management Division has automated the disbursement process of monthly salary to all regular employees of the bank in the year 2013 which has reduced man-hour significantly. A single disbursement point also ensures the compliance and reduced the operational risk involved in salary transactions and cash handling.

MEDIA HIGHLIGHTS-2013

IFIC Bank approves 10pc stock dividend

'The bank plans to launch the mobile banking service soon'



নেপাল বাংলাদেশ ব্যাংকে মালিকানা বাড়াতে চায় আইএফআইসি

নেপাল-বাংলাদেশ যুক্ত হয়ে একটি বড় বড় দেশ হয়ে উঠবে বলে মনে করেন বাংলাদেশের আইএফআইসি ব্যাংকের প্রধান নির্বাহী কর্মকর্তা সালমান ফারহান। তিনি বলেন, নেপাল-বাংলাদেশ যুক্ত হলে দুই দেশের মানুষের মধ্যে যোগাযোগের সুবিধা হবে এবং দুই দেশের মানুষের মধ্যে যোগাযোগের সুবিধা হবে।



DHAKA: Salman F Rahman (4th from right), chairman of the Board of Directors of IFIC Bank Limited, presiding over the bank's 36th annual general meeting at the Boshunghora Convention Center, 15th May 2013.



বাংলাদেশের ও আইএফআইসি ব্যাংকের চুক্তি

আইএফআইসি ব্যাংক ও বাংলাদেশ ডিজিটাল কমিউনিকেশনের মধ্যে একটি চুক্তি সম্পাদিত হয়েছে। গত দুই-দিনের প্রাক্কর্মে বাংলাদেশের ব্যাংকিং খাতে প্রথমবারের মতো একটি চুক্তি স্বাক্ষরিত হয়।



Misys Ltd. Chairman, Executive Committee and Director of IFIC Bank, and Frank Smith, President and Chief Bank Officer of Misys Bank-Fusion, are seen at an agreement signing ceremony at Misys headquarters in London recently.

Adopting High-Tech Core Banking System

IFIC Bank selects Misys Bank

IFIC Bank, one of the fastest growing banks in Bangladesh, has selected Misys Bank-Fusion as its core banking system. The bank is currently in the process of implementing the system across its branches.



Abdulath Abu Sayeed, chief executive of Biswastahitya Kendra, a non-profit organisation promoting reading habits, receives a cheque for Tk 10 lakh from Shah A Sarwar, managing director of IFIC Bank, at a programme in Dhaka recently.



Dhaka University treasurer Md Kamal Uddin and IFIC Bank managing director Shah A Sarwar exchange documents after signing a Trust Deed at the DU on Thursday. DU vice-chancellor AAMS Kadir Hossain was also present. IFIC Bank has donated over Tk 30 lakh to DU authorities to set up a library.



A two-day workshop on 'Leadership Excellence: Assessment, Evaluation & Capacity Building' organised by IFIC Bank for its officials in progress at a city hotel recently. SENSEI International supported the programme. Managing Director & CEO of the bank Shah A Sarwar and Managing Partner of SENSEI International Ranjan



DHAKA: Former President and Chairman of Uttara Women's Medical College Dr. AQM Badruddoza Chowdhury, inaugurating an IFIC Bank Cash Booth (Utility collection booth) at the college in Uttara on Monday.

CAMPUS CORNER



DHAKA: Managing Director and CEO of IFIC Bank Shah A Sarwar recently handed over a tablet to its Vice-Chancellor of Dhaka University Dr. AAMR Anwar Siddiqui and Provost & Dean of the Faculty of Education Dr. Elizabeth Khan at a ceremony.



IFIC Bank signs MoU with PRAN Group

DHAKA: Managing Director and CEO of IFIC Bank, and Managing Director of PRAN Dairy, exchange documents after signing an MoU at the bank's head office in Dhaka recently.

করপোর্টেট খবর



এয়ারটেল-আইএফআইসি ব্যাংক

গতকাল দেশের শীর্ষস্থানীয় ব্যাংক আইএফআইসি ব্যাংক সিডিটেক মোবাইল ব্যাংকিং সেবা বিকাসমান মোবাইল সেবা প্রদানকারী ছবিটেল-এয়ারটেল বাংলাদেশ সিডিটেকের সঙ্গে একটি

IFIC Bank to acquire more 25pc shares of Nepal Bangladesh Bank

FE Report

IFIC Bank Ltd will acquire more 25 per cent shares of Nepal Bangladesh Bank Limited (NB Bank).

"We are in the process to buy more 25 per cent shares of the bank and we are expecting the regulatory approval as soon as possible," Mohammad Lutfar Rahman, chairman of Nepal Bangladesh Bank Limited told The Financial Express.

Local IFIC Bank Ltd already owns 25 per cent shares of Nepal-Bangladesh Bank Ltd.



Lutfar Rahman

"I have been recently elected the chairman of the Kathmandu-based bank and it is a rare distinction for our banking industry," Rahman, also the chairman

of the executive committee of the board of directors of IFIC Bank Ltd said.

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 per cent equity from IFIC Bank Ltd. The Bank has so far opened 21 branches at different important locations in Nepal.

Another company-Nepal Bangladesh Finance & Leasing Ltd began operation

Continued to page 20

Signing Ceremony



Shah A Sarwar, Managing Director and CEO of IFIC Bank Limited, and Ziad Shatan, Managing Director and CEO of Banglalink Digital Communications Limited, exchanging documents after signing an agreement at the Corporate Head Office of Banglalink in Dhaka on Thursday.



IFIC Bank launched its own online remittance software 'Remit4U' for accelerating remittance flow from Oman and United Kingdom. Managing Director & CEO of the bank Shah A Sarwar inaugurated the operation of the software at a simple ceremony at the Head Office of the bank on Wednesday.



Managing Director of IFIC Bank Shah A Sarwar inaugurating the 107th branch of the Bank at Gouripur in Daudkandi (Comilla) on Sunday. Top executives and local dignitaries also attended the inaugural ceremony.

theindependent 13

DHAKA, SATURDAY JANUARY 4, 2014



Mostaque Hossain Chowdhury, senior assistant vice president and relationship manager of IFIC Bank, Dinajpur branch hands over a blanket to a resident of Dinajpur on Friday.



মেঘলায় আইএফআইসি ব্যাংকের শাখা উদ্বোধন

মেঘলের কোলাহলে আইএফআইসি ব্যাংকের ১১০তম শাখা উদ্বোধন করা হয়েছে। ব্যাংকের উপ-প্রবন্ধকের পরিচালিত ২৪তম শাখা, এশেমে আবুলক্বাসিম হাফিজ এবং এমএমএইচকেল হাশেমী পরিচালিত শাখাটি উদ্বোধন করেন। এদের বিধি অনুযায়ী ৩-লাকখানা ব্যক্তিরা আইএফআইসি ব্যাংকের দ্বারা পরিচালিত উদ্বোধন করেন।

গোপন। আইএফআইসি ব্যাংকের আর্থিক ও সাংগঠনিক বিবরণী নিয়ে মেঘলের উদ্বোধনী বৈঠকের চে শাখা উদ্বোধন করা হয়েছে। এক পাশে ব্যাংকের প্রধান উপ-প্রবন্ধক হাফিজের সঙ্গে মেঘলের প্রধান নির্বাহী।

IFIC Bank distributes warm clothes

IFF REPORTER

IAJPUR: International Finance Investment and

people under the banner of Corporate Social Responsibilities (CSR). Executives of the bank

Chowdhury, senior assistant vice president and relationship manager of IFIC Bank, Dinajpur branch, Md

A photograph of a woody branch from a flowering tree, possibly a cherry or plum, with several vibrant pink blossoms and small green leaves. The branch is set against a soft, light blue background. The text 'SHAREHOLDERS' INFORMATION' is overlaid in the center of the image.

SHAREHOLDERS' INFORMATION

Financial Highlights

Figure in Million BDT

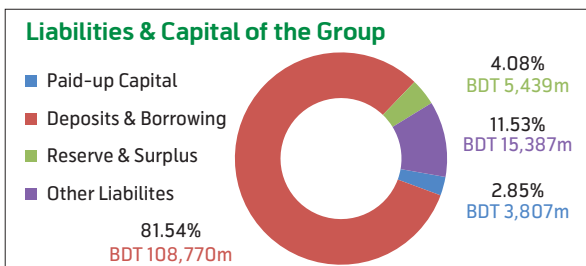
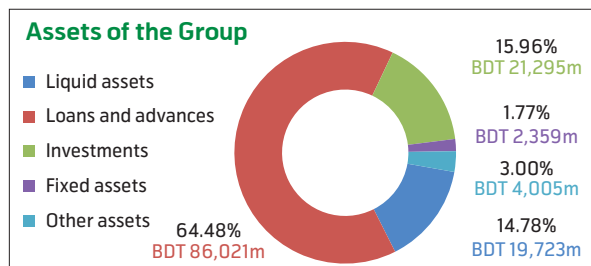
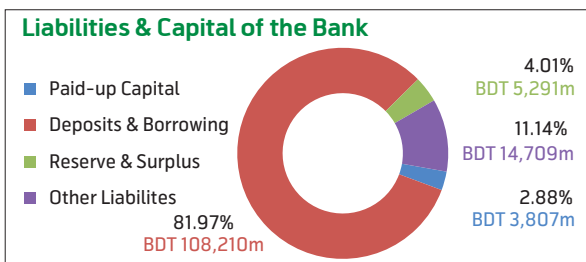
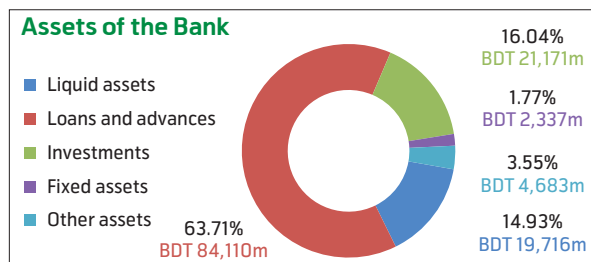
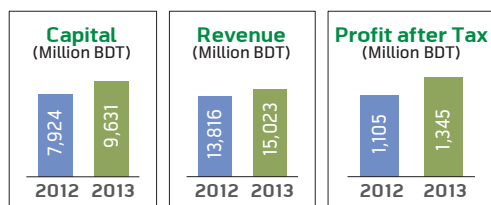
	Bank			Group		
	2013	2012	Change	2013	2012	Change
Financial Performance during the year						
Interest income	11,111	10,443	6%	11,157	10,520	6%
Profit before provision and tax	2,948	3,110	-5%	2,985	3,232	-8%
Provision for loans and assets	240	1,720	-86%	240	1,769	-86%
Profit after provision before tax	2,708	1,390	95%	2,745	1,462	88%
Tax including deferred tax	1,362	285	378%	1,374	329	318%
Profit after tax	1,345	1,105	22%	1,371	1,134	21%
Financial Position at the end of the year						
Total shareholders' equity	9,098	7,753	17%	9,246	7,866	18%
Total eligible capital	9,631	7,924	22%	9,769	8,036	22%
Deposits	107,778	92,433	17%	107,990	92,481	17%
Loans and advances	84,110	77,160	9%	86,021	78,446	10%
Investments	21,171	15,671	35%	21,295	15,836	34%
Property, plant and equipment	2,337	2,342	0%	2,359	2,368	0%
Total assets	132,017	114,729	15%	133,403	115,507	15%
Per Share Information						
Earnings per share (BDT)	3.53	2.90	22%	3.60	2.98	21%
Dividend (%) (Proposed for 2013)	15%	10%	50%	15%	10%	50%
Net assets value per share (BDT)	23.90	22.41	7%	24.28	22.73	7%
Ratios (%)						
Capital adequacy ratio	10.37%	10.18%	1.87%	10.32%	10.21%	1.08%
Liquidity Ratio	24.56%	21.95%	11.89%	24.56%	21.95%	11.89%
Non performing loans	3.77%	5.31%	-29.00%	3.77%	5.31%	-29.00%
Return on average equity	15.98%	15.43%	3.52%	16.02%	15.58%	2.82%
Return on average assets	1.09%	1.07%	1.87%	1.10%	1.09%	0.92%

Credit Rating

Long Term	-	AA2
Short Term	-	ST-2

Others

Number of employees	2,574	2,422
Number of branches	112	106
Number of SME branches	-	2



Five Years Performance of the Bank

Key Financial Data and Indicators

Figure in Million BDT

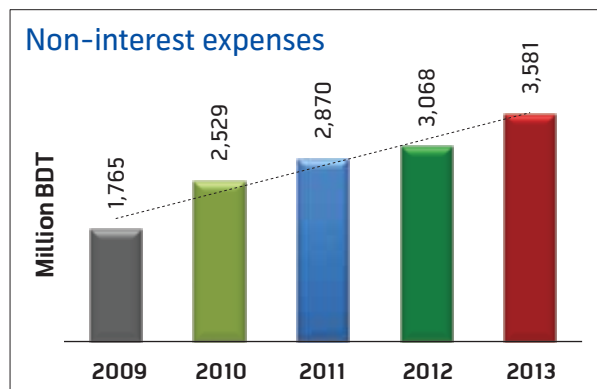
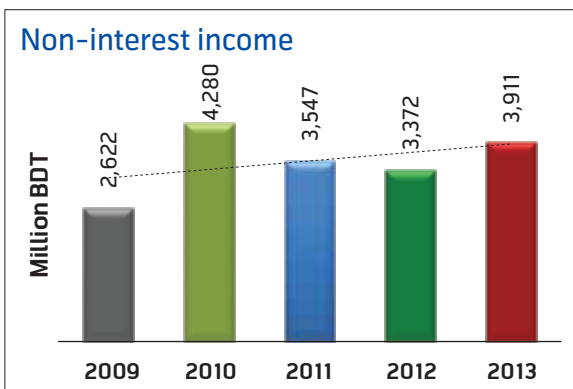
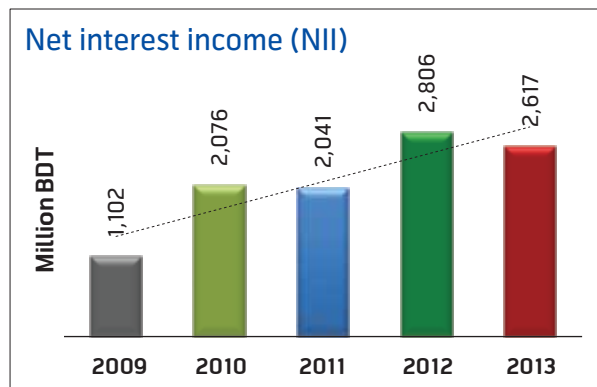
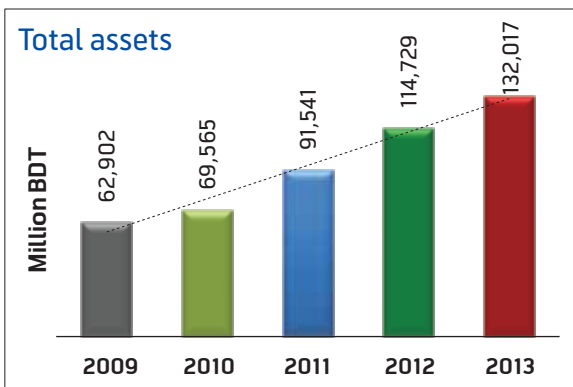
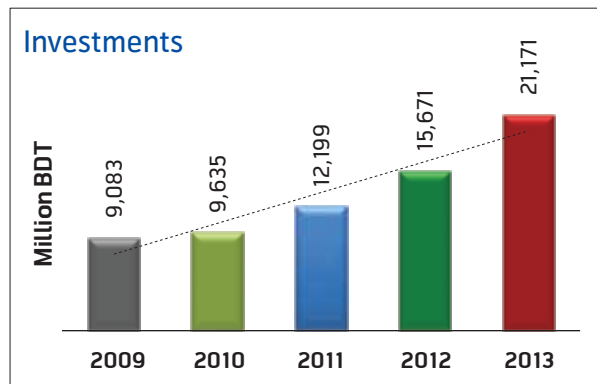
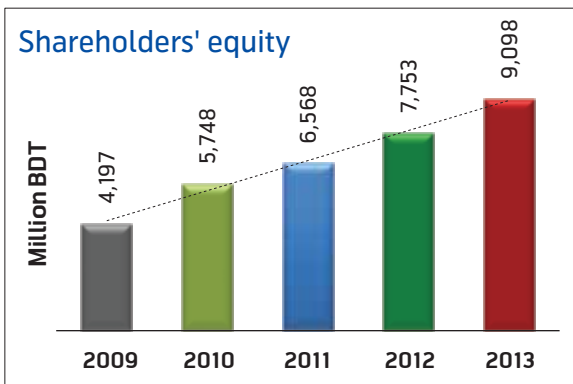
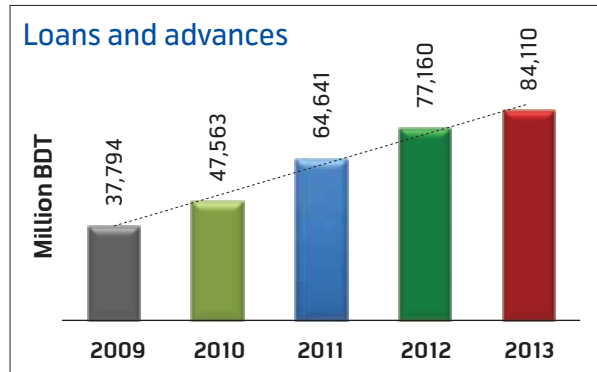
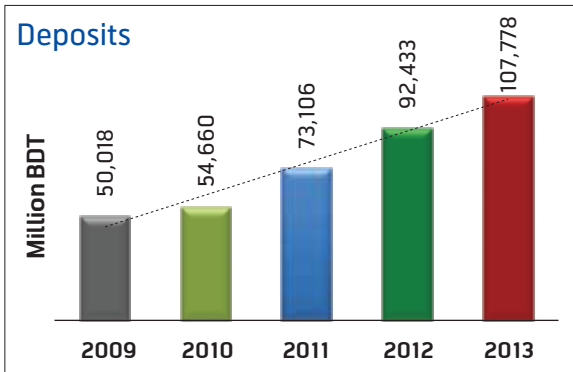
Particulars	2013	2012	2011	2010	2009
Financial Position Matrix					
Authorized capital	20,000	20,000	5,350	5,350	5,350
Paid-up capital	3,807	3,460	2,768	2,180	1,744
Shareholders' equity	9,098	7,753	6,568	5,748	4,197
Deposits	107,778	92,433	73,106	54,660	50,018
Borrowings	432	874	1,419	-	1,250
Total liabilities	122,919	106,975	84,939	63,817	58,704
Loans and advances	84,110	77,160	64,641	47,563	37,794
Investments	21,171	15,671	12,199	9,635	9,083
Fixed assets	2,337	2,342	2,204	2,060	616
Interest earning assets	109,474	94,235	78,675	58,896	54,405
Non-interest earning assets	22,543	20,494	12,866	10,669	8,497
Total assets	132,017	114,729	91,541	69,565	62,902
Total off-balance sheet items	42,304	36,502	36,232	33,112	21,367
Financial Performance Matrix					
Interest income	11,111	10,443	6,696	4,641	3,872
Interest expenses	8,494	7,637	4,655	2,565	2,770
Net interest income (NII)	2,617	2,806	2,041	2,076	1,102
Non-interest income	3,911	3,372	3,547	4,280	2,622
Non-interest expenses	3,581	3,068	2,870	2,529	1,765
Net non-interest income	330	304	677	1,751	857
Investment income	2,170	1,814	1,778	1,541	1,391
Profit before provision and tax	2,948	3,110	2,718	3,827	1,960
Provision for loans and assets	240	1,720	857	660	310
Profit after provision before tax	2,708	1,390	1,861	3,167	1,650
Tax including deferred tax	1,362	285	1,113	1,520	750
Profit after tax	1,346	1,105	748	1,647	900
Trade Business Matrix					
Foreign Exchange Business	183,791	179,162	168,087	131,903	111,106
Import	84,899	80,710	71,517	62,467	43,717
Export	83,118	84,147	83,846	55,981	54,244
Remittance	15,774	14,305	12,724	13,455	13,145
Guarantee Business	6,159	5,329	4,428	4,338	3,683
Capital Measure Matrix (under Basel-II)					
Risk weighted assets (RWA)	92,915	77,799	76,856	68,627	36,522
Core capital (Tier-1)	8,324	6,738	6,569	5,737	4,045
Supplementary capital (Tier-2)	1,307	1,185	1,215	976	884
Total capital/Regulatory capital	9,631	7,923	7,784	6,714	4,929
Tier-I capital adequacy ratio	8.96%	8.66%	8.55%	8.36%	11.07%
Tier-II capital adequacy ratio	1.41%	1.52%	1.58%	1.42%	2.42%
Total capital adequacy ratio	10.37%	10.18%	10.13%	9.78%	13.50%

Key Financial Data and Indicators

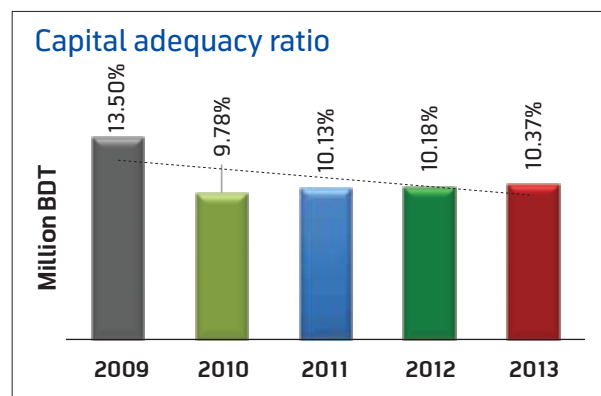
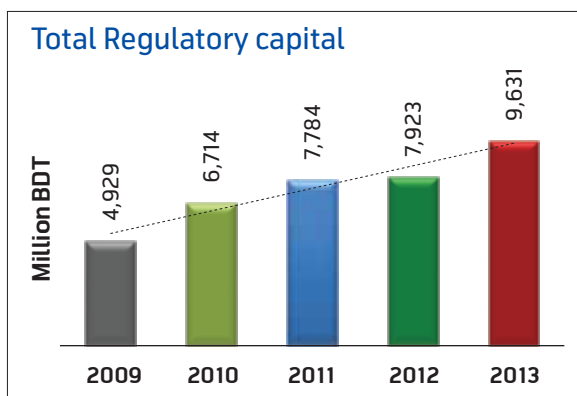
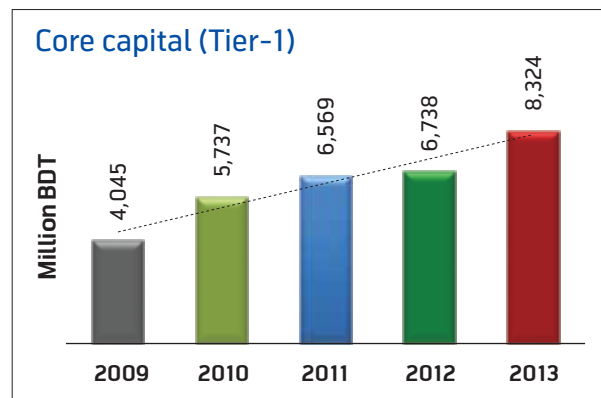
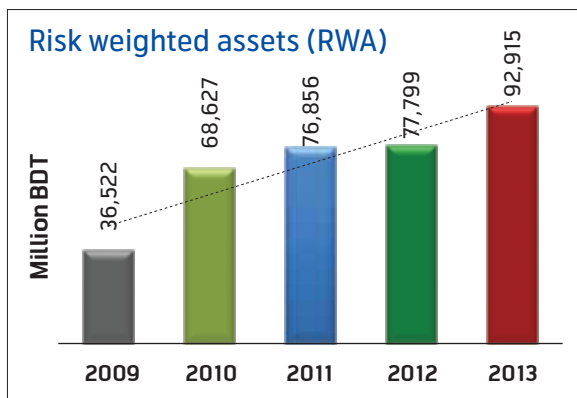
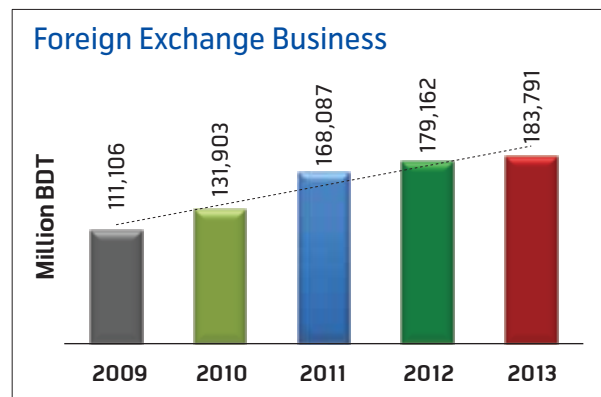
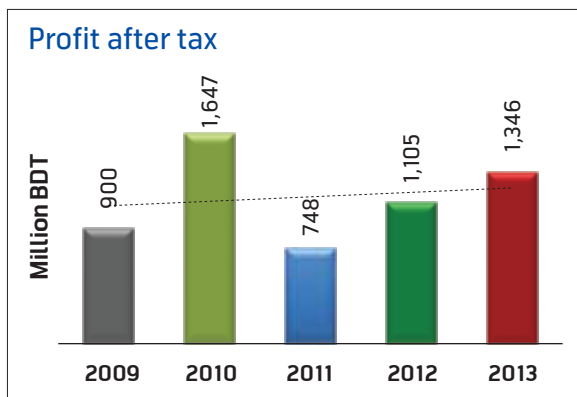
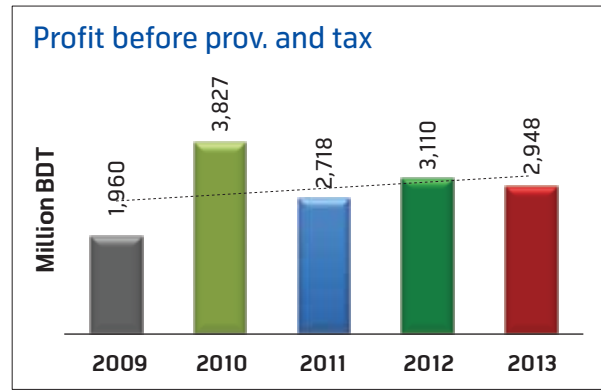
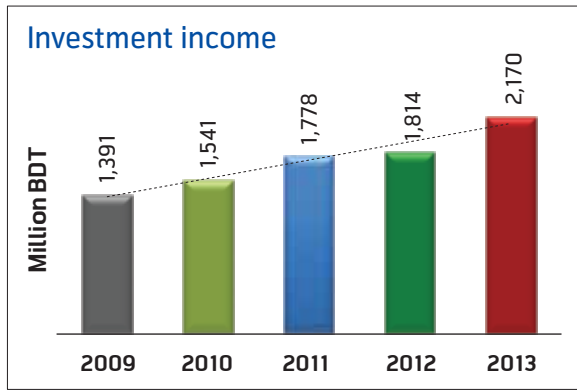
Figure in Million BDT

Particulars	2013	2012	2011	2010	2009
Credit Quality Matrix					
Non-performing/classified loans (NPLs)	3,168	4,096	2,578	2,264	2,320
Specific Provision for classified loans	1,620	2,210	1,002	1,323	952
General Provision for unclassified loans	812	753	793	614	511
NPLs to total loans and advances	3.77%	5.31%	3.99%	4.76%	6.14%
Share Information Matrix					
Number of shares outstanding	380.65	346.05	276.84	217.98	174.39
Number of shareholders	49,196	40,295	38,007	37,773	34,152
Market price per share (BDT)	34.30	36.20	67.60	142.08	92.03
Operating profit per share (BDT)	7.74	8.99	9.82	17.56	11.24
Earnings per share (BDT)	3.53	2.90	2.16	5.95	4.12
Dividend (Proposed for 2013)	15.00%	10.00%	30.00%	27.00%	25.00%
Cash	0.00%	0.00%	5.00%	0.00%	0.00%
Stock	15.00%	10.00%	25.00%	27.00%	25.00%
Effective dividend ratio	15.72%	11.11%	33.57%	30.00%	28.27%
Dividend coverage ratio (times)	2.36	3.19	0.90	2.80	2.06
Market capitalization (Million BDT)	13,056	12,527	18,714	30,971	16,049
Net asset value (NAV) per share (BDT)	23.90	22.41	23.85	26.37	24.07
Price earning ratio (times)	9.72	12.48	31.30	23.88	22.34
Profitability Ratio (%)					
Return on average assets (ROA)	1.09%	1.07%	0.93%	2.49%	1.66%
Return on average equity (ROE)	15.98%	15.43%	12.15%	33.12%	22.52%
Loans and advances to deposits ratio	78.04%	83.48%	88.42%	87.02%	75.56%
Net interest margin on average earning assets	2.57%	3.25%	2.97%	3.66%	2.34%
Net non-interest margin on average earning assets	0.32%	0.35%	0.98%	3.09%	1.82%
Yield on average loans and advances	12.18%	13.40%	12.72%	13.47%	11.96%
Cost of fund on average deposit	6.88%	7.40%	5.78%	3.87%	5.10%
Administrative cost	2.90%	2.97%	3.56%	3.82%	3.25%
Spread	2.39%	3.02%	3.37%	5.78%	3.61%
Cost to income ratio	54.86%	49.66%	51.36%	39.79%	47.40%
Gross profit ratio	43.46%	44.72%	54.55%	71.25%	57.35%
Profit per employee	1.15	1.28	1.14	1.65	0.89
Liquidity Ratio (%)					
Equity to debt ratio	7.40%	7.25%	7.73%	9.01%	7.15%
Cash reserve ratio (CRR)	6.00%	6.18%	6.15%	6.22%	5.22%
Statutory liquidity ratio (SLR)	24.56%	21.95%	20.97%	20.04%	24.15%
Other information (Figure in Number)					
Number of employees	2,574	2,422	2,383	2,315	2,193
Number of branches	112	106	99	95	82
Number of SME centers	-	2	2	2	5
Number of correspondent banks	464	401	387	359	341
Number of ATMs	50	46	12	5	5
Number of deposit account	389,592	387,150	310,057	209,248	189,152
Number of loan account	29,315	22,981	21,974	19,882	19,039
Average deposit (Million BDT)	100,106	82,770	63,883	52,339	43,055
Average loans & advances (Million BDT)	80,635	70,901	56,102	42,679	35,406
Average total assets (Million BDT)	123,373	103,135	80,553	66,234	54,316
Average earning assets (Million BDT)	101,855	86,455	68,786	56,651	47,086
Average equity (Million BDT)	8,426	7,161	6,158	4,973	3,997

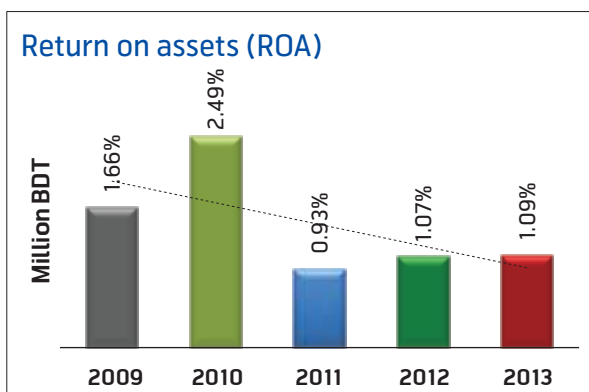
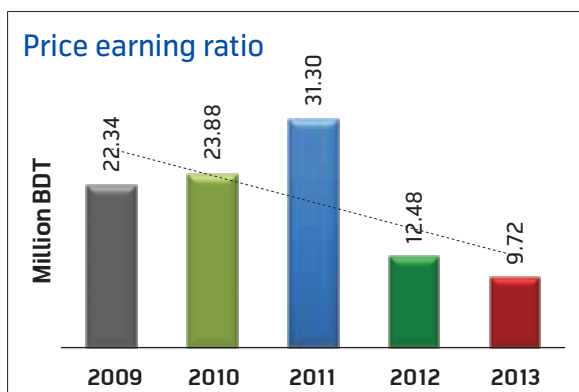
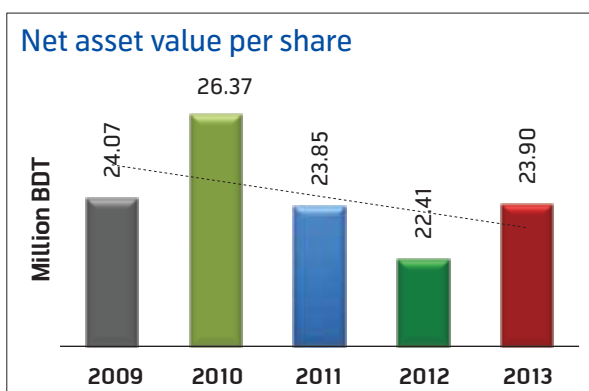
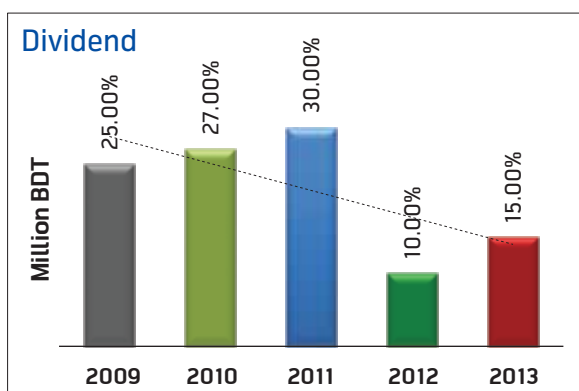
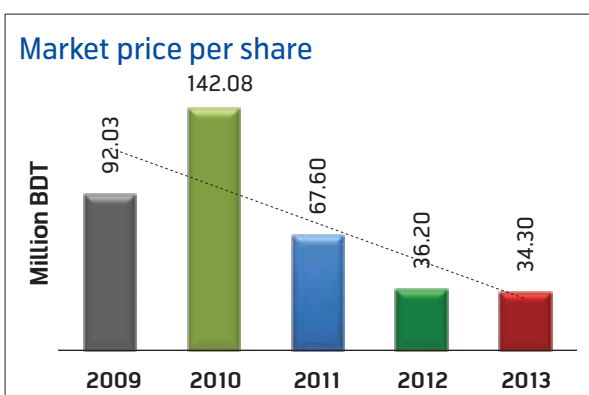
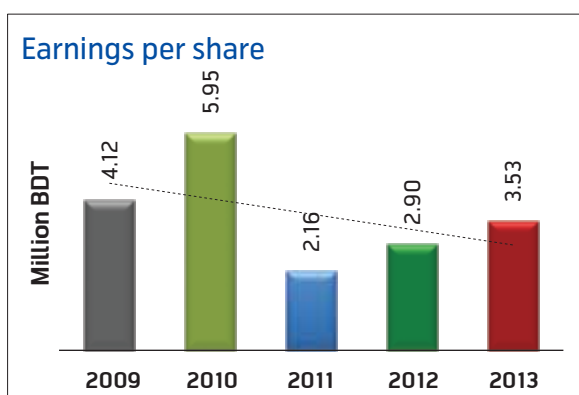
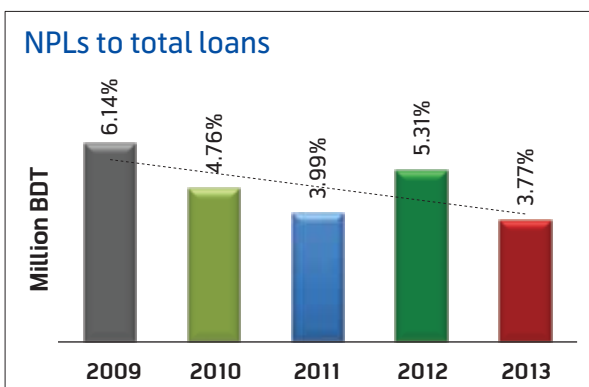
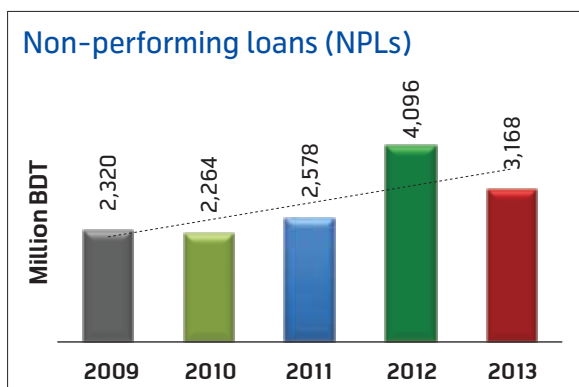
Graphical Presentation



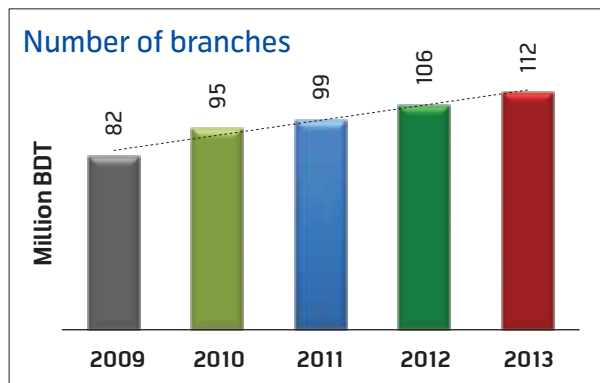
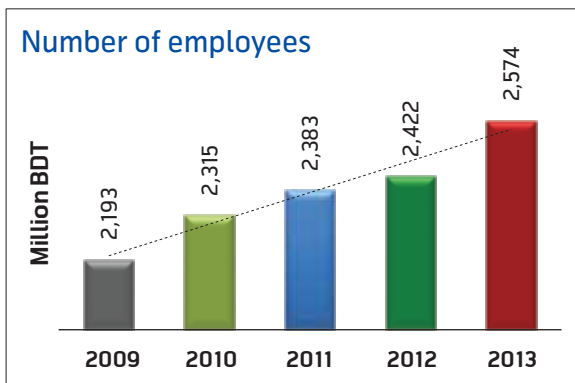
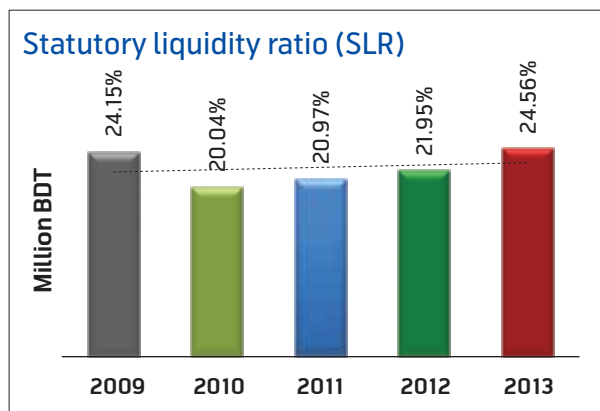
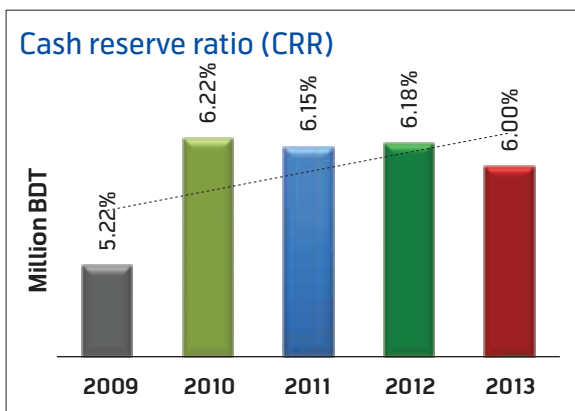
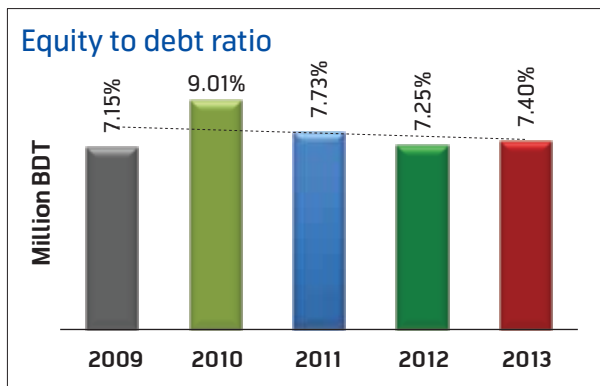
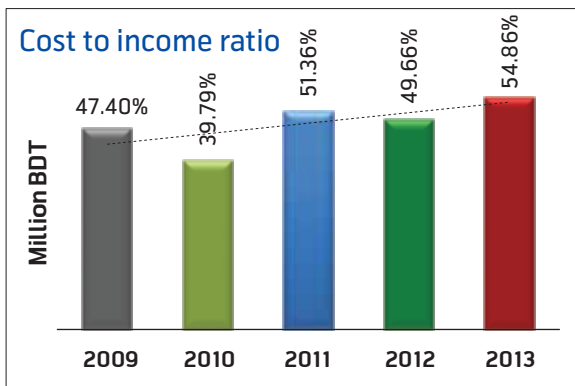
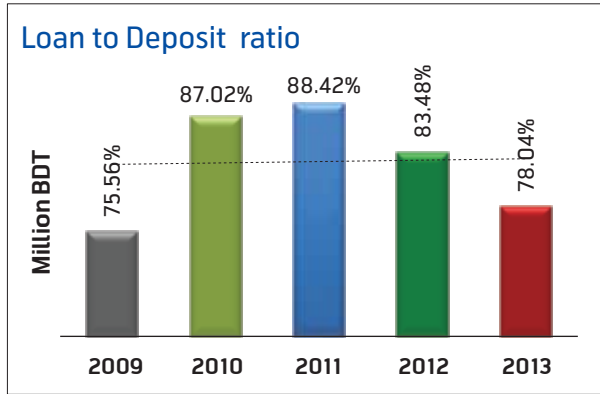
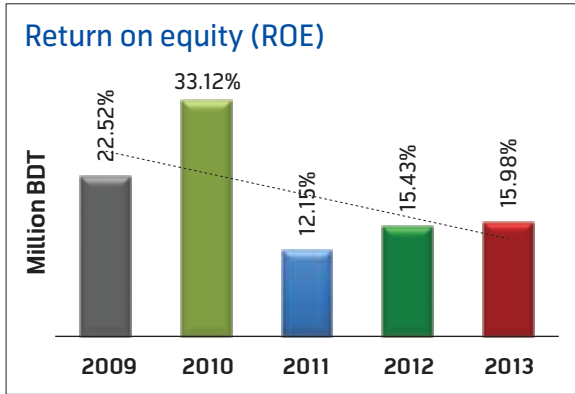
Graphical Presentation



Graphical Presentation



Graphical Presentation



Directors' Shareholding Status

Sl. No.	Name of the Directors	Status	% of Share as at 31 December 2013	% of Share as at 31 December 2012
1	Mr. Salman F Rahman	Chairman	*2.00	2.00
2	Mr. Mohammad Lutfar Rahman	Director	2.83	2.83
3	Mr. Monirul Islam	Independent Director	Nil	Nil
4	Mr. Syed Anisul Huq	Independent Director	Nil	Nil
5	Mr. Mohammed Nayem Syed	Independent Director	Nil	Nil
6	Mr. A. R. M. Nazmus Sakib **	Govt. nominated Director	32.75	32.75
7	Mr. Jalal Ahmed **	Govt. nominated Director		
8	Mr. Arijit Chowdhury **	Govt. nominated Director		
9	Mr. M. Shah Alam Sarwar	Managing Director & CEO	Nil	Nil

* The ownership of 7,563,352 nos. shares (1.987%) i.e. 807,470 nos. paper shares along with 6,755,882 nos. bonus shares kept in Suspense Account is pending with the Appellate Division of the Supreme Court in Civil Misc. Petition No. 417 of 2009.

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

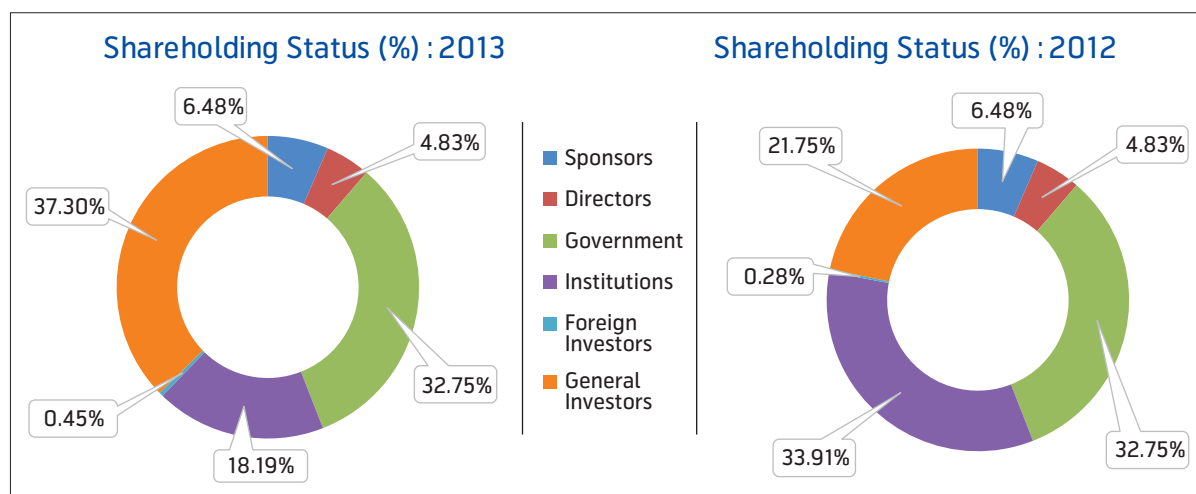
Distribution of Shareholding

As on December 31, 2013 total holding of shares by the Sponsors, Directors & Government is 44.06% which are tradeable subject to prior intimation to the BSEC & the Stock Exchanges and the rest 55.94% are in free float.

Category	2013			2012		
	No. of Shares held	%	Taka	No. of Shares held	%	Taka
Sponsors	24,682,064	6.48	246,820,640	22,438,246	6.48	224,382,460
Directors	18,386,911	4.83	183,869,110	16,715,375	4.83	167,153,750
Government	124,658,077	32.75	1,246,580,770	113,325,525	32.75	1,133,255,250
Institutions	69,254,932	18.19	692,549,320	117,338,423	33.91	1,173,384,230
Foreign Investors	1,727,320	0.45	17,273,200	955,111	0.28	9,551,110
General Investors	141,942,808	37.30	1,419,428,080	75,274,695	21.75	752,746,950
Total	380,652,112	100	3,806,521,120	346,047,375	100	3,460,473,750

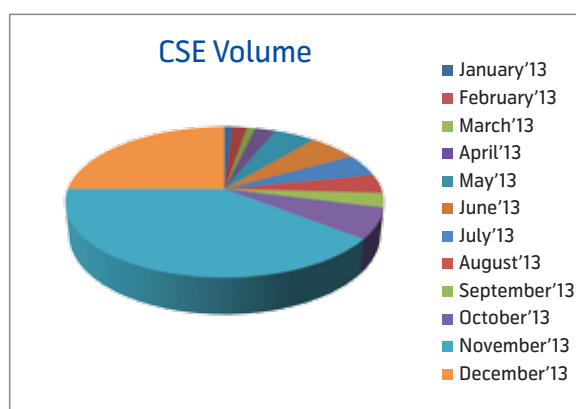
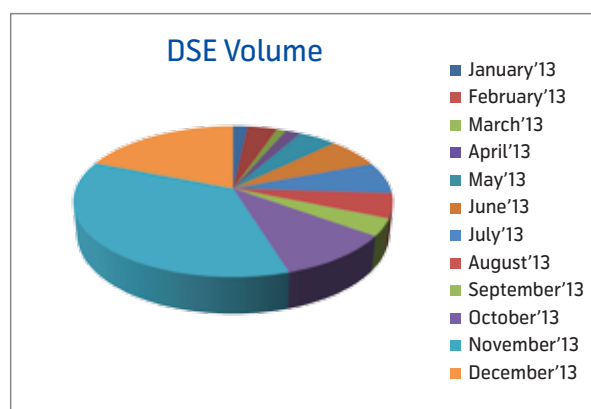
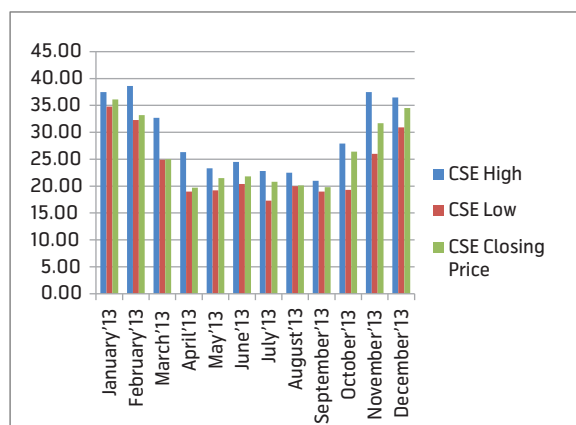
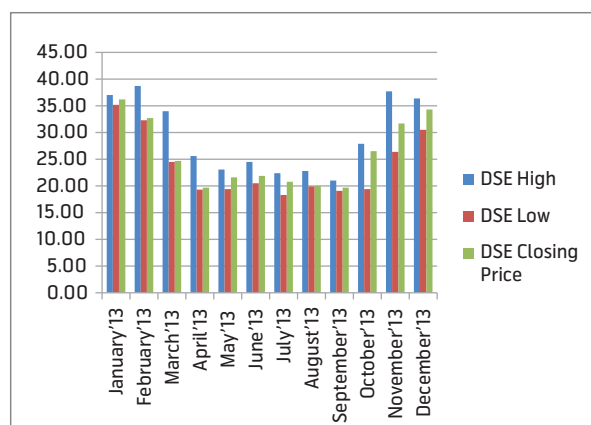
* Mr. Salman F Rahman being a Sponsor Director, his shares is shown against Directors Category.

** 03 (Three) Directors are nominated to the Board of the Bank by the Ministry of Finance, Govt. of the People's Republic of Bangladesh against its holding of 32.75% shares in the Company.



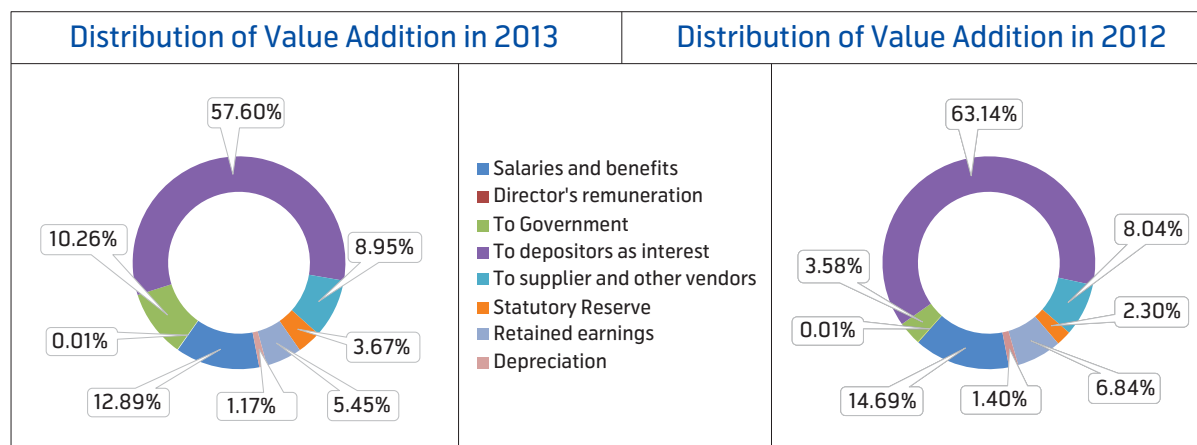
Market Price Information

Month	DSE				CSE				Total Volume on DSE & CSE
	High	Low	Closing Price	Volume	High	Low	Closing Price	Volume	
January'13	37.00	35.20	36.20	2,229,839	37.50	34.80	36.10	105,860	2,335,699
February'13	38.70	32.30	32.70	4,577,765	38.60	32.30	33.20	214,871	4,792,636
March'13	34.00	24.50	24.70	1,488,890	32.70	24.90	25.00	123,501	1,612,391
April'13	25.60	19.30	19.70	2,339,179	26.30	19.00	19.70	291,157	2,630,336
May'13	23.10	19.40	21.60	5,899,719	23.30	19.20	21.50	600,917	6,500,636
June'13	24.50	20.50	21.90	8,277,053	24.50	20.40	21.80	704,720	8,981,773
July'13	22.40	18.30	20.80	8,833,442	22.80	17.30	20.80	580,449	9,413,891
August'13	22.80	19.90	20.00	6,730,895	22.50	20.00	20.10	483,952	7,214,847
September'13	21.00	19.10	19.70	4,785,047	21.00	19.00	19.80	367,542	5,152,589
October'13	27.90	19.40	26.50	13,205,133	27.90	19.30	26.40	782,630	13,987,763
November'13	37.70	26.40	31.70	46,188,539	37.50	26.00	31.70	4,742,806	50,931,345
December'13	36.40	30.50	34.30	24,541,055	36.50	30.90	34.50	2,995,877	27,536,932



Value Added Statement

Value added is a measure of wealth creation by IFIC Bank Limited through its banking and others financial services for its stakeholders. Value added is measured as gross revenue from banking and other financial services minus the cost of services. It provides a useful and interesting alternative to a traditional income statement.



Value Added Statement as at 31

Figure in BDT

Value added by banking services	31 December 2013	%	31 December 2012	%
Gross income from banking services	15,023,093,159		13,815,463,110	
Provision and written-off for loans, investments and other assets	(275,937,579)		(1,720,299,882)	
Net Value Added	14,747,155,580	100%	12,095,163,229	100%

Distribution of Value Addition	31 December 2013	%	31 December 2012	%
To Employees & Directors:				
Salaries and benefits	1,901,290,433	12.89%	1,777,114,681	14.69%
Director's remuneration	900,000	0.10%	1,285,000	0.01%
To depositors as interest	8,494,157,902	57.60%	7,636,960,088	63.14%
To supplier and other vendors	1,320,256,097	8.95%	972,089,292	8.04%
To Government:	1,512,631,540	10.26%	433,003,079	3.58%
Income Tax	1,362,221,188		284,936,625	
VAT, Customs Duty and Others	150,410,352		148,066,454	
Retainments for future business growth				
Statutory Reserve	541,542,242	3.67%	278,016,584	2.30%
Retained earnings	803,947,782	5.45%	827,129,713	6.84%
Depreciation	172,429,584	1.17%	169,564,792	1.40%
Total Wealth Distributed and Retained	14,747,155,580	100%	12,095,163,229	100%

Economic Value Added (EVA) Statement

Economic Value Added (EVA) is a measure of profitability which takes into consideration the cost of total invested equity. It focuses on managerial effectiveness in a given year. Economic value added measures the residual income for the business that remains after all businesses costs including the opportunity cost of employed capital of the Bank. EVA depends on both operating efficiency as well as Balance Sheet management. 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 plus the amount of provision charged against profit to absorb the losses inherent in the investments.

EVA Statement for the year ended 31 December

Figure in BDT

Particulars	2013	2012	2011
Shareholders' equity	9,097,850,796	7,753,401,832	6,602,019,151
Add: Accumulated provision for loans, investments and other assets	3,696,176,653	3,900,916,653	2,584,147,880
Total capital employed	12,794,029,462	11,654,320,498	9,186,169,042
Average capital employed	12,224,174,980	10,420,244,770	8,689,727,223
Earnings			
Profit after tax	1,345,490,024	1,105,146,297	747,975,574
Add: Provision and written-off for loans, investments and other assets during the year	1,573,689,879	2,070,700,118	589,533,216
	2,919,179,903	3,175,846,415	1,337,508,790
Average cost of equity (based on weighted average rate of 10 years treasury bond issued by Bangladesh Government) plus 2% risk premium	14.16%	13.80%	13.25%
Cost of average capital employed	1,730,943,177	1,437,993,778	1,151,388,857
Economic value added	1,188,236,726	1,737,852,637	186,119,933

Market Value Added Statement

Market Value Added (MVA) is the difference between the current market value of the Bank and the capital contributed by shareholders. It reflects the bank's performance which is evaluated based on share price. Positive and higher MVA indicate that the bank has created substantial wealth for its shareholders. On the other hand negative MVA indicates that the wealth of the bank is lower than the capital contributed by the investors.

Market Value Added Statement as at 31 December 2013:

Figure in BDT

Particulars	2013	2012
Face Value per share	10	10
Market Value per share	34.30	36.20
Number of shares	380,652,112	346,047,375
Market value	13,056,367,442	12,526,914,975
Book value	3,806,521,120	3,460,473,750
Market value added	9,249,846,322	9,066,441,225

DuPont Analysis

Particulars	Formula	2013	2012	2011
Return on Equity (ROE)	Profit margin*Asset turnover*Equity multiplier	14.79%	14.25%	11.33%
Net Profit Margin	Net income after tax/Total operating revenue	8.96%	8.00%	7.30%
Total Asset Turnover	Total operating revenue/Total Assets	11.38%	12.04%	11.19%
Equity Multiplier	Total Assets/Total Equity Capital	14.51	14.80	13.87

Financial Calendar 2013

Quarter and year end result

Audited Financial Statements for the year ended 31 December 2012	Approved on	28 March 2013
Unaudited Financial Statements for the first quarter ended 31 March 2013	Approved on	9 May 2013
Unaudited Financial Statements for the half year ended 30 June 2013	Approved on	28 July 2013
Unaudited Financial Statements for the third quarter ended 30 September 2013	Approved on	24 October 2013

Dividends

Compliance under listing Regulation 30	25 March 2013
Price Sensitive Disclosure	28 March 2013
Record Date	11 April 2013
Notice of the 36 th Annual General Meeting	25 April 2013
Date of Annual General Meeting	12 May 2013
Distribution of 10% Stock Dividend for the year ended 31 December 2012	26 May 2013

Rights Share Offer

Approved by the Shareholders in the 35 th AGM	11 July 2012
Rights Offer was filed to BSEC	25 July 2012
BSEC expressed its inability to consider the Rights Offer proposal [For failure to comply with the condition under rule 3(d) of the Bangladesh Securities and Exchange Commission (Rights Issue) Rules, 2006 regarding underwriting of the issue fully by the underwriters on a firm commitment basis.]	16 July 2013
Price Sensitive Information on BSEC's above decision	17 July 2013

Taxation on Dividend Income

As per current fiscal act, stock dividend is tax exempted and in case of cash dividend the rate of tax deduction at source on dividend income is as follows:

If the shareholder is a resident or a non-resident company, at the rate of 20%

If the shareholder is a resident person or a non-resident Bangladeshi, at the rate of 10%

If the shareholder is a non-resident, at the rate of 25%

Taxation on Capital Gain

Capital gain arising from transfer of Government Securities is tax exempted.

Capital gain arising from transfer or sale of Stocks and Shares of publicly listed company with stock exchanges is taxable at the rate of 10%.

For non-resident tax exemption on capital gain shall be allowed if the similar exemption is allowed in the country of residence of the non-resident.

Other Information

Stock Details

Particulars	DSE	CSE
Stock Symbol	IFIC	IFIC
Company Code	11103	22010
Listing Year	1986	1997
Market Category	A	A
Electronic Share	Yes	Yes
Face Value (BDT)	10.00	10.00
Market Lot (number)	50	50
Total Number of Securities	380,652,112	380,652,112

Availability of Information about IFIC

Annual Report and other information about the IFIC Bank may be obtained from the bank's website www.ificbankbd.com. Copies of Annual Report also submitted to the Bangladesh Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange and Chittagong Stock Exchange.

Shareholders Inquiries

Share Department, BDBL Bhaban(10th Floor), 8 Rajuk Avenu, Dhaka-1000
PABX-02-9563020, Email: info@ificbankbd.com, Web: www.ificbankbd.com

Glimpses of the 36th AGM



Glimpses of the 36th AGM



Market Discipline- Disclosures on Risk Based Capital Under Basel-II

as on 31 December 2013

(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).	<p>IFIC Bank Limited has two wholly owned Subsidiary Companies viz. (i) IFIC Securities Limited and (ii) IFIC Money Transfer (UK) Limited.</p> <p>A brief description of the Bank and its subsidiaries are given below:</p> <p>IFIC Bank Limited</p> <p>International Finance Investment and Commerce Bank Limited (IFIC Bank) is banking company incorporated in the People's Republic of Bangladesh with limited liability. It was set up at the instance of the Government in 1976 as a joint venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint venture banks/financial institutions abroad. In 1983 when the Government allowed banks in the private sector, IFIC was converted into a full fledged commercial bank. 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 112 branches all over Bangladesh, undertook massive expansion program of ATM and opened 4 new ATMs in 2013 raising the total ATM to 50. 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.</p> <p>The principal activities of the Bank are to provide all kinds of commercial banking services to its customers through its branch in Bangladesh.</p>
			<p>Subsidiaries of IFIC :</p> <p>i) IFIC Securities Limited :</p> <p>IFIC Securities Limited a subsidiary company of IFIC Bank Limited was incorporated on 02 November 2010 as a Public limited company under the Companies Act 1994 vide certificate of incorporation no. C-87904/10. The main objective of the company is to carry on business of stock brokers/ dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the company. The operation of the company started on 10 March 2011.</p>

			<p>ii) IFIC Money Transfer (UK) Limited:</p> <p>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. It 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 31 August 2011. The registered office is located at Ferrari House, 2nd Floor, 102 College Road, Harrow, Middlesex, United Kingdom HAI IES, London, UK.</p>
	(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.
Qualitative 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.	Nil

b) Capital structure

Qualitative Disclosures	(a)	<p>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.</p>	<p>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. The Government of the People's Republic of Bangladesh now holds 32.75% of the share capital of the Bank. Directors and Sponsors having vast experience in the field of trade and commerce own 11.31% of the share capital and the rest is held by the 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, and 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.</p>
Quantitative Disclosures	(b)	<p>The amount of Tier 1 capital, with separate disclosure of:</p> <p>Paid up capital</p> <p>Non-repayable share premium account</p> <p>Statutory reserve</p>	<p style="text-align: right;"><i>Figs in crore Tk.</i></p> <p style="text-align: right;">380.65</p> <p style="text-align: right;">0.00</p> <p style="text-align: right;">337.41</p>

Quantitative Disclosures	(b)	General reserve	5.58
		Retained earnings	186.81
		Minority interest in subsidiaries	0.00
		Non-cumulative irredeemable preference shares	0.00
		Dividend equalization account	0.00
	(c)	The total amount of Tier 2 and Tier 3 capital.	130.67
(d)	Other deductions from capital.	64.23	
(e)	Total eligible capital.	976.88	

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 01 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 10.32% as on 31 December 2013, whereas Minimum Capital Requirement (MCR) is 10% from 01 July 2011 as per BRPD circular No.10 dated 10 March 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.
Qualitative Disclosures	(b)	Capital requirement for Credit Risk	794.40
	(c)	Capital requirement for Market Risk	65.72
	(d)	Capital requirement for Operational Risk	86.62
	(e)	Total and Tier 1 capital ratio:	
		• For the consolidated group; and	86.62%
		• For stand alone	86.43%

Figs in crore Tk.

d) Credit Risk

Quantitative Disclosures	(a)	The general qualitative disclosure requirement with respect to credit risk, including:	
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<p>Quantitative Disclosures</p>	<ul style="list-style-type: none"> • Definitions of past due and impaired (for accounting purposes); 	<p>As per relevant Bangladesh Bank guidelines, the Bank defines the past due and impaired loans and advances for strengthening the credit discipline and mitigating the credit risk of the Bank. The impaired loans and advances are defined on the basis of (i) Objective / Quantitative Criteria and (ii) Qualitative judgment. For this purposes, all loans and advances are grouped into four (4) categories namely- (a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan and (d) Short-term Agricultural & Micro Credit.</p> <p>Definition of past due/over due:</p> <p>i) Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/ overdue from the following day of the expiry date;</p> <p>ii) Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date;</p> <p>iii) In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue from the following day of the expiry date;</p> <p>iv) The Short-term Agricultural and Micro-Credit if not repaid within the fixed expiry date for repayment will be considered past due/overdue after six months of the expiry date. However, a continuous loan, demand loan or a term loan which will remain overdue for a period of 02 (two) months or more, will be put into the “Special Mention Account (SMA)”, the prior status of becoming the loan into impaired/classified/ nonperforming.</p> <p>Definition of impaired/classified /non-performing loans and advances are as follows:</p> <p>Continuous loan are classified are as follows:</p> <p>Substandard: If it is past due /overdue for 3 (three) months or beyond but less than 6 (six) months;</p> <p>Doubtful: If it is past due / overdue for 6 (six) months or beyond but less than 9 (nine) months;</p> <p>Bad/Loss: If it is past due / overdue for 9 (nine) months or beyond</p> <p>Demand loan are classified are as follows:</p> <p>Substandard: If it remains past due/overdue for 3 (three) months or beyond but not over 6 (six) months from the date of expiry or claim by the Bank or from the date of creation of forced loan;</p>
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			<p>Doubtful: If it remains past due / overdue for 6 (six) months or beyond but not over 9 (nine) months from the date of expiry or claim by the Bank or from the date of creation of forced loan;</p> <p>Bad/Loss: If it remains past due / overdue for 9 (nine) months or beyond from the date of expiry or claim by the Bank or from the date of creation of forced loan.</p> <p>Fixed Term Loans are classified are as follows:</p> <p>a) In case of any installment (s) or part of installment (s) of a Fixed Term Loan amounting up-to Taka 10 lacs is not repaid within the due date, the classification is as under:</p> <p>Substandard : If the amount of past due installment is equal to or more than the amount of installment (s) due within 6 (six) months, the entire loan will be classified as 'Sub- standard';</p> <p>Doubtful: If the amount of past due installment is equal to or more than the amount of installment (s) due within 9 (nine) months, the entire loan will be classified as 'Doubtful';</p> <p>Bad/Loss: If the amount of past due installment is equal to or more than the amount of installment (s) due within 12 (twelve) months, the entire loan will be classified as 'Bad/Loss';</p> <p>Short-term Agricultural and Micro-Credit: The Short-term Agricultural and Micro-Credit will be considered irregular if not repaid within the due date as stipulated in the loan agreement. If the said irregular status continues, the credit will be classified as 'Sub-standard' after a period of 12 months, as 'Doubtful' after a period of 36 months and as 'Bad/Loss' after a period of 60 months from the stipulated due date as per the loan agreement.</p> <p>The Bank follows the relevant Bangladesh Bank guideline for determination of general and specific allowances for loans and advances. Firstly, the base for provision for the unclassified and classified loans are calculated as under:</p> <ol style="list-style-type: none"> a) Calculation of base for provision for unclassified/standard loans: Outstanding amount less suspended interest, if any; b) Calculation of base for provision for the classified loans, the higher of the following two amounts: <ol style="list-style-type: none"> i. Outstanding amount less suspended interest less value of eligible securities; or ii. 15% of outstanding amount. <p>Secondly, the following rates are applied on base for provision for determination of general and specific allowances for loans:</p>
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		<ul style="list-style-type: none"> Description of approaches followed for specific and general allowances and statistical methods; 	<table border="1"> <thead> <tr> <th>General provisions for unclassified loans and advances:</th> <th>Rates</th> </tr> </thead> <tbody> <tr> <td>All unclassified loans (Other than loans under special mention account, short term agricultural credit, loans to Brokerage Houses (BHs)/Merchant Banks (MBs)/Stock Dealers (SDs) against Shares, consumer financing, small and medium enterprise financing, and staff loans)</td> <td>1.00%</td> </tr> <tr> <td>Small and medium enterprise financing</td> <td>0.25%</td> </tr> <tr> <td>Consumer financing (other than housing finance and loans for professionals under consumer financing scheme)</td> <td>5.00%</td> </tr> <tr> <td>Consumer financing (for housing finance)</td> <td>2.00%</td> </tr> <tr> <td>Consumer financing (for professionals)</td> <td>2.00%</td> </tr> <tr> <td>Loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares etc.</td> <td>2.00%</td> </tr> <tr> <td>Short term agricultural credit</td> <td>5.00%</td> </tr> <tr> <td>Special mention account</td> <td>5.00%</td> </tr> <tr> <th>Specific provision for classified loans and advances:</th> <th>Rates</th> </tr> <tr> <td>Substandard</td> <td>20.00%</td> </tr> <tr> <td>Doubtful</td> <td>50.00%</td> </tr> <tr> <td>Bad/loss</td> <td>100.00%</td> </tr> </tbody> </table>	General provisions for unclassified loans and advances:	Rates	All unclassified loans (Other than loans under special mention account, short term agricultural credit, loans to Brokerage Houses (BHs)/Merchant Banks (MBs)/Stock Dealers (SDs) against Shares, consumer financing, small and medium enterprise financing, and staff loans)	1.00%	Small and medium enterprise financing	0.25%	Consumer financing (other than housing finance and loans for professionals under consumer financing scheme)	5.00%	Consumer financing (for housing finance)	2.00%	Consumer financing (for professionals)	2.00%	Loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares etc.	2.00%	Short term agricultural credit	5.00%	Special mention account	5.00%	Specific provision for classified loans and advances:	Rates	Substandard	20.00%	Doubtful	50.00%	Bad/loss	100.00%
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		<ul style="list-style-type: none"> Discussion of the bank's credit risk management policy; <p>The Board approves the credit policy, credit exposure limits and credit risk management policy keeping in view relevant Bangladesh Bank guidelines to ensure best practice in credit risk management and maintain quality of assets. Authorities are properly delegated ensuring check and balance in credit operation at every stage i.e. screening, assessing risk, identification, management and mitigation of credit risk as well as monitoring, supervision and recovery of loans with provision for early warning system. There is a separate credit risk management division for dedicated credit risk management, separate credit administration division for ensuring perfection of securities and credit monitoring and recovery division for monitoring and recovery of irregular loans. Internal control & compliance division independently assess quality of loans and compliance status of loans at least once in a year.</p> <p>Above all, the risk management division is regularly guiding the credit risk management division(s) on increasing the collateral coverage, product/sector specific diversification of credit exposures, conducting credit rating of the borrowers to minimize the capital charge against credit risk of the Bank.</p> <p>Adequate provision is maintained against classified loans as per Bangladesh Bank Guidelines. Conditions of loans are regularly reported to Board/ Executive Committee of the Board.</p>																											

Quantitative Disclosures	(b)	Total gross credit risk exposures broken down by major types of credit exposure.	Details in Annexure-1
	(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	Details in Annexure-2
	(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Details in Annexure-3
	(e)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Details in Annexure-4
	(f)	<ul style="list-style-type: none"> • Amount of impaired loans and if available, past due loans, provided separately; • Specific and general provisions; and • Charges for specific allowances and charge-offs during the period. 	SMA- 78.19 SS- 48.32 DF- 35.92 B/L- 232.57 243.24 -
	(g)	Gross Non Performing Assets (NPAs)	316.81
		Non Performing Assets (NPAs) to Outstanding Loans & advances	3.77%
		Movement of Non Performing Assets (NPAs)	
		Opening balance	409.55
		Additions	363.08
	Reductions	-455.83	
	Closing balance	316.81	
	Movement of specific provisions for NPAs		
	Opening balance	221.03	
	Provisions made during the period	-	
	Write-off	-	
	Write-back of excess provisions	-59.02	
	Closing balance	162.01	

Figs in crore Tk.

e) Equities: Disclosures for Banking Book Positions

<p>Quantitative Disclosures</p>	<p>(a)</p>	<p>The general qualitative disclosure requirement with respect to equity risk, including:</p> <ul style="list-style-type: none"> Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices. 	<p>Differentiation between holdings of equities for capital gain and those taken under other objectives is being clearly identified. Investment in equity securities are broadly categorized into two parts:</p> <ol style="list-style-type: none"> Quoted Securities (Common or Preference Shares & Mutual Fund) that are traded in the secondary market (Trading Book Assets). Unquoted securities are categorized as banking book equity exposures which are further sub-divided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future i.e. held to maturity (HTM), and securities those are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Unquoted securities are valued at cost. <p>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. The primary aim is to investment in these equity securities for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from these equity securities are accounted for as and when received. Both Quoted and Un-Quoted equity securities are valued at cost and necessary provisions are maintained if the prices fall below the cost price. As per to Bangladesh Bank guidelines, the HFT equity securities are revalued once in each week using marking to market concept and HTM equity securities are amortized once a year according to Bangladesh Bank guideline. The HTM equity securities are also revalued if any, are reclassified to HFT category with the approval of Board of Directors. Preference is given to purchase of shares of strong companies at face value through placement/ IPO.</p>												
<p>Quantitative Disclosures</p>	<p>(b)</p>	<p>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 style="text-align: right;"><i>Figs in crore Tk.</i></p> <table> <tr> <td>Cost price of quoted shares</td> <td>:</td> <td>360.85</td> </tr> <tr> <td>Fair value of quoted shares</td> <td>:</td> <td><u>304.05</u></td> </tr> <tr> <td>Decrease value</td> <td>:</td> <td>(56.80)</td> </tr> <tr> <td></td> <td></td> <td>=====</td> </tr> </table>	Cost price of quoted shares	:	360.85	Fair value of quoted shares	:	<u>304.05</u>	Decrease value	:	(56.80)			=====
Cost price of quoted shares	:	360.85													
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Decrease value	:	(56.80)													
		=====													

	(c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	Realized Gains from sale of shares = 6.46 crore
	(d)	<ul style="list-style-type: none"> • Total unrealized gains • Total unrealized losses • Any amounts of the above included in Tier 2 capital. 	<p style="text-align: right;">69.16</p> <p style="text-align: right;">127.11</p> <p style="text-align: right;">Nil</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.	Capital charge for Equity Exposure assessed for total amount without group segregation = 61.19

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

Quantitative 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. Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). Re-pricing risk is often the most apparent source of interest rate risk for a bank and is often gauged by comparing the volume of a bank's assets that mature or re-price within a given time period with the volume of liabilities that do so. The short term impact of changes in interest rates is on the bank's Net Interest Income (NII). In a longer term, changes in interest rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the bank arising out of all re-pricing mismatches and other interest rate sensitive position. The ALCO formulates the policy and strategy depending on the market conditions to maximize Net Interest Income.
Quantitative Disclosures	(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> <p>1) At 1% increase in Interest Rate, fall in MVE (Market Value of Equity)=47.24</p> <p>2) At 2% increase in Interest Rate, fall in MVE (Market Value Equity) = 94.49</p> <p>3) At 3% increase in Interest Rate, fall in MVE (Market Value Equity) = 141.73</p>

		<p>Market Risk Management system</p>	<p>a) Capital Charge for Interest Rate Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk;</p> <p>b) Capital Charge for Equity Position Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk;</p> <p>c) Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk;</p> <p>d) Capital Charge for Commodity Position Risk = Capital charge for general market risk.</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>Policies and processes for mitigating market risk</p>	<p>The policy contains sound Portfolio management procedures and good practices such as minimizing risks through diversification of portfolio. Policy for managing Market Risk has been set out by the Board of Directors of the Bank where clear instructions has been given on Loan Deposit Ratio, Whole Sale Borrowing Guidelines, Medium Term Funding, Maximum Cumulative Outflow, Liquidity Contingency Plan, Local Regulatory Compliance, Recommendation/Action Plan etc. Furthermore, special emphasis has been put on the following issues for mitigating market risk:</p> <p>Interest Rate Risk Management Treasury Division reviews the risks of changes in income of the Bank as a result of movements in market interest rates. In the normal course of business, the Bank tries to minimize the mismatches between the duration of interest rate sensitive assets and liabilities. Effective Interest Rate Risk Management is done as under:</p> <ul style="list-style-type: none"> • Market Analysis Market analysis over interest rate movements are reviewed by the Treasury Division of the Bank. The type and level of mismatch interest rate risk of the Bank is managed and monitored from two perspectives, being an economic value perspective and an earning perspective. • Gap Analysis ALCO has established guidelines in line with central Bank's policy for the management of assets and liabilities, monitoring and minimizing interest rate risks at an acceptable level. ALCO in its regular monthly meeting analyzes Interest Rate Sensitivity by computing GAP i.e. the difference between Rate Sensitive Assets and Rate Sensitive Liability and take decision of enhancing or reducing the GAP according to prevailing market situation aiming to mitigate interest rate risk.

Foreign Exchange Risk Management

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

- **Continuous Supervision**

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

- **Treasury Back Office separated from Treasury Front Office**

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

- **Mark-to-Market Method for Approved Securities and Foreign Exchange Revaluation**

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

- **Nostro Accounts**

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

Equity Risk Management

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

- **Investment Portfolio Valuation**

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

- **Diversified Investment to minimize Equity Risk**

IFIC minimizes the Equity Risks by Portfolio diversification as per investment policy of the Bank.

- **Margin Accounts are monitored very closely**

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

Quantitative Disclosures	(b)	The capital requirements for:	<i>Figs in crore Tk.</i>
		Interest rate risk;	0.80
		Equity position risk;	61.19
		Foreign exchange risk; and Commodity risk.	3.73 0.00

h) Operational risk

Quantitative 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> <p>Operational risk management responsibilities are assigned to the senior management.</p> <p>Internal auditors are assigned for recording, identification and assessment of operational risks and to prepare reports for the Audit Committee.</p> <p>Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputation risk. It is inherent in every business organization and covers a wide spectrum of issues. The Board of Director (BOD) of the Bank and its Management firmly believe that this risk through a control based environment in which processes see documented, authorization as independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the group stays in line with industry best practice and takes account of lessons learned from publicized operational failures within the financial services industry.</p> <p>The BOD has also modified its operational risk management process by issuing high level standards, supplemented by more detailed formal guidance. This explains how the bank manages operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with local regulatory requirements. The Bank maintains and tests contingency facilities to support operations in the event of disasters. Additional reviews and tests are conducted in the event that any branch of the bank is affected by a business disruption event, to incorporate lessons learned in the operational recovery from those circumstances. Plans have been prepared for the continued operation of the bank's business, with reduced staffing levels.</p> <p>Operational risk loss data is collected and reported to the senior management. Identifying, monitoring and recording of fraud, irregularities, unauthorized works, system break down etc. are done by the Management and details of the untoward incidents are reported to the Bank's Audit Committee.</p>
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	<p>Performance gap of executives and staffs</p>	<p>Human Resources</p> <p>Human Resources Development is focused on recruitment and in-house training for both on the job and off the job Bank staff members through the Bank's Academy. IFIC Bank Academy – the oldest institution in the private sector – was conceived of as an in-house training center to take care of the training needs of the Bank internally.</p> <p>Academy is fully equipped with a professional library, modern training aids and professional faculty. Library has about 4941 books on banking, economics, accounting, management, marketing and other related subjects.</p> <p>Main training activities consist of in-depth foundation programmes for entry level Management Trainees. Specialized training programmes in the areas like general banking, advance, foreign exchange, marketing and accounts etc. are also organized by the Academy depending on need.</p> <p>Frequently outreach programmes are organized to meet demand for new and specialized skills.</p> <p>During its 23 years of existence, Academy not only conducted courses, workshops and seminars as required by the Bank, but it also organized training programmes for the Bank of Maldives, Nepal Bangladesh Bank Limited and Oman International Exchange LLC. In addition, Academy has also the credit of organizing system of Bank of Maldives.</p> <p>In addition to conducting courses internally, The Academy also selects candidates for nomination to various courses conducted by distinguished training organizations in the country including Bangladesh Bank Training Academy and Bangladesh Institute of Bank Management.</p> <p>The Academy also re-designs its courses, programmes etc, regularly to meet the requirement of new skills arising out of various directives, guidelines of the Central Bank and significant changes in the banking sector from time to time.</p> <p>Performance goals are most often attained by executives and staff with a few exceptions. Every organization needs to effectively manage its human resources to get the maximum contribution from its employees.</p>
	<p>Potential external events</p>	<p>Losses from external events, such as a natural disaster that damages a firm's physical assets or electrical or telecommunications failures that disrupt business, are relatively easier to define than losses from internal problems, such as employee fraud and product flaws. It is needless to say that there are certain risk factors which are external in nature and can affect the business of the Bank. The factors discussed below can significantly affect the business:</p>

			<ul style="list-style-type: none"> <p>• External rules and regulations Potential for actual or opportunity loss due to failure to comply with laws or regulations, or as a result of changes in laws or regulations or in their interpretation or application</p> <p>• Damage to assets Potential for loss or damage to physical assets and other property from natural disaster and other events</p> <p>• Safety and security Potential for loss or damage to health or safety of staff, customers or third parties arising from the effects of external events</p> <p>• External financial crime Potential for loss due to criminal acts by external parties such as fraud, theft and other criminal activity</p> <p>• Political condition and general business IFIC's performance greatly depends on the general economic conditions of the country. The effect of recession is still unfolding which may result to slow down in business environment. Political stability is must for growth in business activities.</p> <p>• Credit quality of borrowers Risk of deterioration of credit quality of borrowers is inherent in banking business. This could result due to global economic crisis and supply side distortion. The changes in the import prices affected the commodity sectors and ship breaking industry. Deterioration in credit quality requires provisioning.</p> <p>• Basel-II implementation Basel-II is fully effective from 2010 and IFIC needs to be complied with respect to credit risk management, its supervision and establishment of effective internal control. The grading of the borrowers and its link with capital requirement may slow down the credit expansion. The establishment of effective control requires more investment in technology and operating expenses are likely to increase.</p> <p>• Equity markets Volatility The Bangladesh Securities and Exchange Commission and the stock exchanges improved their supervisory role but the equity market is still volatile. The recession fear also added to the volatility. If volatility continues it is likely to affect the performance of the bank.</p> <p>• Changes in market conditions Changes in market conditions particularly interest rates on deposits and volatility in foreign exchange market is likely to affect the performance of the bank. Depositors are becoming increasingly price sensitive and any unilateral upward change by a bank will exert pressure on interest rate structure of the banking sector. It is feared that wage earners remittances may decline due to fall in job opportunity in international market. Unless offset by export performances, there may be pressure in the foreign exchange market.</p>
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		<p>Policies and processes for mitigating operational risk</p> <p>Approach for calculating capital charge for operational risk</p>	<p>• The litigation risk</p> <p>In the ordinary course of business, legal actions, claims by and against the bank may arise. The outcome of such litigation may affect the financial performance of the bank.</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>The Bank follows the Basic Indicator Approach (BIA). The BIA stipulates the capital charge for operational risk is a fixed percentage, denoted by α (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula:</p> $K = [(GI_1 + GI_2 + GI_3) \alpha] / n$ <p>Where:</p> <p>K = the capital charge under the Basic Indicator Approach</p> <p>GI = only positive annual gross income over the previous three years (i.e., negative or zero gross income if any shall be excluded)</p> <p>α = 15 percent</p> <p>n = number of the previous three years for which gross income is positive.</p> <p>Besides, Gross Income (GI) is calculated as “Net Interest Income” plus “Net non-Interest Income”. The GI is also the net result of :</p> <ul style="list-style-type: none"> i) Gross of any provisions; ii) Gross of operating expenses, including fees paid to outsourcing service providers; iii) Excluding realized profits/losses from the sale of securities held to maturity in the banking book; iv) Excluding extraordinary or irregular items; v) Excluding income derived from insurance.
Quantitative Disclosures	(b)	The capital requirements for operational risk	<p style="text-align: right;"><i>Figs in crore Tk.</i></p> <p style="text-align: center;">86.62</p>

Quantitative Disclosures on Major types of Credit Exposures

(As per Consolidated basis) As on 31 December 2013

Particulars	Amount in Crore Tk.
	2013
Claim on Corporate	3,424.81
Claims on Banks and NBFIs	1,321.83
Claims fully secured by Commercial real estate	857.94
Claims fully secured by residential property	863.47
Claims categorized as retail portfolio & SME	1,353.72
Claims on Bangladesh Government and Bangladesh Bank	1,816.41
All other assets	450.17
Claims under Credit Risk Mitigation	404.16
Past Due Claims	151.51
Investments in premises, plant and equipment and all other fixed assets	235.88
Claims on OBU	70.88
Capital Market Exposure	319.11
Cash	225.31
Claims on all fixed assets under operating lease	54.84
Consumer Loan	62.21
Claims on Public Sector Entities	11.00
Unlisted Equity Investment	4.88
Total:	11,628.13

Quantitative Disclosures on Geographical Distribution of Credit Exposures

As on 31 December 2013

Division-wise	Amount in Crore Tk.	Percentage (%)
Urban		
Dhaka Division	5,904.09	70.19%
Chittagong Division	1,186.02	14.10%
Sylhet Division	46.90	0.56%
Rajshahi Division	360.49	4.29%
Khulna Division	160.62	1.91%
Barishal Division	37.91	0.45%
Rangpur Division	130.74	1.55%
Sub-Total (A)	7,826.77	93.05%
Rural		
Dhaka Division	282.58	3.36%
Chittagong Division	106.54	1.27%
Sylhet Division	10.56	0.13%
Rajshahi Division	78.20	0.93%
Khulna Division	50.93	0.61%
Barishal Division	-	0.00%
Rangpur Division	55.47	0.66%
Sub-Total (B)	584.27	6.95%
Grand Total (A+B)	8,411.04	100.00%

Quantitative Disclosures on industry type distribution of credit exposures

As on 31 December 2013

Sl. No.	Name of the Sector/Industry	Amount in Crore Tk.	Percentage
1	Agriculture Industries	77.34	0.92%
2	Jute Industries	86.63	1.03%
3	Textile Industries	228.24	2.71%
4	Garments Industries	1,559.08	18.54%
5	Chemical and Chemical Products	44.76	0.53%
6	Cement Industries	39.91	0.47%
7	Bricks & Ceramic	91.24	1.08%
8	Food Products & Processing	170.41	2.03%
9	Engineering & Metal	266.56	3.17%
10	Drugs & Pharmaceuticals	33.72	0.40%
11	Hospital & Clinics	107.31	1.28%
12	Paper & Paper Products Industries	52.21	0.62%
13	Other Small Industries	458.19	5.45%
14	IT Sector	27.28	0.32%
15	Other Service Industries	407.44	4.84%
16	Trade & Commerce	2,118.02	25.18%
17	IFIC Securities Ltd.	128.07	1.52%
18	Transport	72.68	0.86%
19	Construction Firms/Companies	411.13	4.89%
20	Housing Societies/Companies	679.75	8.08%
21	Cold Storage	12.50	0.15%
22	Non-Banking Financial Institutions	35.59	0.42%
23	Consumer Finance	518.63	6.17%
24	Energy	232.93	2.77%
25	Telecommunication	128.95	1.53%
26	Others	422.48	5.02%
	Total	8,411.04	100.00%

Quantitative Disclosures on Residual maturity of Credit exposures

As on 31 December 2013

Credit exposures	Amount in Crore Tk.	Percentage
Loans, cash credit, overdraft, etc.		
Receivable		
On demand	1,409.82	16.85%
Up to 1 month	515.72	6.16%
Over 1 month but not more than 3 months	1,466.23	17.52%
Over 3 months but not more than 1 years	2,673.77	31.94%
Over 1 year but not more than 5 years	1,198.34	14.31%
Over 5 years	535.06	6.39%
Sub-Total (A)	7,798.94	93.13%
Bill purchased and discounted		
Receivable		
On demand	85.83	0.99%
Up to 1 month	130.40	1.51%
Over 1 month but not more than 3 months	197.77	2.29%
Over 3 months but not more than 6 months	196.77	2.28%
Over 6 months	1.34	0.02%
Sub-Total (B)	612.10	7.09%
Grand Total (A+B)	8,411.04	100.00%



RISK MANAGEMENT

Risk Management

Risk in a banking organization is possibility that the outcome of an action or event could bring up adverse impacts. Such outcomes could either result in a direct loss of earnings / capital or may result in imposition of constraints on bank's ability to meet its business objectives. Such constraints pose a risk as these could hinder a bank's ability to conduct its ongoing business or to take benefit of opportunities to enhance its business.

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.

Risk Management Process

Risk Management begins with identification and its quantification. It is only after risks are identified and measured we may decide to accept the risk or to accept the risk at a reduced level by undertaking steps to mitigate the risk, either fully or partially. Hence managing of risks may be sub-divided into the following five processes:

- ◆ Risk Identification
- ◆ Risk Measurement
- ◆ Risk Aggregation
- ◆ Planning; and
- ◆ Controlling & Monitoring



Risk Identification: Generally, before measuring and managing of risks a bank's risks need to be identified. Typically, IFIC distinguishes the following risk categories:

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

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

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

Planning: The Bank's overall risk position needs to be planned in a well organized manner and that is an essential function of IFIC Bank and risks are actively managed and controlled based on that plan.

Controlling & Monitoring: Furthermore, all the risks are properly controlled and monitored to check whether the risks actually incurred lie within the prescribed limits, thus ensuring the Bank's capacity to bear those risks.

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

BASEL-II accord has already been implemented under the supervision of Central Bank. The Credit risk, Market risk and Operational risk are calculated under the Pillar-I of Basel II. In addition Core risks, Residual

risk, Management risk, Strategic risk, Credit concentration risk, Reputational risk etc. are also measured under Pillar-II of Basel-II. 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.

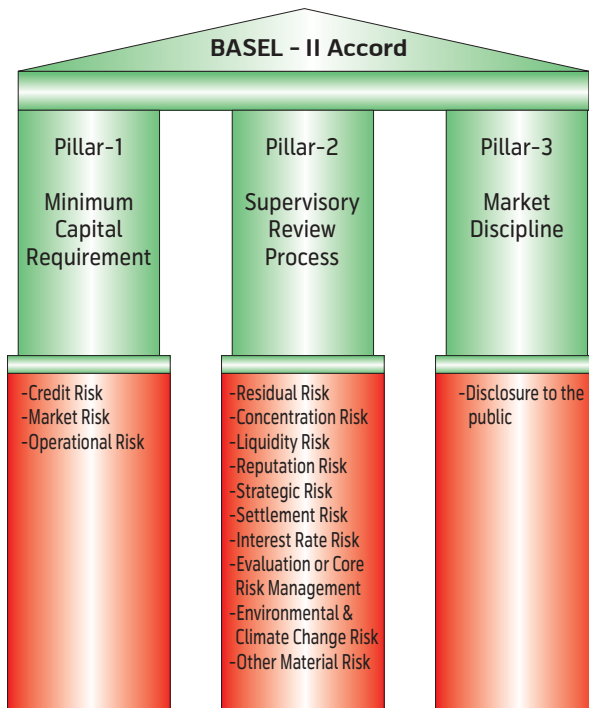


Fig. Basel II Accord

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

Risk is an integral part of the Banking business and IFIC Bank's aim is to deliver and maximize shareholders' value by achieving an appropriate trade-off between risk and returns.

The Risk Management Division is responsible to ensure the following:

- ◆ 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.

OBJECTIVES OF RISK MANAGEMENT

The objective of risk management is to identify and analyze risks and manage their consequences. The banking sector has perhaps the most specific focus on the management of financial risks.

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

- ◆ The individuals who take or manage risks clearly understand it;
- ◆ The organization's risk exposure is within the limits established by the board;
- ◆ Risk taking decisions are explicit and clear;
- ◆ Risk taking decisions are in line with the business strategy and objectives set by the board;
- ◆ The expected payoffs compensate for the risks taken; and
- ◆ Sufficient capital as a buffer is available to take risk.

CONSTITUTION OF RISK MANAGEMENT COMMITTEE OF THE BOARD

Risk Management Committee of the Board has been constituted with the five (05) members of the Board as per directive of Bangladesh Bank. The Committee will play a vital role in minimizing current and future risks arising from the day to day activities of the bank. The Committee has to ensure that the bank has taken every measure to handle the risks, be it Operational, Credit, Money laundering, Internal Control and Compliance, Asset liabilities Management, Foreign Exchange, Information Technology, Interest Rate and Liquidity Risk. With identifying the risk, the Committee will also review and oversee whether the risk minimizing mechanism is implemented effectively and required Capital with provision is maintained against the risks.

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

- ◆ **Identify the risk & control strategy :**
The Committee shall monitor the risk framework of the Bank, promote effective management of all risk categories, and foster the establishment and maintenance of an effective risk management culture throughout the Bank.
- ◆ **Prepare Organizational structure :**
The Committee is responsible to assess the different types of risk to which the Bank is exposed, as well as its risk management structure, organization and process. A separate Committee

comprised by management has to establish to take care and guide the changes as needed to ensure that the Bank has in place at all times a Risk Management Policy that address the Bank's exposure to credit risk, foreign currency transaction risk, internal control & compliance risk, money laundering risk, information & communication technology risk including all other risks that conforms to regulatory requirement and risk management best practices.

- ◆ **Risk Management Policy review & approval :**
The committee will review the Risk Management Policy & Guidelines minimum once in every year, recommended to the Board for modification, if necessary. The Committee will also review all types of financial delegations including loan limit and recommend to the Board for modification, if necessary. Review the Loan portfolio stress tests and risk assessment.
- ◆ **Information Recording & Reporting System :**
After reviewing the information recording & reporting system, the Committee will approve it. Banks are independent of business line of risk taking process. The Committee will maintain the proceedings of the meetings in such a manner & report to the Board.
- ◆ **Take care the implementation of the risk management policies :**
Review reports that monitor compliance with the risk parameters established by regulation or Bank policy. Measure the adequacy of risk monitoring, testing and governance.
- ◆ **Other Responsibilities :**
 - (1) Place compliance report before the board on quarterly basis.
 - (2) Internal and external auditors will submit the evaluation report related to irregularities as detected by the internal and external auditors and inspectors of regulatory authorities, if the Committee thinks fit.

ELEMENTS OF A SOUND RISK MANAGEMENT SYSTEM

Some important elements of a sound risk management system should encompass the following:

- ◆ Risk management structure with board and senior management;
- ◆ Bank policies, procedures and limits that have been developed and implemented to manage business operations effectively;

- ◆ Risk identification, measurement, monitoring, control and management information systems that are in place to support all business operations; and
- ◆ Bank established internal controls and the Performance of comprehensive audits to detect any deficiencies in the internal control environment in a timely manner.

Risk management is not only limited to the individual(s), who are responsible for overall risk management function. Business activities are equally responsible for the risks that they are taking the exposures. Because the personnel can understand the risks of their activities, any lack of accountability on their part may hinder sound and effective risk management.

RISK APPETITE

Risk Appetite can be defined as the amount of risk, on a board level, that a Bank is willing to take in its exposures and business activities. In other words, the total impact of risk a bank is prepared to accept in the pursuit of its strategic objectives. Risk appetite is generally expressed through both quantitative and qualitative means and should be considered extreme conditions, events and outcomes. It should be started in terms of the potential impact on profitability, capital and liquidity.

The amount of risk a Bank accepts will vary from Bank to Bank depending on circumstances unique to each. Factors such as the external environment customers, business systems and policies will all influence a Bank's risk appetite.

A well- defined risk appetite should have the following characteristics:

- ◆ Reflective of strategy, including Banks objectives, business plans and stakeholders expectations.
- ◆ Reflective of all key aspects of the business.
- ◆ Acknowledges a willingness and capacity to on risk.
- ◆ Considers the skills, resources and technology required to manage and monitor risk exposures in the context of risk appetite.
- ◆ Inclusive of a tolerance for loss or negative events that can be reasonably quantified.
- ◆ May be periodically reviewed and reconsidered with reference to evolving industries and market conditions.
- ◆ Must be approved by the Board.

RISK APPETITE FRAMEWORK

The science of developing and adopting a risk appetite framework (RAF) is still evolving at banks all over the

world. Some banks have adopted a high-level, brief, and qualitative statement of RAF, while others make it complex, lengthy, and quantitative.

Some rudiments for an effective RAF are mentioned below:

- ◆ RAFs discuss the desired business mix and composition of the balance sheet, risk preferences (which risks are embraced, tolerated, and avoided), the acceptable trade-off between risk and reward, tolerances for volatility, capital thresholds, tolerance for post-stress loss, optimum liquidity ratios, and others;
- ◆ It should focus on the bank's key strengths and competitive advantages;
- ◆ It should enable the Board to challenge business proposals outside of the bank's traditional product and service lines;
- ◆ It should make forward-looking discussions of risk easier;
- ◆ It should codify the types of risk the bank is willing to bear and under what conditions, as well as which risks the bank is unwilling to assume.

Risk appetite is the cornerstone of a successful risk management framework. Risk appetite can be fitted into the risk management framework in the following manner:

Elements of risk Mgt. framework	Linkage to risk appetite	Risk Culture
Risk governance	Clear risk appetite statement approved by the board and embodied in risk policy and delegated authorities. This sets the 'tone from the top' and the foundation for the risk culture.	
Risk assessment	Frequent risk assessment process to identify new and changing risk landscape in context to risk appetite.	
Risk quantification & aggregation	Regular quantification and aggregation of risk to prioritize focus of risk management and control.	
Monitoring and reporting	Monitoring and reporting of performance against risk-based limits based on risk appetite.	
Risk and control optimization	Framework of controls calibrated in line with risk appetite to optimize cost/benefit.	

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.

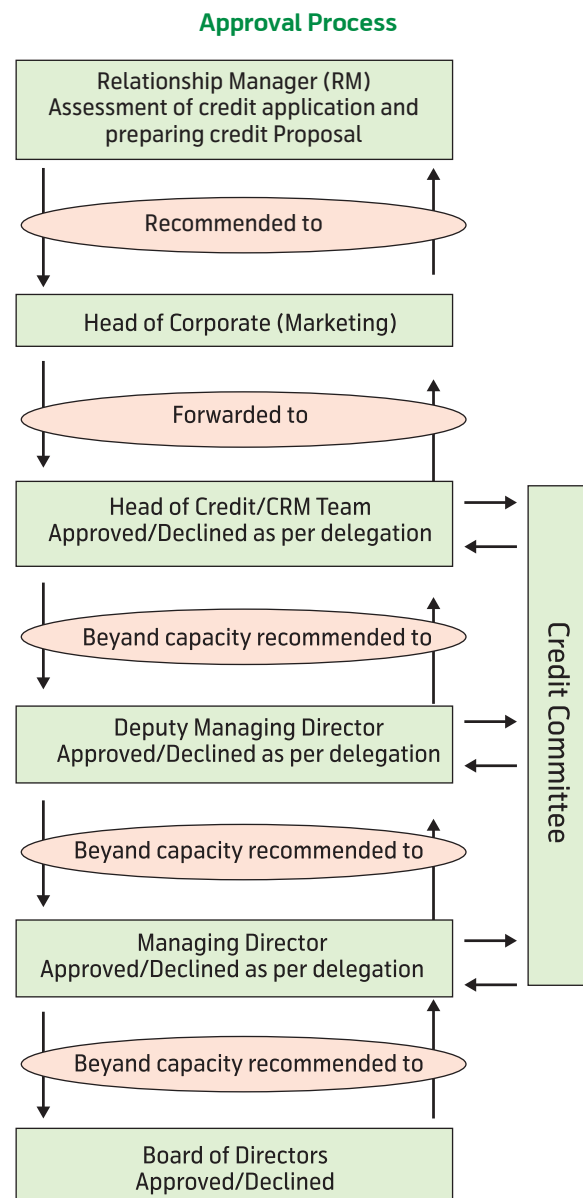
The lending guideline covers the following:

- ◆ Industry and business segment focus including lending caps
- ◆ Types of credit facilities
- ◆ Single borrower exposure limit including syndication loans
- ◆ Discouraged business types

- ◆ 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 is also being made on case to case basis under the authority delegated by the Board.



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 is 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 is also being done on quarterly basis. DGAP is found positive for all the quarters of 2013 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 prepare various risk reports such as Foreign Exchange limit risk reports and Money Market limit risk reports to check whether there is any violation of limits or not and submit the risk reports to the top management. If there is any violation of limit found the mid office informs the concerned department to take necessary measures.

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 2013, the Bank arranged several training courses on Prevention of Money Laundering & Combating Financing of Terrorism where 608 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 50 own ATM. Besides, 1075 shared ATM all over the country serving the customers of the Bank. The bank has set up contact centre and already introduced Mobile Banking.

VALUE AT RISK (VaR) ANALYSIS

VaR is a method of measuring market risk based upon a common confidence interval and time horizon. It is a statistical estimate of expected potential loss that is derived by translating the riskiness of any financial instrument into a common standard.

Methods of Calculating VaR

- ◆ The Variance – Covariance Method
- ◆ Historical Method
- ◆ Monte Carlo Simulation

Presently Historical Method is being followed to calculate the VaR for the Bank.

STRESS TESTING

Stress Testing, as defined by Bank for International Settlement (BIS), is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/ or movement in a set of financial variables. It refers to the process to cover multiple risk measures across categories and complements traditional risk models. The traditional focus of stress testing relates to exceptional but plausible events.

Stress Testing Process

Stress testing process includes:

- ◆ Identification of specific vulnerabilities or areas of concern;
- ◆ Construction of a scenario;
- ◆ Performing the numerical analysis;
- ◆ Considering the numerical analysis; and
- ◆ Summarizing and interpreting the results.

Stress Testing is a risk management tool that helps in assessment of the risks quantifies the resilience towards shock events and helps to manage the shock results. Stress Testing are generally of two categories and concepts i.e. – Simple Sensitivity Analysis and Scenario Tests. Now, we follow the Simple Sensitivity Analysis concept as per Bangladesh Bank Guidelines.

Stress Testing is carried out at three different shock levels:

- ◆ Minor Level Shocks
- ◆ Moderate Level Shock; and
- ◆ Major Level Shocks

The following risk factors are measured while conducting Stress Testing:

- ◆ **Credit Risk:** Stress test for credit risk assesses the impact of increase in the level of non-performing loans of the bank.
- ◆ **Interest Rate Risk:** Interest rate risk is the potential that the value of the on-balance sheet and off-balance sheet positions of the bank would be negatively affected with the change in the interest rates.
- ◆ **Exchange Rate Risk:** The stress test for exchange rate assesses the impact of change in exchange rate on the value of equity. To assess foreign exchange risk the overall net exchange position of the bank including the on-balance sheet and off-balance sheet exposures are charged by the weightage of 5%, 10% and 15% for minor, moderate, and major levels respectively.

- ◆ **Equity Price Risk:** The stress test for equity price risk assesses the impact of the fall in the stock market index.
- ◆ **Liquidity Risk:** The liquidity test shows how many days a bank would be able to survive a liquidity drain without resorting to liquidity from outside.
- ◆ **Combined Shock:** IFIC bank assesses combined shock by aggregating the results of credit shock, exchange rate shock, equity shock and interest rate shock.

We conduct Stress Testing based on the financials of the bank on quarterly basis and submit the report to Bangladesh Bank as well Board of Directors. 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.

GREEN BANKING



GREEN BANKING CONCEPT

Earth, so far human knowledge can grab hold of, is the only home to life in this universe and it took hundreds of millions of years for its environment to get friendly with living beings. But recent history is surprised to see the loving alliance between Earth and environment die away. Empirically proved, environment can be a threat to itself and shockingly, can go Frankenstein to question our lives if we let go of it unwisely. Decades of careless handling of environment lured by unchecked industrial competition have let loose a Pandora's Box, known as global warming. The phenomenon technical termed Green House Effect has captured the global mind space with the immediacy of hurried response. The warming is the impact of certain man-made gas emissions namely carbon dioxide, methane, nitrous oxide and hydro fluoro carbon responsible for rapid climate changes. The rapid change in climate is continuously disintegrating our eco systems having adverse impact on bio diversity, agriculture, forestry, water resources and human health, Nevertheless, there is general lack of adequate awareness on the above issues and hence there comes an urgent need to promote certain measures for sustainable development and corporate social responsibility. Bangladesh is one of the top-quoted countries vulnerable to climate change.

To keep pace with the voices against global adversely changing environmental atmosphere, states bear responsibility to safeguard Mother Nature, actively work frontline for eco-supporting initiatives, implement and direct policy issues to contain unexpected human behavior deteriorating this beautiful planet. Bangladesh is considered as the most victim state for climatic changes. It is vulnerable for frequent flood, tropical cyclones, storm surges and droughts. These damage assets, suffer people, lives and hinder progress and economic stability. A baseline study of Bangladesh Bank underlines that Banks/FIs in the country cannot avoid themselves in protecting environmental degradation by way of reshaping their financing patterns and internal practices to minimize wastages and use of resources. The financial and economic development of Bangladesh is inseparably tagged with gradual environmental degradation. An institutionalized awareness to address adverse environmental issues and their consequences has compelled the Banks/FIs to integrate Environmental Risk Management principles.

Banks/FIs hold a unique position in an economic system that can affect production, business and other economic activities through their financing activity and thus may contribute to pollute environment. One of the key facilitating factors in credit risks now is Environmental Risks as these can increase risks by bringing an element of uncertainty or possibility of loss in the context of financing interactions. Inability to consider these as a part of financing decisions will lead to an increase of Non Performing Loans (NPLs). The geographical location of land specially activities of land in a flood prone plain or along the coastal belt are more vulnerable and are a source of risk. Accordingly, business activity in a highly polluted area enhances the possibility of closure of business. Borrowers may become vulnerable to close down operation for non-compliance of regulations set by Department of Environment. Labour/Social risks specially if there is potential sources of accidents, employment of child labour, forced labour and/or gender discrimination etc. may lead to close business operation and bank may get stuck or risk its finances. Community/ Public opposition against inadequate environmental management practices like excess abstraction of water, effluent water release, emissions of carbon and improper waste management may create vulnerable business or shutting down of borrowers operations. Buyers' stringent and tightened conditions abroad in support of environmental risk management may degrade business and/or loss of market of the borrowers which can lead to risking Bank finances. Climate induced extreme weather events e.g. cyclone, flood and droughts periodically may demolish business operations risking bank unable to recover finances made.

Bangladesh Bank Directives:

Banking Regulations & Policy Department, Bangladesh Bank vide their Circular No.02 dated February 27, 2011 has outlined a detail policy guidelines for implementing Green Banking through all scheduled banks operating in Bangladesh. The Circular addressed to adopt banks a comprehensive Green Banking Policy in a formal and structured manner in line with global norms so as to protect environmental degradation and ensure sustainable banking practices. It is hereby stated that, Green Banks or environmentally responsible banks do not only improve their own standards but also affect socially responsible behavior of other businesses. The policy advised to implement the Green Banking activities into 3 phases by June 30, 2015.

Our Green Initiatives:

As socially responsible corporate citizen and also Bangladesh Bank's guideline our Bank has taken various initiatives through the application of environment friendly policies in every sector of its activities and through the elimination of Carbon foot prints without changing main banking functions.

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.

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:

- ◆ All the normal bulbs should be replaced by Compact Fluorescent Light (CFL) or Light Emitting Diode (LED) bulbs.
- ◆ All the Venetian/vertical blinds should be adjusted to open so that the natural light is coming inside and the maximum possible number of light may be switched off for saving energy.
- ◆ Put the thermostats of the air conditioners not below 24° C. Energy savers mode (if available) should be on or Variable Refrigerant Flow (VRF) /Inverter/Eco friendly system Air Cooler (where possible) should be installed.
- ◆ Put off the switches of the toilets and other places, when not used. Unnecessary lights should be switched off.
- ◆ Always turn off taps completely, ensuring that they don't drip.
- ◆ Auto sleep/standby mode of all the computers should be enabled and set to maximum 15 minutes. Energy saving mode (if any) may also be enabled. Do not use screen saver.
- ◆ While leaving office, please ensure that all the ACs, fans & lights are switched off, all the computers must be shut down and UPSs should be switched off.
- ◆ Double sided printing and photocopy should be done, where possible. All the printers should be set to econo-mode to save printer cartridges.
- ◆ All correspondences (Circular, letter etc.) with Head Office and Branches should be made through email instead of hard copy (except special cases).
- ◆ Try to reuse of old file folders, envelopes etc.
- ◆ Saving consumption of other office stationery etc.

The bank had developed a software related to Environmental Risk Rating (EnvRR) and circulated to all Branches for rating the applicable projects while financing according to the guidelines of Bangladesh Bank to protect environmental degradation. The Branches has rated 2258 number of projects during 2013 as per Environmental Risk Management (ERM) Guidelines of Bangladesh Bank.

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. We have five (05) solar powered branches - Alankarmore, Kashinathpur, Chandina, Rangamati & Manikganj branches.



Solar panel of Rangamati Branch



Solar system of Chandina Branch

The Bank had allocated a budget of Taka 1520.00 million as budget for the year 2013 for Green Banking (Green financing, climate risk fund and marketing, training & capacity building) but Taka 1723.83 million has been utilized in the year, 2013.

IFIC has made investments of BDT 39.27 million in 116 projects for establishing bio-gas plants in the year 2013.



Bio-gas projects financed by IFIC

IFIC Bank has disbursed BDT 25.25 million in Hybrid Hoffman Kiln (HHK) in the year 2013.



HHK projects financed by IFIC

IFIC Bank has been one of the pioneers in introducing online Banking and it covers 111 branches, 50 own ATMs, 1075 shared ATMs. Clients can get online banking, internet banking & SMS banking facility. Online banking system is a great way to reduce wastage of paper.

The Bank has started E-recruitment system while recruiting human capital and provides salary, bonus, salary statement & leave management through online.

Our Bank has established Contact Centre (Call Centre) to provide improved and enhanced phone banking services to customers over phone. More customers will use Phone Banking services through the Contact Centre and not required to travel to the branches or use paper-based statements.

As a part of awareness build up among the employees, we are arranging training/workshop on "Green Banking" on a regular basis.



It is our pleasure that Bangladesh Bank has recognized IFIC Bank Limited as one of the Top Ten Private Commercial Banks for contribution to Green Banking activities across the country.

The Bank is actively participating to the CSR activities. In the year 2013 the Bank had various donations as a part of CSR activities and under Green Banking activities the Bank donated to the farmers for plantation as CSR (Project).

Green Strategic Plan

The Bank has made some plans to do the following activities related to Green Banking:

- ◆ Bank will be increased Green Investment for projects installing solar energy plant, bio-gas, and/or other renewable energy plants, bio-fertilizer plants, Effluent Treatment Plant (ETP), Hybrid Hoffman Kiln projects for the production of brick etc. at lower interest and utmost care.
- ◆ Bank will finance the economic activities of the flood, cyclone and drought prone areas at the regular interest rate without charging additional risk premium.
- ◆ Now days Alternative Delivery Channel (ATM, Debit / Credit Card, Online Banking, BACPS, BEFTN, Mobile Banking) are ensuring modern banking facilities. Bank will enhance more services through Alternative Delivery Channel. Bank is playing vital roles in CSR concern. This is the responsibility of an institution upon society where it is established. We will provide more monetary support, relief and loans at lower interest rate etc. in the natural disaster areas by which the victims will survive in the newer environment.
- ◆ More Green Products will be introduced in the near future.
- ◆ Our future meetings will be carried on through Video/Audio Conference rather than physical visit, we are working for that.
- ◆ As per directives of Bangladesh Bank, the policy will be implemented in 3rd phases by 30th June 2015.
- ◆ Already solar panel has been installed in our 05 (five) branches and we are expecting that more branches will start their journey with solar panel in the coming days.
- ◆ We will be continuously monitoring the inventory details such as consumption of water, paper, electricity, gas, fuel etc. of the Bank to reduce the consumption of the same and thus we can protect the environment.
- ◆ We are arranging Training/Workshop related to Green Banking Activities for our employees and that will continue for the coming days.
- ◆ We have planned to arrange more seminars and symposiums to make our clients conscious regarding Green Banking as well as to introduce our Green Products.



Donation to the farmers for plantation.

CORPORATE SOCIAL RESPONSIBILITIES



Corporate Social Responsibilities

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. IFIC Bank donated **Tk. 20.00 million** to **Prime Minister's Relief Fund** for helping the victims of Rana Plaza Tragedy under Bank's CSR activities.



02. The bank donated **Tk 2.50 million** to Rangpur Cantonment authorities for sponsoring a documentary and book publication on the Role of Rangpur District during Liberation War.
03. **PROYASH** is an institution for children with special needs and disability. Its main activities are to impart training and education to these children, empower and rehabilitate them in the society. Considering the importance of their activities, IFIC Bank paid **Tk.10.00 million** to PROYASH.
04. The **8th Bangladesh Games** was organized from 20-28th April, 2013. The Bank donated **Tk.10.00 million** for organizing the event.
05. The Bank distributed blankets and shawls among the poorest people in 24 districts through Bank branches, Bangladesh Bank and Bangladesh Association for Social Advancement (BASA) as part of Bank's CSR activities. The Bank spent **Tk 2.82 million** for this purpose.





06. **Jalalabad Education Trust** is a non-political welfare organization. **Jalalabad Educational Trust** received financial assistance of **Tk.1.00 million** to raise their fund for educational activities.



07. **DARIDRA DURIKORON SANGSTHA (DADUS)** is a social welfare organization working for the eradication of poverty. The organization undertook a project for eradicating illiteracy through adult and youth education. The Bank provided **Tk. 0.70 million** to the organization for the said purpose.
08. **Shandeepon Free Day Care Centre** is registered non-government, non-political, not-for-profit, secular and charitable organization. **Shandeepon** began its journey in 1993. Presently, it runs supplementary education centers in Jessore and Dhaka. It is planning to improve the quality of education. In this regard, they requested the Bank for financial assistance to provide honorarium to their officials and teaching staff. The Bank donated **Tk. 0.25 million** to Sandeepon for the said purpose.
09. **Utsho Bangladesh** is working for the welfare of underprivileged children and orphans. They are providing food, shelter and education to these children. IFIC Bank donated **Tk. 0.40 million** to Utsho Bangladesh for supplying food to underprivileged children and orphans.



10. IFIC Bank disbursed **Tk 0.33 million** to the landless people in underdeveloped areas through 55 branches as part of Bank's CSR activities. The Relationship Managers of concerned branches implemented the CSR activity in Agricultural/Associated Sectors & income generating activities by distributing saplings and seeds of various high valued trees, crops, poultry items etc.
11. **Sir Salimullah Medical College** is the second largest Medical College of our country. The Debate & Quiz Society of the medical college organized year-long programs in 2013 on the college campus. The Bank donated **Tk. 0.55 million** to Debate & Quiz Society of Sir Salimullah Medical College for organizing their programs on the campus.
12. **Shamsunnahar Hall of Dhaka University** is second largest dormitory for female students of the University. The hall had only one TV for the entertainment of a large number of students. Considering the necessity of the large number of students, the bank donated a modern television set to **Shamsunnahar Hall of Dhaka University**.



PRODUCTS AND SERVICES OF THE BANK



Products and Services of the Bank

- ◆ Retail Banking Division of the bank started its journey in February, 2012 by restructuring and remodelling existing retail banking business model;
- ◆ Board of Directors of the bank approved remodelling of retail banking business and transformation journey in its 577th meeting held on 29-02-2012;
- ◆ Retail Banking Division started its business through establishing Direct Sales Team from May, 2012;
- ◆ At present, business of retail banking division is monitored from 04 (four) separate sales zones as under:
 - ❑ Sales Zone - 1 (Dhaka - 1, Narayanganj, North Bengal, South Bengal, Mymensingh & comilla)
 - ❑ Sales Zone - 2 (Dhaka -2)
 - ❑ Sales Zone - 3 (Sylhet)
 - ❑ Sales Zone - 4 (Chittagong)
- ◆ At present we have 606 Direct Sales Agents (DSA) who are working under 4 sales zone:
- ◆ In the year 2013, retail banking division launched 03 (three) new products which are as under:
 - ❑ Sanchita - Female Savings Account
 - ❑ Freedom - Flexi DPS Account
 - ❑ Salary Overdraft for IFIC employee
- ◆ In 2013, we have re-redesigned "School Savings Plan - A Plus" account
- ◆ In 2013, retail banking division recruited and trained a total of 1,278 DSAs from which 606 DSAs are working on board;
- ◆ DST sales team salary and incentive is completely based on achieving individual target per month. Every month DST governance team prepared DST salary, incentives and other benefits through analysing their individual performance which is verified by Finance and Accounts Division of the bank;
- ◆ Deposit products of Retail Banking Division are as below:

Transaction Deposit Product:

- ❑ Savings Account
- ❑ Current Account
- ❑ Super Savings Plus - More Money
- ❑ Sanchita - Female Savings Account
- ❑ Duronta - Student Savings Account
- ❑ Payroll Savings Account
- ❑ Special Notice Deposit Account

Term Deposit Product:

- ❑ Fixed Deposit Account
- ❑ Monthly Income Scheme
- ❑ Double Return Deposit Scheme

Scheme Deposit Product:

- ❑ Pension Savings Scheme
- ❑ School Savings Plan - A Plus
- ❑ Freedom - Flexi DPS Account
- ❑ Millionaire Deposit Scheme

- ◆ Loan products of retail banking division are as follows:
 - ❑ Consumer Durable Loan
 - ❑ Education Loan (Parua)
 - ❑ House Building Loan (Thikana)
 - ❑ Peshajeebi Loan (Loan for professional)
 - ❑ Flexi Loan (Personal loan)
 - ❑ Any Purpose Loan (Asa purun)
 - Holiday Loan
 - Emergency Medical Loan
 - CNG Conversion Loan
 - Home Renovation Loan
 - Marriage Loan (Badhon)
 - ❑ Auto Loan
 - ❑ Festival Loan
 - ❑ Easy loan (Secured personal loan)
- ◆ In 2013, retail banking division initiated following activities to boost us business, service & process;
- ◆ A total of 36 business campaign performed in different location of the country from which a number of business leads were generated;
- ◆ Retail banking division publish “**Deposit Performance Report**” on monthly basis in which all types of deposit information of the bank are analysed with various tables and graphs. Competitor banks information also covered in this report;
- ◆ Impletion of customer type code rectification project through which we can find out total retail portfolio of the Bank. As of 31-12-2013 retail deposit of the bank was BDT 64,080 million;
- ◆ Introduce monthly deposit and debit card appreciation policy for all branch employee which shall come into effect from January 2014 to motivate and recognize true business performers of the bank;
- ◆ Settled scholarship claim of customer under School Savings Plan – A Plus account.

FINANCIAL REPORT 2013



Howladar Yunus & Co.

Independent Auditor's 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 separate financial statements of IFIC Bank Limited (the "Bank"), which comprises the consolidated balance sheet and the separate balance sheet as at 31 December 2013, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in 2.1 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 as amended and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2013, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1

Chartered Accountants
Correspondent firm of Grant Thornton International Ltd

Howladar Yunus & Co.

Report on Other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - i) Internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2.24 appeared to be adequate with some deficiencies as identified in management report.
 - ii) Nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in note 2.24.5
- (c) financial statements of subsidiary companies of the Bank namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited have been audited and properly reflected in the consolidated financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory; and
- (k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,000 person hours for the audit of the books and accounts of the Bank.

Howladar Yunus & Co.

Howladar Yunus & Co.
Chartered Accountants

Dhaka, 20 March 2014

Chartered Accountants
Correspondent firm of Grant Thornton International Ltd

Consolidated Balance Sheet as at 31 December 2013

Particulars	Notes	Amount in Taka	
		31 December 2013	31 December 2012
PROPERTY AND ASSETS			
Cash		9,694,857,863	9,582,866,983
Cash in hand (including foreign currency)	3.a	2,027,983,219	1,793,372,821
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)	3.b	7,666,874,644	7,789,494,162
Balance with other banks and financial institutions		10,028,287,316	5,158,506,347
In Bangladesh	4.a	8,754,990,093	3,497,911,209
Outside Bangladesh	4.b	1,273,297,223	1,660,595,138
Money at call and on short notice	5	-	950,000,000
Investments		21,294,982,635	15,836,154,786
Government securities	6.a	15,893,691,348	11,311,623,934
Other investments	6.b	5,401,291,288	4,524,530,852
Loans and advances		86,020,739,529	78,446,281,797
Loans, cash credits, overdrafts, etc.	7.a	79,899,715,032	71,546,062,534
Bills purchased and discounted	8.a	6,121,024,498	6,900,219,263
Fixed assets including premises, furniture and fixtures	9.a	2,358,801,815	2,367,569,482
Other assets	10.a	3,632,164,715	3,165,491,453
Non-banking assets	11	373,474,800	-
Total assets		133,403,308,674	115,506,870,848
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	12.a	780,065,530	1,111,976,655
Deposit and other accounts	13.a	107,990,281,918	92,481,115,043
Current deposits and other accounts		12,817,554,019	11,588,588,434
Bills payable		1,573,829,454	1,492,411,159
Savings bank deposits		13,890,783,163	11,468,553,820
Fixed Deposits		76,702,440,925	65,317,764,044
Bearer Certificate of Deposit		-	-
Other Deposits		3,005,674,356	2,613,797,586
Other liabilities	14.a	15,387,219,301	14,047,408,901
Total liabilities		124,157,566,749	107,640,500,599
Capital / Shareholders' equity			
Paid up capital	15	3,806,521,120	3,460,473,750
Statutory reserve	16	3,374,079,154	2,832,536,912
General Reserve	17	55,771,397	55,771,397
Revaluation reserve against securities	18.a	26,025,690	17,604,715
Revaluation reserve against fixed assets	19	115,314,704	115,314,704
Reserve against non banking assets	20	-	-
Foreign currency translation gain/(loss)	21.a	(50,909)	(67,967)
Surplus in Profit and Loss Account	22.a	1,868,074,768	1,384,730,738
Attributable to equity holders		9,245,735,925	7,866,364,249
Non controlling interest	23	6,000	6,000
Total shareholders' equity		9,245,741,925	7,866,370,249
Total liabilities and shareholders' equity		133,403,308,674	115,506,870,848

Consolidated Balance Sheet

as at 31 December 2013

Particulars	Notes	Amount in Taka	
		31 December 2013	31 December 2012
OFF BALANCE SHEET ITEMS			
Contingent liabilities	24	42,304,360,063	36,502,077,421
Acceptances and endorsements	24.1	13,876,907,523	11,672,883,029
Letters of guarantee	24.2	6,340,226,700	5,717,606,179
Irrevocable letters of credit	24.3	14,442,618,436	12,272,437,515
Bills for collection	24.4	7,644,607,405	6,839,150,698
Other contingent liabilities		-	-
Other Commitments		-	-
Documents credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-Balance Sheet exposures including contingent liabilities		42,304,360,063	36,502,077,421

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


Managing Director


Director


Director


Director

Dhaka, 20 March 2014

Signed as per our annexed report of same date

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

Consolidated Profit and Loss Account

For the year ended 31 December 2013

Particulars	Note	Amount in Taka	
		2013	2012
Interest income	26.a	11,157,042,069	10,520,385,972
Interest paid on deposits, borrowings, etc.	27.a	8,550,277,551	7,658,802,706
Net Interest income		2,606,764,517	2,861,583,266
Investment income	28.a	2,192,253,088	1,813,933,609
Commission, exchange and brokerage	29.a	1,319,763,289	1,254,026,405
Other operating income	30.a	510,329,508	429,800,154
		4,022,345,886	3,497,760,167
Total operating income		6,629,110,403	6,359,343,433
Salaries and allowances	31.a	1,910,600,460	1,788,996,149
Rent, taxes, insurance, electricity, etc.	32.a	602,478,805	491,162,865
Legal expenses	33.a	5,557,719	3,734,352
Postage, stamp, telecommunication, etc.	34.a	90,270,298	72,441,274
Stationery, printing, advertisement, etc.	35.a	101,292,102	102,027,782
Managing Director's salary	36	13,660,000	7,952,581
Directors' fees	37.a	1,004,927	1,405,750
Auditors' fee	38.a	900,000	700,000
Charges on loan loss	39	35,777,187	-
Depreciation and repair of bank's assets	40.a	302,548,470	273,093,112
Other expenses	41.a	579,826,799	385,940,869
Total operating expenses		3,643,916,768	3,127,454,735
Profit/(Loss) before provision		2,985,193,635	3,231,888,698
Provision for loans, investments and other assets	42.a		
General provision		(145,290,413)	1,660,964,465
Specific provision		49,392,000	(33,000,000)
Provision for Off-Shore Banking Units		9,600,000	(6,500,000)
Provision for off-balance sheet exposures		63,220,000	1,500,000
Provision for diminution in value of investments		235,566,751	193,710,375
Provision for other assets		27,672,054	(47,210,375)
Total Provision		240,160,392	1,769,464,465
Profit/(Loss) before taxes		2,745,033,244	1,462,424,233
Provision for taxation			
Current tax	43.a	1,101,878,414	1,006,863,357
Deferred tax	43.b	272,221,188	(678,279,860)
		1,374,099,602	328,583,497
Net profit after taxation		1,370,933,642	1,133,840,736
Retained earning brought forward from previous years		1,038,683,368	528,906,584
		2,409,617,010	1,662,747,320
Appropriations			
Statutory Reserve		541,542,242	278,016,582
General Reserve		-	-
		541,542,242	278,016,582
Retained Surplus		1,868,074,768	1,384,730,738
Earnings per Share (EPS)	50.a	3.60	2.98

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


Managing Director


Director


Director


Director

Dhaka, 20 March 2014

Signed as per our annexed report of same date

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

Consolidated Cash Flow Statement

For the year ended 31 December 2013

Particulars	Note	Amount in Taka	
		2013	2012
Cash flows from operating activities			
Interest received in cash		13,189,956,060	10,520,385,971
Interest payments		(8,550,277,551)	(7,658,802,706)
Dividend received		83,972,568	53,213,728
Fees and commission received		1,319,763,289	1,151,880,094
Recoveries of loans and advances previously written-off		648,876,150	175,200,118
Cash payments to employees		(1,724,260,460)	(1,639,222,255)
Cash payments to suppliers		-	-
Income taxes paid		(1,031,213,745)	(872,717,004)
Receipts from other operating activities	44.a	585,696,037	2,292,666,344
Payments for other operating activities	45.a	(1,381,330,651)	(1,124,007,033)
Operating Cash flows before charges in operating assets and liabilities		3,141,181,698	2,898,597,257
Increase/(Decrease) in operating assets and liabilities			
Statutory deposits		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		(7,574,457,732)	(13,017,932,433)
Other assets	47.a	(592,439,172)	342,626,717
Deposits from other Banks		(168,749,125)	300,353,000
Deposits from customers		15,346,004,874	19,090,168,561
Trading liabilities		-	(298,830,132)
Other liabilities	48.a	4,112,876,644	662,468,608
		11,123,235,489	7,078,854,321
Net cash from operating activities		14,264,417,186	9,977,451,578
Cash flows from investing activities			
Net proceeds/(payments) from sale/(purchase) of Government securities		(4,582,067,414)	18,000,000
Net proceeds/(payments) from sale/(purchase) of securities		(876,760,435)	(254,215,397)
Purchase of property, plant & equipment		(173,662,221)	(328,522,475)
Proceeds from sale of property, plant & equipment	41.1	4,912,148	1,437,731
Payment against lease obligation		-	-
Net cash used in investing activities		(5,627,577,922)	(563,300,140)
Cash flows from financing activities			
Receipts from issue of sub-ordinated bond		-	-
Payment for finance lease		-	-
Receipts from issue of ordinary share including premium		-	-
Dividend paid		-	-
Received from issue of loan, capital and debts security		-	5,793,512
Payments for redemption of loan capital and debt security		-	(245,558,700)
Net Cash used in Financing activities		-	(239,765,188)
Net increase/(decrease) in cash and cash equivalent		8,636,839,265	9,174,386,250
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalent at beginning period		26,979,997,262	17,805,611,013
Cash and cash equivalents at end of period	46.a	35,616,836,527	26,979,997,262
Cash and cash equivalents at end of period			
Cash in hand		2,027,983,219	1,793,359,302
Balance with Bangladesh Bank and its Agents Bank		7,666,874,644	7,789,507,681
Balance with other banks and financial institutions		10,028,287,316	5,158,506,346
Money at call and on short notice		-	950,000,000
Govt. Securities		15,887,336,348	11,283,196,834
Prize bonds		6,355,000	5,427,100
		35,616,836,527	26,979,997,262

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


Managing Director

Dhaka, 20 March 2014


Director


Director


Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2013

Particulars	Amount in Taka								
	Paid up capital	Statutory reserve	Assets Revaluation reserve	General reserve	Revaluation gain/loss on investments	F.C Translation gain/(Loss)	Retained Earnings	Minority Interest	Total
Restated Balance as at 1 January 2013	3,460,473,750	2,832,536,912	115,314,704	55,771,397	17,604,715	(67,967)	1,384,730,738	6,000	7,866,370,249
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2013	3,460,473,750	2,832,536,912	115,314,704	55,771,397	17,604,715	(67,967)	1,384,730,738	6,000	7,866,370,249
Surplus/deficit on account of revaluation of properties									
Surplus/deficit on account of revaluation of investments					8,420,975				8,420,975
Currency translation differences									
Net gains and losses not recognized in the income statement						17,058			17,058
Net profit for the year							1,370,933,642		1,370,933,642
Dividends (Bonus shares) for the year 2012	346,047,370						(346,047,370)		
Dividends (Cash)									
Share premium									
Issue of share capital (Right share)									
Appropriation made during the year		541,542,242					(541,542,242)		
Balance as at 31 December 2013	3,806,521,120	3,374,079,154	115,314,704	55,771,397	26,025,690	(50,909)	1,868,074,768	6,000	9,245,741,925

For the year ended 31 December 2012

Particulars	Amount in Taka								
	Paid up capital	Statutory reserve	Assets Revaluation reserve	General reserve	Revaluation gain/loss on investments	F.C Translation gain/(Loss)	Retained Earnings	Minority Interest	Total
Balance as at 1 January 2012	2,768,379,000	2,554,520,330	115,314,704	55,771,397	1,323,883	-	1,190,525,645	6,000	6,685,840,959
Impact of changes in accounting policy	-	-	-	-	-	-	168,894,639	-	168,894,639
Restated balance as at 31 January 2012	2,768,379,000	2,554,520,330	115,314,704	55,771,397	1,323,883	-	1,359,420,284	6,000	6,854,735,598
Surplus/deficit on account of revaluation of properties									
Surplus/deficit on account of revaluation of investments									
Currency translation differences						(67,967)			(67,967)
Net gains and losses not recognized in the income statement					16,280,833				16,280,833
Net profit for the year							1,133,840,736		1,133,840,736
Dividends (Bonus shares) for the year 2011	692,094,750						(692,094,750)		
Dividends (Cash) for the year 2011							(138,418,950)		(138,418,950)
Share premium									
Issue of share capital (Right share)									
Appropriation made during the year		278,016,582					(278,016,582)		
Restated balance as at 31 December 2012	3,460,473,750	2,832,536,912	115,314,704	55,771,397	17,604,716	(67,967)	1,384,730,738	6,000	7,866,370,249


Managing Director
Dhaka, 20 March 2014


Director


Director


Director

Balance Sheet

as at 31 December 2013

Particulars	Notes	Amount in Taka	
		31 December 2013	31 December 2012
PROPERTY AND ASSETS			
Cash	3	9,686,767,548	9,582,853,464
Cash in hand (including foreign currency)	3.1	2,019,892,903	1,793,359,302
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)	3.2	7,666,874,644	7,789,494,162
Balance with other banks and financial institutions	4	10,028,281,576	5,151,800,976
In Bangladesh	4.1	8,754,990,093	3,497,911,208
Outside Bangladesh	4.2	1,273,291,483	1,653,889,768
Money at call and on short notice	5	-	950,000,000
Investments	6	21,170,763,155	15,670,685,611
Government securities	6.1	15,893,691,348	11,311,623,934
Other investments	6.2	5,277,071,808	4,359,061,677
Loans and advances	7	84,110,385,028	77,159,761,910
Loans, cash credits, overdrafts, etc.	7.1	77,989,360,530	70,259,542,647
Bills purchased and discounted	8	6,121,024,498	6,900,219,263
Fixed assets including premises, furniture and fixtures	9	2,337,283,309	2,342,321,484
Other assets	10	4,310,100,907	3,871,326,334
Non-banking assets	11	373,474,800	-
Total assets		132,017,056,322	114,728,749,779
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial Institutions and agents	12	432,100,434	874,456,831
Deposit and other accounts	13	107,778,051,821	92,432,755,891
Current deposits and other accounts	13.1	12,605,323,923	11,540,229,281
Bills payable	13.2	1,573,829,454	1,492,411,159
Savings bank deposits	13.3	13,890,783,163	11,468,553,820
Fixed Deposits	13.4	76,702,440,925	65,317,764,044
Bearer Certificate of Deposit		-	-
Other Deposits	13.5	3,005,674,356	2,613,797,586
Other liabilities	14	14,709,053,271	13,668,135,225
Total liabilities		122,919,205,526	106,975,347,946
Capital/Shareholders' equity			
Paid up capital	15	3,806,521,120	3,460,473,750
Statutory reserve	16	3,374,079,154	2,832,536,912
General Reserve	17	55,771,397	55,771,397
Revaluation reserve against securities	18	16,043,518	17,084,579
Revaluation reserve against fixed assets	19	115,314,704	115,314,704
Reserve against non banking assets	20	-	-
Foreign currency translation gain/(loss)	21	-	-
Surplus in Profit and Loss Account	22	1,730,120,902	1,272,220,491
Attributable to equity holders		9,097,850,796	7,753,401,832
Non controlling interest	23	-	-
Total shareholders' equity		9,097,850,796	7,753,401,832
Total liabilities and shareholders' equity		132,017,056,322	114,728,749,779

Balance Sheet

as at 31 December 2013

Particulars	Notes	Amount in Taka	
		31 December 2013	31 December 2012
OFF BALANCE SHEET ITEMS			
Contingent liabilities	24	42,304,360,063	36,502,077,421
Acceptances and endorsements	24.1	13,876,907,523	11,672,883,029
Letters of guarantee	24.2	6,340,226,700	5,717,606,179
Irrevocable letters of credit	24.3	14,442,618,436	12,272,437,515
Bills for collection	24.4	7,644,607,405	6,839,150,698
Other contingent liabilities		-	-
Other Commitments		-	-
Documents credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-Balance Sheet exposures including contingent liabilities		42,304,360,063	36,502,077,421

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


Managing Director


Director


Director


Director

Signed as per our annexed report of same date

Dhaka, 20 March 2014

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

Profit and Loss Account

For the year ended 31 December 2013

Particulars	Note	Amount in Taka	
		2013	2012
Interest income	26	11,111,313,344	10,442,619,724
Interest paid on deposits, borrowings, etc.	27	8,494,157,902	7,636,960,088
Net Interest income		2,617,155,442	2,805,659,637
Investment income	28	2,169,887,411	1,813,933,609
Commission, exchange and brokerage	29	1,234,007,909	1,150,676,093
Other operating income	30	507,884,495	408,233,685
		3,911,779,815	3,372,843,386
Total operating income		6,528,935,257	6,178,503,023
Salaries and allowances	31	1,887,630,433	1,769,162,100
Rent, taxes, insurance, electricity, etc.	32	588,846,410	483,346,545
Legal expenses	33	5,042,307	3,734,352
Postage, stamp, telecommunication, etc.	34	90,061,952	72,441,274
Stationery, printing, advertisement, etc	35	100,583,432	102,027,782
Managing Director's salary	36	13,660,000	7,952,581
Directors' fees	37	900,000	1,285,000
Auditors' fee	38	700,000	700,000
Charges on loan loss	39	35,777,187	-
Depreciation and repair of bank's assets	40	298,629,291	269,127,711
Other expenses	41	559,232,642	358,342,873
Total operating expenses		3,581,063,653	3,068,120,219
Profit/(Loss) before provision		2,947,871,604	3,110,382,803
Provision for loans, investments and other assets	42		
Specific provision		(145,290,413)	1,611,799,882
General provision		49,392,000	(33,000,000)
Provision for Off-Shore Banking Units		9,600,000	(6,500,000)
Provision for off-balance sheet exposures		63,220,000	1,500,000
Provision for diminution in value of investments		235,566,751	193,710,375
Other provisions		27,672,054	(47,210,375)
Total Provision		240,160,392	1,720,299,882
Profit/(Loss) before taxes		2,707,711,212	1,390,082,922
Provision for taxation	43		
Current tax		1,090,000,000	963,216,485
Deferred tax expense/(income)		272,221,188	(678,279,860)
		1,362,221,188	284,936,625
Net profit after taxation		1,345,490,024	1,105,146,297
Retained earning brought forward from previous years		926,173,121	445,090,776
		2,271,663,145	1,550,237,073
Appropriations			
Statutory Reserve		541,542,242	278,016,584
General Reserve		-	-
		541,542,242	278,016,584
Retained Surplus		1,730,120,902	1,272,220,488
Earnings per Share (EPS)	50	3.53	2.90

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


Managing Director


Director


Director


Director

Dhaka, 20 March 2014

Signed as per our annexed report of same date

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

Cash Flow Statement

For the year ended 31 December 2013

Particulars	Note	Amount in Taka	
		2013	2012
Cash flows from operating activities			
Interest received in cash		13,144,227,335	10,442,619,723
Interest payments		(8,494,157,902)	(7,636,960,088)
Dividend received		83,972,568	53,213,728
Fees and commission received		1,234,007,909	1,150,684,893
Recoveries of loans and advances previously written-off		648,876,150	175,200,118
Cash payments to employees		(1,701,290,433)	(1,619,388,206)
Cash payments to suppliers		-	-
Income taxes paid		(1,010,204,639)	(808,310,404)
Receipts from other operating activities	44	560,885,347	2,168,944,765
Payments for other operating activities	45	(1,345,366,742)	(1,088,471,967)
Operating Cash flows before charges in operating assets and liabilities		3,120,949,593	2,837,532,562
Increase/(Decrease) in operating assets and liabilities			
Statutory deposits		-	-
Loans and advances to other banks		-	-
Loans and advances to customers		(6,950,623,118)	(12,518,589,390)
Other assets	47	(571,430,066)	310,761,931
Deposits from other Banks		(279,194,397)	1,522,868
Deposits from customers		15,182,133,930	19,026,670,878
Trading liabilities		-	-
Other liabilities	48	3,801,560,602	308,493,085
		11,182,446,951	7,128,859,372
Net cash from operating activities		14,303,396,544	9,966,391,934
Cash flows from investing activities			
Net proceeds/(payments) from sale/(purchase) of Government securities		(4,582,067,414)	18,000,000
Net proceeds/(payments) from sale/(purchase) of securities		(918,010,130)	(261,731,372)
Purchase of property, plant & equipment (Annexure-D)		(172,769,051)	(310,872,232)
Proceeds from sale of property, plant & equipment	41.1	4,912,148	1,437,731
Payment against lease obligation		-	-
Net cash used in investing activities		(5,667,934,447)	(553,165,872)
Cash flows from financing activities			
Receipts from issue of sub-ordinated bond		-	-
Payment for finance lease		-	-
Receipts from issue of ordinary share including premium		-	-
Dividend paid		-	-
Received from issue of loan, capital and debts security		-	-
Payments for redemption of loan capital and debt security		-	(245,558,700)
Net Cash used in Financing activities		-	(245,558,700)
Net increase/(decrease) in cash and cash equivalent		8,635,462,097	9,167,667,361
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalent at beginning period		26,973,278,374	17,805,611,013
Cash and cash equivalents at end of period	46	35,608,740,471	26,973,278,374
Cash and cash equivalents at end of period			
Cash in hand		2,019,892,903	1,793,359,302
Balance with Bangladesh Bank and its Agents Bank		7,666,874,644	7,789,494,162
Balance with other banks and financial institutions		10,028,281,576	5,151,800,976
Money at call and on short notice		-	950,000,000
Govt. Securities		15,887,336,348	11,283,196,834
Prize bonds		6,355,000	5,427,100
		35,608,740,471	26,973,278,374

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


Managing Director
 Dhaka, 20 March 2014


Director


Director


Director

Statement of Changes in Equity

For the year ended 31 December 2013

Particulars	Amount in Taka								
	Paid up capital	Statutory reserve	Assets Revaluation reserve	General reserve	Revaluation gain/loss on investments	FC Translation gain/(Loss)	Retained Earnings	Minority Interest	Total
Restated balance as at 1 January 2013	3,460,473,750	2,832,536,912	115,314,704	55,771,397	17,084,579	-	1,272,220,491	-	7,753,401,832
Impact of changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance as at 1 January 2013	3,460,473,750	2,832,536,912	115,314,704	55,771,397	17,084,579	-	1,272,220,491	-	7,753,401,833
Surplus/deficit on account of revaluation of properties									
Surplus/deficit on account of revaluation of investments					(1,041,061)				(1,041,061)
Currency translation differences									
Net gains and losses not recognized in the income statement									
Net profit for the year							1,345,490,024		1,345,490,024
Dividends (Bonus shares) for the year 2012	346,047,370						(346,047,370)		
Dividends (Cash)									
Share premium									
Issue of share capital (Right share)									
Appropriation made during the year		541,542,242					(541,542,242)		
Balance as at 31 December 2013	3,806,521,120	3,374,079,154	115,314,704	55,771,397	16,043,518	-	1,730,120,902	-	9,097,850,796

For the year ended 31 December 2012

Particulars	Amount in Taka								
	Paid up capital	Statutory reserve	Assets Revaluation reserve	General reserve	Revaluation gain/loss on investments	FC Translation gain/(Loss)	Retained Earnings	Minority Interest	Total
Balance as at 1 January 2012	2,768,379,000	2,554,520,330	115,314,704	55,771,397	1,323,882	-	1,106,709,837	-	6,602,019,150
Impact of changes in accounting policy	-	-	-	-	-	-	168,894,639	-	168,894,639
Restated balance as at 1 January 2012	2,768,379,000	2,554,520,330	115,314,704	55,771,397	1,323,882	-	1,275,604,476	-	6,770,913,789
Surplus/deficit on account of revaluation of properties									
Surplus/deficit on account of revaluation of investments									
Currency translation differences									
Net gains and losses not recognized in the income statement									
Net profit for the year							1,105,146,297		1,105,146,297
Dividends (Bonus shares) for the year 2011	692,094,750						(692,094,750)		
Dividends (Cash) for the year 2011							(138,418,950)		(138,418,950)
Share premium									
Issue of share capital (Right share)									
Appropriation made during the year		278,016,582					(278,016,582)		
Restated balance as at 31 December 2012	3,460,473,750	2,832,536,912	115,314,704	55,771,397	17,084,579	-	1,272,220,491	-	7,753,401,832



Managing Director

Dhaka, 20 March 2014



Director



Director



Director

Liquidity Statement

Maturity Analysis of Assets and Liabilities

as at 31 December 2013

Amount in Taka

Particulars	Maturity Period					Total
	Upto 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Above 5 Years	
Assets						
Cash in hand	2,019,892,903	-	-	-	-	2,019,892,903
Balance with other banks & financial institutions and agents	5,078,577,074	5,250,036,937	200,036,937	-	7,166,505,271	17,695,156,220
Money at call & short notice	-	-	-	-	-	-
Investment	2,493,110,406	2,026,297,221	2,082,223,353	6,710,065,385	7,859,066,791	21,170,763,155
Loans & advances	21,417,710,247	17,439,935,553	27,905,405,901	11,996,781,949	5,350,551,378	84,110,385,028
Fixed assets including premises, furniture and fixture	-	-	-	-	2,337,283,309	2,337,283,309
Other assets	511,767,907	106,649,862	1,013,516,386	1,162,809,012	1,515,357,741	4,310,100,907
Non-banking assets	-	-	-	-	373,474,800	373,474,800
Total Assets	31,521,058,538	24,822,919,573	31,201,182,576	19,869,656,346	24,602,239,289	132,017,056,322
Liabilities						
Borrowing from other banks and financial institutions	232,100,434	200,000,000	-	-	-	432,100,434
Deposits	28,110,538,077	25,625,730,999	24,327,980,104	22,963,287,537	6,750,515,104	107,778,051,821
Provision and other liabilities	870,718,487	746,298,192	1,243,867,583	9,476,246,445	2,371,922,564	14,709,053,271
Total Liabilities	29,213,356,998	26,572,029,191	25,571,847,687	32,439,533,983	9,122,437,668	122,919,205,526
Net Liquidity Gap: Surplus/(Deficit)	2,307,701,540	(1,749,109,618)	5,629,334,890	(12,569,877,637)	15,479,801,622	9,097,850,796


Managing Director
 Dhaka, 20 March 2014


Director


Director


Director

Notes to the Financial Statements

for the year ended 31 December 2013

1 Legal status and nature of the Bank

1.1 IFIC Bank Limited

IFIC Bank Limited denoted as International Finance Investment and Commerce Bank Limited, started its journey in 1976 at the instance of the Government as a joint venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company. In 1983 when the Government decided to open up banking in the private sector, the finance company was converted into a commercial bank and incorporated as a public limited company in Bangladesh under the Companies Act 1914, governed by the Banking Companies Act 1991. The registered office of the Bank is situated at BDBL Bhaban (8th to 10th & 16th-19th floor), 8 Rajuk Avenue, Dhaka-1000. Its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Government of Bangladesh held 32.75% ordinary shares and the remaining 67.25% were held by the sponsors and general public.

At present the Bank has 112 branches and 49 own ATM booths. Among the branches, there are 7 SME/Agri Branch. The Bank has an Off-shore Banking Unit (OBU) located at Dhaka. The Bank has also two subsidiary companies namely IFIC Securities Limited and IFIC Money Transfer (UK) Limited.

1.2 Nature of business activities

The principal activities of the Bank are to provide all types of commercial banking services within the stipulations laid down by Bank Companies Act 1991 and directives as received from Bangladesh Bank from time to time through its branches, SME centre and alternative delivery channels like ATM Booths and Internet Banking.

1.3 Off-shore Banking Unit

Off-shore Banking Unit (OBU) is a separate business unit of IFIC Bank Limited and governed under the rules and guidelines of Bangladesh Bank. The Bank obtained permission for OBU operations from Bangladesh Bank vide its letter no. BRPD (P-3) 744 (104)/2009-4233 dated 17 November 2009. The unit commenced its operation from 19 May 2010. Presently the bank has 01 (one) Off-shore Banking Unit in Bangladesh. Separate Financial Statements of Off-shore Banking Unit are shown in **Annexure-H**.

1.4 IFIC Securities Limited

IFIC Securities Limited, a fully owned subsidiary company of IFIC Bank Limited was incorporated as a Public limited company in Bangladesh on 2 November 2010 vide certificate of incorporation no. C-87904/10 having registered office at BDBL Bhaban 10th floor, 8 Rajuk Avenue, Dhaka-1000. It acquired membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited for brokerage transaction vide Security Exchange Commission certificate no. 3.1/DSE-192/2009/316 dated 1 January 2009. The main objective of the company is to carry on 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 starts on 10 March 2011. Separate Financial Statements of IFIC Securities Limited are shown in **Annexure-I**.

1.5 IFIC Money Transfer (UK) Limited

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

2 Significant accounting policies and basis of preparation of Financial Statements Basis of preparation

2.1 Statement of compliance

The financial statements of the Bank and the consolidated financial statements of the Group comprising the bank and its subsidiaries for the year ended 31 December 2013 have been prepared under the historical cost basis, except for Government securities which are stated at fair/market value and freehold land which are measured at revalued amount, and in accordance with the "First Schedule" (section 38) of the Bank Companies Act 1991, as amended by the BRPD Circular no. 14 dated 25 June 2013, other Bangladesh Bank circulars, Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges' listing regulations and other laws and rules applicable in Bangladesh. In case the requirement of provisions and Circulars issued by Bangladesh differ with those of other regulatory authorities and accounting standards, the provisions and Circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRS are as follows:

i) Investment in shares and securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

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

ii) Revaluation gains/losses on Government securities

BFRS: As per requirement of BAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognized through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortized cost method and interest income is recognized through the profit and loss account.

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

iii) Provision on loans and advances/investments

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) Recognition of interest in suspense

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

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

v) Other comprehensive income

BFRS: As per BAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

vi) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

vii) Financial guarantees

BFRS: As per BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

viii) Cash and cash equivalent

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as ‘money at call and on short notice’, treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

ix) Non-banking asset

BFRS: No indication of Non-banking asset is found in any BFRS.

Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset.

x) Cash flow statement

BFRS: The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD 14, cash flow is the mixture of direct and indirect methods.

xi) Balance with Bangladesh Bank: (Cash Reserve Requirement)

BFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS 7.

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

xii) Presentation of intangible asset

BFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14.

xiii) Off-balance sheet items

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

Bangladesh Bank: As per BRPD 14, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xiv) Loans and advances/Investments net of provision

BFRS: Loans and advances/Investments should be presented net of provision.

Bangladesh Bank: As per BRPD 14, provision on loans and advances/investments are presented separately as liability and can not be netted off against loans and advances.

2.2 Basis of measurement

The financial statements of the Group and the Bank have been prepared on historical cost basis except the following items:

Government Treasury Bills and Bonds considered as 'Held for Trading (HFT)' at present value using marked to market with gains credited directly to revaluation reserve but loss charged to Profit and Loss Account.

Government Treasury Bills and Bonds considered as 'Held to Maturity (HTM)' at present value using amortization concept.

Zero Coupon Bond at present value using amortization concept.

Land is recognized at cost at the time of acquisition and subsequently measured at fair value as per BAS-16, "Property Plant and Equipment".

2.3 Use of estimates and judgments

In the preparation of the consolidated financial statements of the group and the financial statements of the bank in conformity with BASs/BFRSs 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.

The key estimates and judgments are applied to calculate provision for loans, advances and investments, revaluation of land, deferred tax assets/liabilities and provision for gratuity fund.

2.4 Functional and presentation currency

The consolidated financial statements of the Group and the financial statements of the Bank are presented in Bangladesh Taka (BDT) which is the Group's and the Bank's functional currency. Functional currencies of Off-shore banking unit and IFIC Money Transfer (UK) Limited are US Dollar and UK Pound respectively. Financial information presented in Taka has been rounded off to nearest integer, except otherwise indicated.

2.5 Basis of Consolidation

The financial statement of the Bank includes the financial statements of main operation of IFIC Bank Limited and Off-shore Banking Unit operating in Bangladesh. The consolidated financial statements include the financial statements of the Bank and its two subsidiary companies namely, IFIC Securities Limited operating in Bangladesh and IFIC Money Transfer (UK) Limited operating in United Kingdom made up to the end of the financial year.

The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: Consolidated and Separate Financial Statements. The consolidated financial statements are prepared to a common financial year ended 31 December 2013. Consolidated financial statements and separate financial statements of the Bank comprise of Balance Sheet, Profit and Loss Statement, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statements and relevant notes and disclosures.

2.5.1 **Subsidiary**

Subsidiary is the entity which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an entity, so as to obtain economic benefits from its activities.

The consolidated financial statements incorporate the financial statements of IFIC Bank Limited and financial statements of subsidiary companies from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and investment held by the bank is eliminated against the corresponding share capital of subsidiaries in the consolidated financial statements.

2.5.2 **Conversion Policy**

The subsidiary IFIC Securities Limited operating in Bangladesh and IFIC Money Transfer (UK) Limited has a common financial year ending 31 December 2013.

Assets and liabilities & income and expenses of the subsidiary company, IFIC Money Transfer (UK) Limited are converted into BDT at the year end weighted average rate of GBP 1= BDT 127.5450

2.5.3 **Transactions eliminated on consolidation**

All intra-group transactions and balances, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gain, but only to the extent that there are no evidence of impairment.

2.6 **Foreign currency transactions**

Foreign currency

Financial statements of each entity in the group are measured in terms of functional currency in which the entity operates. The consolidated financial statements of the group and the financial statements of the Bank are prepared in the Bank's functional and presentation currency which is Bangladesh Taka (BDT).

Foreign currencies translation

"Foreign currency transactions are translated into the Bank's functional currency at the ruling exchange rates on the respective date of such transactions as per BAS 21" "The Effect of Changes in Foreign Exchange Rates". Assets and liabilities in foreign currencies at the reporting date are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank. Foreign exchange differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting/crediting exchange gain or loss account.

Assets and liabilities & income and expenses of Off-shore Banking Units are converted into BDT at the year end weighted average rate of USD 1= BDT 77.7500

Commitments

Outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letters of credit, letters of guarantee and acceptance denominated in foreign currencies are expressed in Taka terms at the rates of exchange on the balance sheet date.

Translation 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 which included directly in statement of changes in equity.

2.7 **Cash flow statement**

Cash flow statement has been prepared in accordance with BAS 7 "Cash Flow Statement" and under the guideline of Bangladesh Bank BRPD Circular no. 14 dated 25 June 2003 in direct method as recommended.

2.8 **Statement of changes in equity**

Statement of changes in equity has been prepared in accordance with BAS 1 "Presentation of Financial Statements" and following the guidelines of Bangladesh Bank BRPD Circular no. 14 dated 25 June 2003. It reflects information about the increase or decrease in net wealth.

2.9 Liquidity statement

The liquidity statement has been prepared in accordance with residual maturity grouping of Assets and Liabilities at the reporting date as per following bases:

Particulars	Basis
Balance with other Banks and financial institutions	Maturity term
Money at call and on short notice	Maturity term
Investments	Respective residual maturity
Loans and advances	Repayment schedule
Fixed assets	Useful lives
Other assets	Realization/amortization
Borrowing from other Banks, financial institutions	Maturity/repayment terms
Deposits and other accounts	Maturity term and past trend of withdrawal
Provisions and other liabilities	Payment/adjustments schedule

2.10 Reporting period

These financial statements cover one calendar year from 1 January 2013 to 31 December 2013.

2.11 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.12 Restatement

In order to comply with the Bangladesh Accounting Standards (BAS-8), Accounting Policies, Changes in Accounting Estimates and Errors, it requires to restate deferred tax income for Taka 678,279,860 of 2012 (note-43) and the retained earnings as on 1 January 2012 by Taka 168,894,641 (note-22.1) to show the retrospective effect that has occurred for the relevant year of transaction. Consequently, the above amount was adjusted with deferred tax assets/liabilities accounts.

2.13 Assets and basis of their valuation

2.13.1 Cash and cash equivalents

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

2.13.2 Investment

Investments (except government treasury bill and bond) have been initially recognized at cost, including acquisition charges associated with the investment. Premiums have been amortized and discount accredited, 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.

2.13.3 Loans and advances

- Loans and advances have been stated at gross value as pre requirements of Bank Companies Act, 1991.
- 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
- 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	Same rate applicable as per above particulars
Off Balance Sheet Exposure	1.00%
Specific Provision on:	
Substandard loans and advances	20.00%
Substandard short term agri agri credit	5.00%
Doubtful loans and advances	50.00%
Doubtful short term agri credit	5.00%
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.

2.13.4 Stock of stationery:

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

2.13.5 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	2.5%
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 9 October 2011, Bank's property was revalued by Baltic Control (BD) Ltd. Gain on revaluation surplus included in fixed assets and assets revaluation reserve of this financial statements.

2.13.6 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.

2.14 Liabilities and Provisions

2.14.1 Share Capital

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

2.14.2 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.

2.14.3 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.

2.14.4 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 31 December 2013.

2.14.5 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.

2.14.6 Provision for Taxation

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"

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 2013.

2.14.7 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"

2.14.8 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.

2.14.9 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.

2.15 Retirement Benefit

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

2.15.1 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.

2.15.2 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.

2.16 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 7 August 2007 and BRPD Circular No. 10 dated 18 September 2007 at the rate of 1.00%.

2.17 Revenue recognition

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

2.17.1 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.

2.17.2 Fees and commission income

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

2.17.3 Investment income

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

2.17.4 Dividend income on shares

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

2.17.5 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.

2.18 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 31 December 2013 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.

2.19 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.

2.20 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.

2.21 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.

2.22 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.

2.23 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 -50.

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.

2.24 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.

2.24.1 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.

2.24.2 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.

2.24.3 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.

2.24.4 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.

2.24.5 Fraud Risk Management

Fraud is a concept that is generally understood but whose characteristics are often not recognized until it is too late. The incidence of fraud has been rising due to rapid changes in technological environment in the banking sector. Beside outsiders, fraudulent acts are also committed by employees who understand the internal operations at their workplace and take advantage of internal control weaknesses. To prevent the fraud and forgeries in the bank, it has broad range of measure to monitor and mitigate the risk. The fraud management process involves three steps, fraud prevention, fraud detection and fraud investigation. We consider it best to prevent fraud than to detect or investigate. To cope with external fraud we regularly arrange training program for the executive and staffs working at branch level. Internal Control and Compliance Division works to ensure effective internal control system throughout the bank. Internal Control Unit (ICU) of each branch and division has on going process of transaction monitoring, which helps to prevent and detect both internal and external fraud.

2.24.6 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.

2.24.7 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.

2.25 Management Committee (MANCOM)

The Management Committee (MANCOM) is functioning since the year 1994 as a structured unit to take important management decisions. Presently, it comprises of 16 (sixteen) members holding key positions in the management of the Bank. The Committee is headed by the Managing Director who is assisted by a Senior Management Group consisting of the 03 (three) Deputy Managing Director, 03 (three) Senior Executive Vice President (SEVP) who are the Company Secretary, In-charge of ICC, Head of HRM, 05 (two) Executive Vice President (EVP) who are Head of Credit Administration, Head of Business Project Delivery and Relationship Manager of Motijheel Branch, Federation Branch, Gulshan Branch, 02 (two) Senior Vice President (SVP) who are Head of Credit Risk Management, Chief Law Officer, 02 (two) First Vice President (FVP) who are Head of Support & Estate, Managing Director's Secretariat, 01 (one) Vice President and 01 (one) Senior Assistant Vice President (SAVP). 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 activities.

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

2.26 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**
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.	Status
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 31.12.2013

Name of the BFRS	BFRS No.	Status
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.

2.27 General

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

		Amount in Taka	
		31 December 2013	31 December 2012
3	Cash		
	Cash in hand (including foreign currencies) (note-3.1)	2,019,892,903	1,793,359,302
	Balance with Bangladesh Bank and its agents bank (note-3.2)	7,666,874,644	7,789,494,162
		9,686,767,548	9,582,853,464
3.1	Cash in hand (including foreign currencies)		
	Local currency in hand	1,918,331,382	1,725,458,312
	Foreign currencies in hand	23,866,521	27,487,390
	Cash with ATM	77,695,000	40,413,600
		2,019,892,903	1,793,359,302
3.2	Balance with Bangladesh Bank and its agents bank		
	Bangladesh Bank		
	Local currency	6,959,670,360	5,724,464,863
	Foreign currency	428,009,611	1,497,240,537
		7,387,679,972	7,221,705,400
	Sonali Bank as agent of Bangladesh Bank	279,194,673	567,788,762
		7,666,874,644	7,789,494,162

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

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991 and MPD circular no. 4 and 5, dated 1 December 2010.

3.3.1 Cash Reserve Requirement (CRR)

As per Bangladesh Bank MPD Circular no. 4 dated 1 December 2010 (effective from 15 December 2010), all scheduled banks have to maintain a CRR of minimum 5.5% on daily basis and 6.0% on bi-weekly basis based on weekly average demand and time liabilities of immediate preceding two months (i.e. CRR of December 2013 was based on weekly average balance of October 2013). CRR maintained by the Bank is in excess of the statutory requirement, as shown below:

Average time and demand liabilities of October 2013 (excluding inter-bank deposit)	102,167,681,600	88,004,977,000
Required reserve (6% of average time and demand liabilities)	6,130,060,896	5,280,298,620
Actual Reserve Maintained	6,131,838,000	5,440,679,410
Surplus	1,777,104	160,380,790

Amount in Taka

31 December 2013

31 December 2012

3.3.2 Statutory Liquidity Ratio (SLR)

As per Bangladesh Bank MPD Circular no. 5 dated 1 December 2010 (effective from 15 December 2010), all scheduled banks have to maintain a SLR of minimum 19% based on weekly average demand and time liabilities of immediate preceding two months (i.e. SLR of December 2013 was based on weekly average balance of October 2013). SLR maintained by the Bank is in excess of the statutory requirement, as shown below:

Average time and demand liabilities of October 2013
(excluding inter-bank deposit)

	102,167,681,600	88,004,977,000
Required reserve (19% of average time and demand liabilities)	19,411,859,504	16,720,945,630
Actual Reserve Maintained (including CRR)	25,091,920,699	19,313,979,835
Surplus	5,680,061,195	2,593,034,205
Actual Reserve maintained for SLR		
Cash held	1,942,198,000	1,725,458,000
Balance with Bangladesh Bank	5,733,191,754	5,642,537,000
Balance with Sonali Bank as agent	279,194,600	567,788,000
Government securities (HFT)	5,381,453,205	2,341,495,438
Government securities (HTM)	10,490,883,140	8,941,701,397
TT in Transit	-	72,000,000
Reverse Repo with Bangladesh Bank	1,250,000,000	-
Other approved securities	15,000,000	23,000,000
	25,091,920,699	19,313,979,835
3.a Consolidated Cash in hand		
IFIC Bank Limited (note-3.1)	2,019,892,903	1,793,359,302
IFIC Securities Limited	8,809	13,519
IFIC Money Transfer (UK) Limited	8,081,506	-
	2,027,983,219	1,793,372,821
3.b Balance with Bangladesh Bank and its agents bank		
IFIC Bank Limited (note-3.2)	7,666,874,644	7,789,494,162
IFIC Securities Limited	-	-
IFIC Money Transfer (UK) Limited	-	-
	7,666,874,644	7,789,494,162
	9,694,857,863	9,582,866,983
4 Balance with other Banks and Financial Institutions		
In Bangladesh (note-4.1)	8,754,990,093	3,497,911,208
Outside Bangladesh (note-4.2)	1,273,291,483	1,653,889,768
	10,028,281,576	5,151,800,976
4.1 In Bangladesh		
In Current Deposit Account with		
Agrani Bank Ltd.	61,509,313	66,125,223
Sonali Bank Ltd.	3,237	5,192
IFIC Securities Ltd.	225,021,886	109,447,797
	286,534,437	175,578,212
In Special Notice Deposit Account with		
Trust Bank Ltd	9,837,668	9,859,089
Standard Chartered Bank Ltd	8,557,316	12,413,235
Beneficiary Owner (B. O) A/c.	60,672	60,672
	18,455,656	22,332,995

	Amount in Taka	
	31 December 2013	31 December 2012
In Fixed Deposit Account with banks and NBFIs		
Peoples Leasing & Financial Services Ltd.	300,000,000	300,000,000
First Lease Finance & Investment Co. Ltd.	-	300,000,000
Southeast Bank Ltd.	900,000,000	-
IIDFC	150,000,000	150,000,000
Phoenix Finance & Investment Co. Ltd.	-	500,000,000
Investment Corporation of Bangladesh	5,000,000,000	2,050,000,000
Commercial Bank of Ceylon	300,000,000	-
Bank Alfalah Ltd.	300,000,000	-
Bank Asia Ltd.	500,000,000	-
BRAC Bank Limited	1,000,000,000	-
	8,450,000,000	3,300,000,000
	8,754,990,093	3,497,911,208
4.2 Outside Bangladesh (NOSTRO Accounts)		
Current account		
J.P. Morgan Chase Bank, New York	496,002,209	669,175,276
Citi Bank N.A. New York	140,430,703	180,950,485
HSBC Bank , New York	211,061,074	257,961,848
Standard Chartered Bank, London	15,672,436	9,897,488
Masreq Bank PSC, New York	36,061,352	171,962,106
Mashreq Bank, PSC, Hongkong	-	4,082,325
Mashreq Bank, PSC, Mumbai, India	27,207,983	-
Standard Chartered Bank, N.Y.	28,914,055	13,401,741
Wachovia Bank N.A. New York	44,502,964	48,101,523
Sonali Bank, (UK) Limited	44,256,004	-
HSBC Bank, Mumbai	6,560,376	14,777,605
Standard Chartered Bank, Kolkata	12,183,413	46,082,267
A.B. Bank Ltd., Mumbai	34,098,493	47,785,785
NIB Bank Ltd, Karachi, Pakistan	27,455,370	5,307,746
National Trust Bank Ltd., Colombo	5,335,815	14,132,606
N B B L , Kathmandu, Nepal	3,248,728	5,310,759
Sonali Bank, Kolkata	16,562,899	13,026,005
State Bank of India, Kolkata	4,789,242	5,041,616
Bank of Bhutan, Phuentsoling	3,836,858	3,940,485
ICIC Bank Ltd.	42,259,801	47,541,700
HSBC Bank Australia Ltd.	-	1,680,018
J.P. Morgan Chase Bank, Sydney' 58	1,825,343	1,774,260
The Bank Nova Scotia, Toronto, Canada	1,120,244	(700,097)
UBS, AG. , Zurich	-	731,958
Habib Bank AG , Zurich	23,432,838	2,710,001
Commerz Bank AG, Frankfurt	3,861,613	7,335,221
Vereins Bank AG, Germany	-	1,163,005
J.P. Morgan Chase Bank AG, Frankfurt	1,566,331	31,796,324
Sonali Bank, (UK) Limited	3,916,846	-
Standard Chartered Bank, London	2,001,474	1,807,573
HSBC Bank PLC, London	11,733,130	45,631,794
Sonali Bank (UK) Limited	22,687,531	1,222,703
Bank Of Tokyo- Mitsubishi,Tokyo	706,359	257,643
	1,273,291,483	1,653,889,768

For details of foreign currency amounts and rates thereof please see "Annexure-A"

		Amount in Taka	
		31 December 2013	31 December 2012
4.3	Maturity grouping of Balance with other banks and FIs		
	Receivable on demand	1,559,825,920	1,851,800,976
	Upto 1 month	3,118,455,656	1,500,000,000
	More than 1 month but not more than 3 months	5,200,000,000	1,650,000,000
	More than 3 months but not more than 6 months	150,000,000	150,000,000
	More than 6 months but not more than 1 year	-	-
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		10,028,281,576	5,151,800,976
4.a	Consolidated Balance with other Banks and Financial Institutions In Bangladesh		
	IFIC Bank Limited (note-4.1)	8,754,990,093	3,497,911,208
	IFIC Securities Limited	55,085,019	141,472,801
	IFIC Money Transfer (UK) Limited	-	-
		8,810,075,112	3,639,384,009
	Less: Inter -company transaction	55,085,018	141,472,800
		8,754,990,093	3,497,911,209
4.b	Outside Bangladesh		
	IFIC Bank Limited (note-4.2)	1,273,291,483	1,653,889,768
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	5,740	6,705,370
		1,273,297,223	1,660,595,138
	Less: Inter -company transaction	-	-
		1,273,297,223	1,660,595,138
		10,028,287,316	5,158,506,347
5	Money at call and on short notice		
	Banking Companies		
	Uttara Bank Limited	-	150,000,000
	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
	Non Banking Financial Institution		
		-	-
		-	950,000,000
6	Investments		
	Government Securities (note-6.1)	15,893,691,348	11,311,623,934
	Other Investments (note-6.2)	5,277,071,808	4,359,061,677
		21,170,763,155	15,670,685,611
6.1	Government Securities		
	Treasury Bills (note-6.1.1)	4,114,079,358	2,033,386,734
	Treasury Bonds (note-6.1.2)	10,183,438,982	8,761,609,974
	Bangladesh Bank Bills (6.1.3)	1,574,818,008	488,200,126
	Prize Bond (note-6.1.4)	6,355,000	5,427,100
	Debentures (note-6.1.5)	15,000,000	23,000,000
		15,893,691,348	11,311,623,934

		Amount in Taka	
		31 December 2013	31 December 2012
6.1.1	Treasury Bills		
	91 days treasury bills	823,274,613	646,690,086
	182 days treasury bills	1,163,215,520	1,001,703,677
	364 days treasury bills	2,127,589,226	384,992,971
		4,114,079,358	2,033,386,734
6.1.2	Treasury Bonds		
	2 years Treasury Bond	162,407,150	-
	5 years Treasury Bond	2,208,514,002	2,073,196,320
	10 years Treasury Bond	5,255,405,326	4,687,308,289
	15 years Treasury Bond	1,635,645,025	1,132,432,605
	20 years Treasury Bond	921,467,479	868,672,760
		10,183,438,982	8,761,609,974
6.1.3	Bangladesh Bank Bills	1,574,818,008	488,200,126
6.1.4	Prize Bond	6,355,000	5,427,100
6.1.5	Debentures		
	Investment Corporation of Bangladesh debenture	-	3,000,000
	House Building Finance Corporation debenture	15,000,000	20,000,000
		15,000,000	23,000,000
6.2	Other Investments		
	Unquoted Shares		
	Karma Sangsthan Bank Limited	20,000,000	20,000,000
	Central Depository Bangladesh Limited	22,847,220	18,277,770
	Energy Pack Power Co. Ltd.	25,960,000	-
	Banglalion Communication (BCL) Bond	579,997,606	-
		648,804,826	38,277,770
	Quoted Shares		
	Share of National Housing Finance & Investment Limited	39,010,000	23,500,000
	Power Grid Co. BD Ltd.	275,412,488	267,616,172
	Delta Life Insurance Co. Ltd.	22,110,000	22,110,000
	Khulna Power Co. Ltd.	126,278,021	126,278,021
	R.A.K. Ceramics	10	10
	Ocean Containers Ltd.	-	27,546,685
	Summit Power	108,786,696	108,786,696
	Summit Alliance port Ltd.	27,546,745	60
	Square Pharma	21,240,801	21,240,801
	BATBC Ltd.	91,744,278	91,744,278
	Eastland Insurance	8,941,428	8,941,428
	TITAS Gas	491,136,095	636,058,172
	Beximco Ltd.	1,264,121,634	1,264,121,634
	Singer (BD) Ltd.	86,011,456	134,695,157
	Malek Spinning	30,886,016	76,850,297
	DESCO Ltd.	15,967,159	15,967,159
	Unique Hotel	21,029,385	101,017,755
	The City Bank Ltd.	194,197,477	194,197,477
	AMCL (PRAN)	-	14,373,687
	MJL BD. Ltd.	141,707,639	141,707,639
	Fareast Life Ins. Ltd.	136,631,812	136,631,812
	Beximco pharma	204,741,386	204,741,386
	Northern gen. Insurance	11,497,613	11,497,613
	Reliance insurance	11,674,463	11,674,463
	Sumit Purbachal Power	9,792,372	-
		3,340,464,973	3,641,298,401

	Amount in Taka	
	31 December 2013	31 December 2012
Mutual Funds		
IFIC Bank 1st Mutual Fund	250,000,000	250,000,000
ICB Employee 1st Mutual Fund	17,986,473	17,986,473
	267,986,473	267,986,473
Outside Bangladesh		
Shares of Nepal Bangladesh Bank Ltd. (note-6.2.1)	671,891,065	168,153,300
Shares of Oman International Exchange LLC (note-6.2.2)	17,672,731	41,750,416
Shares of NIB Bank Limited (note-6.2.3)	330,251,740	201,595,318
	1,019,815,536	411,499,034
	5,277,071,808	4,359,061,677

For details of cost and market value of investments please see "Annexure-B"

6.2.1 Shares of Nepal Bangladesh Bank Ltd

Shares of Nepal Bangladesh Bank Ltd represents subscription towards 23.68% paid up capital of the Bank located in Nepal. Out of Total number of 20,093,956 shares of the Bank, IFIC Bank owns 4,759,012 shares of NRS 100 each. During the year no income has been received from this investment. Market value of the shares as at 31 December 2013 was Tk. 2,374,084,861.

6.2.2 Shares of Oman International Exchange LLC

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 8,860 shares of the company, IFIC Bank owns 2,215 shares of RO 100 each. During the year an amount of Tk. 16,624,483 has been accounted for as income.

6.2.3 Shares of NIB Bank Limited

Shares of NIB Bank Ltd. represents subscription towards 0.24% paid-up capital of the Bank located in Pakistan. Out of total number of 10,302,851,200 shares of the Bank of PKR 10 each, IFIC Bank owns 24,578,800 Shares. Market value of the above investment as at 31 December 2013 was Tk. 42,449,179.

6.3 Government securities classified according to Bangladesh Bank Circular

Held for trading (HFT)	5,381,453,206	2,341,495,437
Held to maturity (HTM)	10,505,883,142	8,964,701,397
Other securities	6,355,000	5,427,100
	15,893,691,348	11,311,623,934

6.4 Maturity Grouping of Investments

On demand	711,686,498	5,427,100
Up to 1 month	1,781,423,908	773,745,551
Over 1 month but not more than 3 months	2,026,297,221	1,256,252,456
Over 3 months but not more than 6 months	948,674,141	699,265,163
Over 6 months but not more than 1 years	1,133,549,212	953,941,762
Over 1 year but not more than 5 years	6,710,065,385	5,715,347,512
Over 5 years	7,859,066,791	6,266,706,068
	21,170,763,155	15,670,685,611

6.5 Disclosure regarding outstanding Repo

Counterparty Name	Agreement date	Reversal date	Amount
-	-	-	-
Total			

Counterparty Name	Agreement date	Reversal date	Amount
Mercantile Bank Ltd.	12/30/2013	1/1/2014	418,182,823
Mutual Trust Bank Ltd.	12/30/2013	1/1/2014	307,444,160
Bangladesh Bank	12/30/2013	1/1/2014	1,250,000,000
Total			1,975,626,983

Amount in Taka

31 December 2013

31 December 2012

Disclosure regarding Overall transaction of Repo and Reverse Repo

Counterparty Name	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under Repo			
With Bangladesh bank	-	-	-
With other Banks & Fis	-	-	-
Securities purchased under Reverse Repo			
From Bangladesh Bank	450,000,000	1,250,000,000	9,315,069
From other Banks and Fis	315,871,740	1,200,948,175	203,003,361

6.a Consolidated Investments

Government Securities

IFIC Bank Limited (note-6.1)	15,893,691,348	11,311,623,934
IFIC Securities Limited	-	-
IFIC Money Transfer (UK) Limited	-	-
	15,893,691,348	11,311,623,934

6.b Other Investments

IFIC Bank Limited (note -6.2)	5,277,071,808	4,359,061,677
IFIC Securities Limited	124,219,480	165,469,175
IFIC Money Transfer (UK) Limited	-	-
	5,401,291,288	4,524,530,852
	21,294,982,635	15,836,154,786

7 Loans and Advances

Loans, cash credit, overdraft, etc. (note-7.1)	77,989,360,530	70,259,542,647
Bill purchased and discounted (note-8)	6,121,024,498	6,900,219,263
	84,110,385,028	77,159,761,910

7.1 Loans, cash credit, overdraft, etc.

Inside Bangladesh

Term loan-industrial	5,510,535,033	5,468,976,725
Term loan-others	12,556,891,673	12,434,858,216
Term loan-consumer finance	77,152,014	104,959,588
Overdrafts	21,179,910,669	18,023,424,213
Cash credit	22,525,977,977	18,836,285,222
Loan general	3,469,334,852	1,509,254,325
Transport loan	832,783,997	997,273,796
House building loans	1,116,767,924	1,298,613,464
Staff loan	1,827,831,746	1,710,195,428
Agricultural Loan	886,081,490	387,476,176
Credit card	260,222,809	260,329,359
Demand loan	1,090,057,166	866,432,305
Loan against imported merchandise	83,090,282	106,716,526
Loan against trust receipt (LTR)	5,740,865,981	7,134,632,727
Lease Finance	611,653,025	880,564,878
	77,769,156,637	70,019,992,947

Outside Bangladesh

	-	-
	77,769,156,637	70,019,992,947

Off-shore banking unit

	220,203,893	239,549,700
	77,989,360,530	70,259,542,647

		Amount in Taka	
		31 December 2013	31 December 2012
7.2	Residual maturity grouping of Loans, cash credit, overdraft, etc. Receivable		
	On demand	14,098,217,646	788,949,265
	Up to 1 month	5,157,221,187	9,246,283,790
	Over 1 month but not more than 3 months	14,662,272,312	18,339,823,455
	Over 3 months but not more than 1 years	26,737,679,805	22,830,502,725
	Over 1 year but not more than 5 years	11,983,418,202	12,163,517,331
	Over 5 years	5,350,551,378	6,890,466,080
		77,989,360,530	70,259,542,647
7.3	Loans and advances under broad categories		
	In Bangladesh		
	Loans	34,283,471,884	33,399,833,213
	Cash credit	22,525,977,977	18,836,285,222
	Overdrafts	21,179,910,669	18,023,424,213
		77,989,360,530	70,259,542,647
	Bill purchased and discounted (note-8)	6,121,024,498	6,900,219,263
		84,110,385,028	77,159,761,910
	Out side Bangladesh	-	-
		84,110,385,028	77,159,761,910
7.4	Loans and advances on the basis of significant concentration		
	Loans and advances to Directors, executives and others		
	Loans and advances to directors and their allied concerns	103,013	738,881
	Loans and advances to Managing Director, Senior Executives and Staffs	1,827,831,746	1,710,195,428
	Advances to customers' groups	82,282,450,269	75,448,827,601
		84,110,385,028	77,159,761,910
7.5	Loans and Advances allowed to each customer exceeding 10% of Bank's total capital		
	Number of customers	25	45
	Amount of outstanding loans-Funded & Nonfunded (million)	48,775.60	44,638.80
	Classified amount thereon (million)	-	-
	Amount of loans and advances (comprising funded and non funded facilities) to each customer exceeding Tk. 963.08 million which is computed as 10% of the bank's capital (as define under Bank Company (amendment) Act, 2013) of Tk 9630.80 million as at 31 December 2013.		
	For details of loans and advances to each customer exceeding 10% Banks capital please see "Annexure-C"		
7.6	Industry wise position of loans and advances including bills purchased and discounted		
	Agriculture Industries	773,386,022	643,452,009
	Jute Industries	866,346,211	561,742,083
	Textile Industries	2,282,418,075	3,114,376,593
	Garments Industries	15,590,763,976	9,589,721,403
	Chemical and Chemical Products	447,556,237	553,110,578
	Cement Industries	399,080,786	500,392,100
	Bricks & Ceramic	912,395,523	925,514,831
	Food Products & Processing	1,704,088,651	3,035,310,716
	Engineering & Metal	2,665,602,402	2,740,307,118
	Drugs & Pharmaceuticals	337,219,412	422,385,717
	Hospital & Clinics	1,073,108,382	1,277,563,322
	Paper & Paper Products Industries	522,071,015	675,221,359
	Other Small Industries	4,581,914,781	1,265,965,375
	IT Sector	272,763,543	152,569,065
	Other Service Industries	4,074,403,562	1,965,241,853

	Amount in Taka	
	31 December 2013	31 December 2012
Trade & Commerce	21,180,194,103	22,620,302,721
IFIC Securities Ltd.	1,280,703,902	1,452,144,530
Transport	726,798,172	211,333,100
Construction Firms/Companies	4,111,287,615	3,732,043,464
Housing Societies/Companies	6,797,505,522	7,601,449,945
Cold Storage	124,959,002	137,244,902
Non-Banking Financial Institutions	355,893,722	1,227,580,792
Consumer Finance	5,186,254,423	5,217,728,733
Energy	2,329,323,564	1,358,673,023
Telecommunication	1,289,532,661	637,822,892
Others	4,224,813,764	5,540,563,686
	84,110,385,028	77,159,761,910

7.7 Sector wise position of loans and advances including bills purchased and discounted

Government Sector	186,600,000	-
Other Public Sector	-	-
Private Sector	83,923,785,028	77,159,761,910
Co-operative sector	-	-
	84,110,385,028	77,159,761,910

7.8 Geographical location-wise Loans and Advances including bills purchased and discounted

Inside Bangladesh

Urban

Dhaka Division	59,040,926,866	52,332,074,087
Chittagong Division	11,860,163,181	12,350,277,466
Sylhet Division	469,021,529	439,723,201
Rajshahi Division	3,604,936,798	3,570,709,775
Khulna Division	1,606,156,490	1,679,485,348
Barisal Division	379,096,842	302,872,357
Rangpur Division	1,307,372,417	1,053,743,805
	78,267,674,122	71,728,886,038

Rural

Dhaka Division	2,825,757,354	2,692,278,504
Chittagong Division	1,065,357,431	1,166,304,566
Sylhet Division	105,598,840	118,394,720
Rajshahi Division	781,996,925	626,056,608
Khulna Division	509,270,560	441,762,412
Barisal Division	-	-
Rangpur Division	554,729,796	386,079,062
	5,842,710,906	5,430,875,872

Outside Bangladesh

	-	-
	84,110,385,028	77,159,761,910

7.9 Business Segment-wise concentration of Loans and Advances including bills purchased and discounted

Corporate	51,161,676,687	51,980,903,779
SME	27,171,103,793	19,961,129,398
Consumer (including staff)	5,777,604,547	5,217,728,733
	84,110,385,028	77,159,761,910

		Amount in Taka	
		31 December 2013	31 December 2012
7.10	Loans and advances		
	Inside Bangladesh		
	Continuous loan		
	Consumer Finance	2,534,480,348	1,967,011,681
	Small and Medium Enterprise	20,407,980,602	14,776,279,257
	Other corporate loans	24,734,361,615	20,121,316,010
		47,676,822,565	36,864,606,948
	Demand Loans		
	Small and Medium Enterprise	4,014,405,973	2,425,998,461
	Corporate loans	8,643,163,058	12,390,985,759
		12,657,569,031	14,816,984,220
	Short term loan		
	Short term agri credit	1,098,372,499	631,075,342
	Term Loan		
	Consumer Finance (including staff, other than HF)	5,516,664,564	1,121,206,805
	Housing Finance (HF)	2,570,663,970	2,605,701,761
	Small and Medium Enterprise	1,794,648,703	1,744,854,119
	Corporate loans	12,795,643,696	19,375,332,715
		22,677,620,933	24,847,095,400
	Outside Bangladesh	-	-
		84,110,385,028	77,159,761,910
7.11	Security/collateral-wise concentration of loans and advances (including bills purchased and discounted)		
	Collateral of movable/immovable assets	40,906,718,642	41,148,281,421
	Local banks and financial institutions' guarantee	-	-
	Government guarantee	-	-
	Foreign bank guarantee	-	-
	Export documents	194,884,736	7,414,760,623
	Fixed deposit receipts	8,593,067,283	7,765,954,741
	FDR of other banks	-	-
	Government bonds	-	-
	Personal guarantee	8,543,060,564	268,210,122
	Other securities	25,872,653,802	20,562,555,003
		84,110,385,028	77,159,761,910
7.12	Particulars of loans and advances		
	i) Loans considered good in respect of which the Bank is fully secured.	75,567,324,460	75,344,314,172
	ii) Loans considered good for which the Bank holds no other security than the debtors' personal guarantee.	6,957,405,209	661,758,795
	iii) Loans considered good being secured by personal security of one or more persons in addition to the personal security of the debtors.	1,585,655,359	1,153,688,942
	iv) Loans adversely classified; provision not maintained there against.	-	-
		84,110,385,028	77,159,761,909
	v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons.	1,827,831,746	1,267,928,070
	vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;	-	-

		Amount in Taka	
		31 December 2013	31 December 2012
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	1,827,831,746	1,267,928,070
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)	a) Classified loans for which interest has not been charged:		
	Increase/(decrease) in specific provision	(889,562,287)	1,673,281,866
	Amount of loan written off	1,315,956,826	648,660,695
	Amount recovered against the loans previously written off	656,052,000	185,584,000
	b) Amount of provision kept against loans classified as bad/loss as at the Balance Sheet date	1,756,141,624	2,076,034,121
	c) Amount of interest creditable to the interest suspense account	943,109,057	535,549,274
	xi) Cumulative amount of written off loan:		
	Opening balance	6,918,941,000	6,448,755,000
	Amount written off during the year	1,315,957,000	648,787,000
	Interest charged	69,315,000	6,983,000
	Recovery from written-off during the year	(656,052,000)	(185,584,000)
	Balance of written off loans and advances yet to be recovered	7,648,161,000	6,918,941,000
7.13	Cumulative amount of written off loans for which law suits have been filed		
	Opening balance	10,799,440,535	10,150,653,649
	During the year	1,315,956,826	648,786,886
	Closing balance	12,115,397,361	10,799,440,535
	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. 65.61 crore in 2013 and Tk. 463.29 crore during 2003 to 2013. The balance of written -off advances stood at Tk. 764.82 crore including interest charge of Tk. 16.58 crore as on 31 December 2013.		
7.14	Classification of Loans and Advances		
	Unclassified		
	Standard	80,160,367,588	71,777,747,725
	Special mention account	781,941,806	1,286,469,043
		80,942,309,394	73,064,216,768
	Classified		
	Substandard	483,177,962	630,607,645
	Doubtful	359,222,587	200,081,196
	Bad/Loss	2,325,675,163	3,264,856,301
		3,168,075,712	4,095,545,142
		84,110,385,106	77,159,761,910
7.15	Movements of classified loans and advances		
	Opening balance	4,095,545,142	2,578,088,000
	Additions during the year	3,630,830,000	2,630,500,000
	Reduction during the year	(4,558,299,430)	(1,113,042,858)
	Closing balance	3,168,075,712	4,095,545,142

Amount in Taka

31 December 2013

31 December 2012

7.16 Particulars of required provision for loans & advances

Status	Base for Provision	Rate(%) of required provision		
General Provision-for Unclassified				
Loans and advances (excluding SMA)				
Small and medium enterprise	20,060,427,556	0.25%	50,151,069	56,506,447.18
House building loan and loan for professional	546,284,783	2%	10,925,696	12,038,037.28
Loans to BHs/MBs/SDs share etc	2,253,027,943	2%	45,060,559	49,708,439.10
Consumer Finance	2,872,449,609	5%	143,622,480	120,192,599.50
Short Term Agri. Credit and Microcredit	174,455,674	5%	8,722,784	4,489,111.40
Staff Loan	1,827,831,752	0%	-	-
All other unclassified loan	51,717,050,923	1%	517,170,509	414,541,382.97
	79,451,528,240		775,653,097	657,476,017.43
Special Mention Account (SMA)				
Small and medium enterprise	265,789,372	0.25%	664,473.43	13,323,307.75
House building loan and loan for professional	30,467,861	2%	609,357.22	741,019.05
Loans to BHs/MBs/SDs share etc	-	2%	-	-
Consumer Finance	26,807,110	5%	1,340,355.50	1,184,739.95
Short Term Agri. Credit and Microcredit	-	5%	-	-
Staff Loan	-	0%	-	-
All other unclassified loan	458,877,463	1%	4,588,774.63	49,074,385.40
	781,941,806		7,202,960.78	64,323,452.15
Off-shore banking unit				
Un-classified loans	708,839,348	1%	7,088,393	4,298,770.85
Special mentioned account	-	-	-	-
	708,839,348		7,088,393	4,298,770.85
Specific provision-for Classified				
Sub-standard	275,895,951	20%	55,179,190	70,340,020
Sub-standard- Short term agri. Credit	792,410	5%	39,621	18,749
Doubtful	106,608,502	50%	53,304,251	63,801,670
Doubtful- Short term agri. Credit	32,906	5%	1,645	-
Bad/loss	1,171,523,579	100%	1,171,523,579	2,061,085,866
	1,554,853,348		1,280,048,286	2,195,246,304
Required provision for loans, advances and lease			2,069,992,737	2,921,344,545
Total provision maintained (note-14.1+14.2)			2,432,360,000	2,963,558,805
Excess/(short) provision at 31 December 2013			362,367,263	42,214,261
Particulars of required provision on Off-balance Sheet Exposure				
Acceptances and endorsements	13,876,907,523	1%	138,769,075	116,728,830.29
Letters of guarantee	6,340,226,700	1%	63,402,267	57,176,061.79
Irrevocable letters of credit	14,442,618,436	1%	144,426,184	122,724,375.15
Bills for collection	7,644,607,405	1%	76,446,074	68,391,506.98
Required provision on Off-balance Sheet Exposures	42,304,360,063		423,043,601	365,020,774
Total provision maintained			428,720,000	365,500,000
Excess/(short) provision at 31 December 2013			5,676,399	479,226

		Amount in Taka	
		31 December 2013	31 December 2012
7.17	Gross lease rental receivable		
	Lease rental receivable within 1 year	114,224,397	282,889,919
	Lease rental receivable within 5 years	745,185,570	869,885,230
	Total lease rental receivable	859,409,967	1,152,775,149
	Less: unearned lease rental	248,356,942	272,210,271
	Net lease rental receivable	611,653,025	880,564,878
	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-7.1)	77,989,360,530	70,259,542,647
	IFIC Securities Limited	3,191,058,405	2,738,664,417
	IFIC Money Transfer (UK) Limited	-	-
		81,180,418,935	72,998,207,064
	Less: Inter -company transactions	1,280,703,903	1,452,144,530
		79,899,715,032	71,546,062,534
8	Bills purchased and discounted		
	Payable in Bangladesh (note-8.1)	5,490,396,087	6,308,207,375
	Payable outside Bangladesh (note-8.1)	630,628,410	592,011,888
		6,121,024,498	6,900,219,263
8.1	Bill purchased and discounted		
	Inside Bangladesh		
	Local bills/documents		
	IDBP	1,080,276,957	1,679,247,632
	Payment against documents-cash	300,344,352	788,606,069
	Payment against documents-EDF	2,977,500,029	2,231,933,815
	Payment against documents-Forced (Inland)	149,565,297	680,168,573
	Payment against documents-Forced (Foreign)	474,669,340	319,924,648
	Payment against documents-Others	19,404,657	417,999,254
		5,001,760,632	6,117,879,990
	Foreign bills/documents		
	FDBP	630,628,410	592,011,888
		5,632,389,042	6,709,891,878
	Off-shore banking unit	488,635,455	190,327,385
		6,121,024,498	6,900,219,263
8.2	Residual maturity grouping of Bill purchased and discounted		
	Receivable		
	On demand	858,278,091	952,954,196
	Up to 1 month	1,303,993,323	2,707,492,642
	Over 1 month but not more than 3 months	1,977,663,241	1,274,737,441
	Over 3 months but not more than 6 months	1,967,726,096	1,954,213,382
	Over 6 months	13,363,747	10,821,602
		6,121,024,498	6,900,219,263
8.a	Consolidated Bills purchased and discounted		
	IFIC Bank Limited (note-8)	6,121,024,498	6,900,219,263
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		6,121,024,498	6,900,219,263
		86,020,739,529	78,446,281,797

		Amount in Taka	
		31 December 2013	31 December 2012
9	Fixed Assets including premises, furniture and fixtures		
	Cost:		
	Land	475,118,759	475,118,759
	Building	1,329,344,471	1,317,217,623
	Wooden furniture	104,315,604	103,474,412
	Steel furniture	53,308,417	49,571,298
	Office equipment	892,163,054	802,571,986
	Electrical & gas equipment	320,434,211	306,443,897
	Improve & leasehold premises	201,263,378	191,395,600
	Motor vehicles	87,107,220	67,411,910
	Soft furnishing	10,593,496	10,281,549
	Total Cost	3,473,648,610	3,323,487,034
	Less: Accumulated depreciation	1,136,365,301	981,165,549
	Written down value at the end of the year	2,337,283,309	2,342,321,484
	For details of fixed assets please see "Annexure-D"		
9.a	Consolidated Fixed Assets including premises, furniture and fixtures		
	IFIC Bank Limited (note-9)	2,337,283,309	2,342,321,484
	IFIC Securities Limited	8,690,030	10,224,632
	IFIC Money Transfer (UK) Limited	12,828,476	15,023,365
		2,358,801,815	2,367,569,482
10	Other Assets		
	Stationery and stamps	20,092,811	21,738,805
	Suspense account (note-10.1)	491,675,096	346,220,356
	Advance, deposit and prepayments (note-10.2)	1,430,501,898	1,163,823,568
	Accrued interest on investment & other income receivable (note-10.3)	1,053,903,611	776,840,354
	Investment in subsidiaries (note-10.4)	831,091,342	824,885,237
	Revaluation account FDBP	1,792,520	1,792,520
	Deferred tax assets (note-10.5)	461,692,025	733,913,213
	Accounts receivable others	7,844,402	65,541
		4,298,593,704	3,869,279,593
	Off-shore banking unit	11,507,203	2,046,741
		4,310,100,907	3,871,326,334
10.1	Suspense account		
	Sundry debtors	135,164,875	117,542,920
	Advance against bills, new branches	155,043,367	33,344,129
	Advance against TA / DA	141,400	35,300
	Law charges	80,327,305	65,270,666
	Sanchayapatra paid	43,545,745	92,388,530
	Wage earners development bond paid	29,085,988	25,547,014
	Investment bond	578,250	194,513
	CIB charge recovery	39,942	407,795
	Moneygram services	32,908,373	9,986,605
	Others	14,839,851	1,502,884
		491,675,096	346,220,356
10.2	Advance, deposit and prepayments		
	Advance rent	346,048,543	269,027,719
	Advance income tax	561,002,127	428,310,404
	Security deposit including demand note	3,850,423	3,330,423
	Advance against car purchase	240,903,366	279,596,930

		Amount in Taka	
		31 December 2013	31 December 2012
	Advance against insurance premium	330,319	417,428
	Advance against IPO, placement, right issue etc.	184,329,681	151,633,263
	Protested bills	16,531,788	16,491,124
	Cash remittance	8,020,000	13,000,000
	Others	69,485,651	2,016,276
		1,430,501,898	1,163,823,568
10.3	Accrued interest on investment & other income receivable		
	Treasury bills	-	716,806
	Treasury bonds	336,966,152	288,161,900
	Debentures and bonds	65,423,540	11,921,151
	Receivables from Government	41,272,375	41,272,375
	Interest accrued on loans and advances	61,889,350	57,152,915
	Investment on FDR	83,014,122	83,632,122
	Others	465,338,072	293,983,084
		1,053,903,611	776,840,354
10.4	Investment in subsidiaries		
	IFIC Securities Limited	799,994,000	799,994,000
	IFIC Money Transfer (UK) Limited	31,097,342	24,891,237
		831,091,342	824,885,237
10.5	Deferred tax assets		
	Deferred tax assets have been recognized and measured as per BAS-12: Income Taxes and BRPD Circular no. 11 dated 12 December 2011.		
	Deferred tax assets	642,345,690	882,314,501
	Deferred tax liabilities	(180,653,665)	(148,401,288)
	Net deferred tax assets/(liabilities)	461,692,025	733,913,213
	Deferred tax assets		
	Opening Provision made against BL	2,076,034,121	391,966,132
	Closing Provision made against BL	1,511,401,624	2,076,034,121
	Tax base	-	-
	Deductible temporary difference	1,511,401,624	2,076,034,121
	Tax rate	42.50%	42.50%
	Deferred tax assets/(liabilities)	642,345,690	882,314,501
	Opening Deferred tax assets/(liabilities)	882,314,501	166,585,606
	Deferred tax (expense)/income	(239,968,811)	715,728,895
	Deferred tax liabilities		
	Carrying amount of fixed assets for deferred tax	1,851,130,043	1,858,629,747
	Tax base	1,426,062,595	1,509,450,246
	Taxable temporary difference	425,067,448	349,179,502
	Tax rate	42.50%	42.50%
	Closing Deferred tax assets/(liabilities)	(180,653,665)	(148,401,288)
	Opening Deferred tax assets/(liabilities)	(148,401,288)	(110,952,253)
	Deferred tax (expense)/income for the year	(32,252,377)	(37,449,035)

Amount in Taka

31 December 2013

31 December 2012

10.6 Particulars of required provision for other assets

Status	Base for Provision	Rate(%) of required provision		
Sundry Assets- unadjusted for 6-12 months	7,519,039	50%	3,759,520	3,366,242
Sundry Assets- unadjusted for more than 12 months	143,125,943	100%	143,125,943	128,153,758
Protested bills	16,531,788	100%	16,531,788	16,491,124
Legal expenses	80,327,305	100%	80,327,305	65,270,666
Required provision for other assets	247,504,075		243,744,556	213,281,790
Total provision maintained (note-14.4)			245,334,653	217,399,444
Excess/(Short) provision at 31 December 2013			1,590,097	4,117,654

10.7 Income generating other assets

Investment in subsidiary-IFIC Securities Limited (note-10.4)	799,994,000	799,994,000
Investment in subsidiary-IFIC Money Transfer UK (note-10.4)	31,097,342	24,891,237
	831,091,342	824,885,237

10.8 Non-Income generating other assets

Stationery and stamps	20,092,811	21,738,805
Sundry debtors	135,164,875	117,542,920
Advance against bills, new branches	155,043,367	33,344,129
Advance against TA/DA	141,400	35,300
Law charge	80,327,305	65,270,666
Advance insurance premium	330,319	417,428
Investment bond	578,250	194,513
Advance against IPO, placement, right issue etc.	184,329,681	151,633,263
Advance against rent	346,048,543	269,027,719
Advance income tax	561,002,127	428,310,404
Sanchaya patra paid	43,545,745	92,388,530
Wage earners development bond paid	29,085,988	25,547,014
Security deposit including demand note	3,850,423	3,330,423
Advance against car purchase	240,903,366	279,596,930
Protested bills	16,531,788	16,491,124
Accrued interest and other interest receivable	1,053,903,611	776,840,354
CIB charge	39,942	407,795
Deferred tax assets (note-10.5)	461,692,025	733,913,213
Cash remittance	8,020,000	13,000,000
Revaluation account FDBP	1,792,520	1,792,520
Moneygram	32,908,373	9,986,605
Accounts receivable others	7,844,402	65,541
Others	84,325,502	3,519,160
	3,467,502,362	3,044,394,357
Off-shore banking unit	11,507,203	2,046,741
	3,479,009,565	3,046,441,098

10.a Consolidated Other Assets

IFIC Bank Limited (note-10)	4,310,100,907	3,871,326,334
Less: Investment in IFIC Securities Limited (note-10.4)	799,994,000	799,994,000
Less: Investment in IFIC Money Transfer (UK) Limited (note-10.4)	31,097,342	24,891,237
	3,479,009,565	3,046,441,098
IFIC Securities Limited	152,363,096	117,556,902
IFIC Money Transfer (UK) Limited	792,054	1,493,454
	3,632,164,715	3,165,491,453

		Amount in Taka	
		31 December 2013	31 December 2012
11	Non-banking assets		
	Through the verdict of honorable court under section 33(7) of the Artharin Adalat Act 2003, the Bank has got an absolute ownership on few mortgaged properties. These properties were recorded at Tk. 373,474,800 as non banking assets in the year 2013.		
12	Borrowing from other Banks, Financial Institutions and Agents		
	Inside Bangladesh (note-12.1.a)	432,100,434	634,907,131
	Outside Bangladesh (note-12.1.b)	-	239,549,700
		432,100,434	874,456,831
12.1	Inside Bangladesh		
	a. Term borrowing		
	Investment Corporation of Bangladesh (ICB)	182,100,434	-
	BRAC Bank Ltd.	150,000,000	-
	Southeast Bank Ltd.	100,000,000	-
	Popular Insurance Co. Ltd.	-	74,907,131
	Central Depository (BD) Limited	-	60,000,000
	Dhaka Bank Ltd.	-	500,000,000
		432,100,434	634,907,131
	b. Outside Bangladesh	-	239,549,700
		432,100,434	874,456,831
12.2	Secured and unsecured of borrowing from other banks, Financial Institutions and Agents		
	Secured borrowing	-	-
	Unsecured borrowing	432,100,434	874,456,831
		432,100,434	874,456,831
12.3	Maturity grouping of borrowing from other banks, Financial Institutions and agents		
	Payable		
	On demand	-	-
	Up to 1 month	232,100,434	500,000,000.00
	Over 1 month but not more than 3 months	200,000,000	374,456,831.00
	Over 3 months but not more than 1 year	-	-
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		432,100,434	874,456,831.00
12.a	Consolidated Borrowing from other Banks, Financial Institutions and Agents		
	In Bangladesh		
	IFIC Bank Limited (note-12)	432,100,434	634,907,131
	IFIC Securities Limited	1,628,668,999	1,689,664,354
	IFIC Money Transfer (UK) Limited	-	-
		2,060,769,433	2,324,571,485
	Less: Inter -company transactions	1,280,703,903	1,452,144,530
		780,065,530	872,426,955
	Outside Bangladesh		
	IFIC Bank Limited (note-12)	-	239,549,700
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		-	239,549,700
		780,065,530	1,111,976,655

		Amount in Taka	
		31 December 2013	31 December 2012
13	Deposits and other accounts		
	Current deposits and other accounts (note-13.1)	12,605,323,923	11,540,229,281
	Bills payable (note-13.2)	1,573,829,454	1,492,411,159
	Savings bank deposits (note-13.3)	13,890,783,163	11,468,553,820
	Fixed Deposits (note-13.4)	76,702,440,925	65,317,764,044
	Bearer Certificate of Deposit	-	-
	Other Deposits (note-13.5)	3,005,674,356	2,613,797,586
	Total Deposits and other accounts	107,778,051,821	92,432,755,891
13.1	Current deposits and other accounts		
	Current deposit	8,305,098,657	7,229,663,282
	Sundry deposit (note-13.6)	3,364,053,120	3,421,508,045
	Foreign currency deposit	896,134,766	859,074,221
	Resident FC deposit	36,609,533	27,066,692
	Investors' account (Cr. balance)	359,054	322,063
	Q-Cash, prepaid, cheque Card A/c.	3,068,791	2,594,978
		12,605,323,923	11,540,229,281
13.2	Bills Payable		
	Payment order	1,551,337,380	1,454,870,438
	Demand draft	6,291,991	6,321,291
	Security deposit receipt	16,200,083	31,219,430
		1,573,829,454	1,492,411,159
13.3	Savings bank deposit		
	Savings Account	10,618,980,567	9,521,114,164
	Super Savings Plus	3,089,986,141	1,941,047,758
	Payroll Savings	33,901,051	3,065,216
	Sanchita-Female Savings	147,915,404	3,326,683
		13,890,783,163	11,468,553,820
13.4	Fixed Deposits		
	Special notice deposit (SND)	9,322,623,783	8,320,914,279
	Fixed deposit	56,590,836,366	50,936,148,967
	Non resident FC deposit & ERQ	37,798,006	38,589,265
	Millionaire dream plan	172,384,432	69,335,301
	Monthly income scheme	5,367,463,976	2,669,500,439
	Double return deposit scheme	5,180,118,389	3,279,644,625
	Three years plus	915,973	3,631,168
	Arjon	30,300,000	-
		76,702,440,925	65,317,764,044
13.5	Other Deposits		
	Pension savings scheme	2,967,513,655	2,600,669,645
	School savings plan	21,628,049	13,127,942
	Joma	931,000	-
	Flexi DPS - Freedom	15,601,652	-
		3,005,674,356	2,613,797,586
		107,778,051,821	92,432,755,891
13.6	Sundry deposit		
	Sundry creditor	115,616,217	179,144,276
	Margin on Letters of Credit	757,634,404	591,956,067
	Margin on Letters of guarantee	227,892,767	253,469,493
	Interest payable on deposit	1,943,385,530	1,889,272,993
	Withholding Tax payable to government	85,620,446	180,505,626

		Amount in Taka	
		31 December 2013	31 December 2012
	Withholding VAT payable to government	10,337,661	18,231,306
	Excise duty payable to government	88,929,739	74,761,107
	Lease deposit	34,161,575	42,150,085
	Risk fund	797,649	799,572
	Clearing adjustment	24,002,222	56,912,646
	Visa credit card	11,285,114	6,011,278
	Sale proceeds of PSP & TC	877,801	1,993,989
	Sundry deposit BFF	25,912,400	25,912,400
	Local commission on export	19,527,979	16,781,117
	Recovery on Court Cases	1,541,198	1,399,448
	IBC lodgment	266,195	234,035
	Other sundry deposits	16,264,223	81,972,605
		3,364,053,120	3,421,508,045
13.7	Deposits and other accounts of the banks		
	Deposit from banks	1,085,337,000	922,175,000
	Deposit from customers	106,692,714,821	91,510,580,891
		107,778,051,821	92,432,755,891
13.8	Payable on demand and time deposit		
	Demand deposits		
	Current deposits	9,270,836,502	8,148,901,064
	Savings deposits	1,250,170,485	1,032,169,844
	Security deposits	16,200,083	31,219,430
	Sundry deposit	1,420,667,590	1,532,235,052
	Bills payable	1,557,629,371	1,461,191,729
		13,515,504,032	12,205,717,119
	Time deposits		
	Savings deposits	12,640,612,678	10,436,383,976
	Fixed deposits	67,319,951,442	56,966,669,936
	Special notice deposits	9,322,623,783	8,320,914,279
	Sundry deposit	1,943,385,530	1,889,272,993
	Deposits under schemes	3,035,974,356	2,613,797,586
		94,262,547,790	80,227,038,772
		107,778,051,821	92,432,755,891
13.9	Sector-wise concentration of Deposits and other accounts		
	Government deposits	1,341,873,000	1,622,107,000
	Other public sector	10,298,221,000	11,849,776,000
	Deposit for banks	1,085,337,000	922,175,000
	Foreign currency deposits	896,134,766	859,074,221
	Private sectors	94,156,486,055	77,179,623,670
		107,778,051,821	92,432,755,891
13.10	Unclaimed deposits		
	Current deposits	604,922	1,108,916
	Savings deposits	1,803,210	2,529,527
	SND	91,914	72,828
	Pay order	14,189	145,862
	Demand Draft	-	55,850
		2,514,236	3,912,983

		Amount in Taka	
		31 December 2013	31 December 2012
13.11	Residual maturity grouping of deposits and other accounts		
	Maturity grouping of deposit from banks		
	Payable		
	On demand	1,085,337,000	922,175,000
	Up to 1 month	-	-
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	-	-
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		1,085,337,000	922,175,000
	Maturity grouping of deposit from customers excluding bills payable		
	Payable		
	On demand	10,028,870,096	11,265,580,851
	Up to 1 month	16,526,802,546	13,666,024,392
	Over 1 month but not more than 3 months	25,802,782,972	24,013,119,826
	Over 3 months but not more than 1 year	23,671,510,688	17,417,195,591
	Over 1 year but not more than 5 years	22,652,336,881	14,871,660,159
	Over 5 years	6,436,582,184	8,784,588,913
		105,118,885,367	90,018,169,732
13.12	Maturity grouping of bills payable		
	Payable		
	On demand	78,286,876	74,236,892
	Up to 1 month	391,241,560	371,001,616
	Over 1 month but not more than 3 months	322,948,027	306,241,085
	Over 3 months but not more than 1 year	156,469,416	148,374,846
	Over 1 year but not more than 5 years	310,950,656	294,864,369
	Over 5 years	313,932,919	297,692,352
		1,573,829,454	1,492,411,159
		107,778,051,821	92,432,755,891
13.a	Consolidated deposits and other accounts		
	Current deposits and other accounts		
	IFIC Bank Limited (note-13)	12,605,323,923	11,540,229,281
	IFIC Securities Limited	267,315,115	189,831,952
	IFIC Money Transfer (UK) Limited	-	-
		12,872,639,038	11,730,061,234
	Less: Inter -company transactions	55,085,018	141,472,800
		12,817,554,019	11,588,588,434
	Bills payable		
	IFIC Bank Limited (note-13)	1,573,829,454	1,492,411,159
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		1,573,829,454	1,492,411,159
	Savings bank deposit		
	IFIC Bank Limited (note-13)	13,890,783,163	11,468,553,820
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		13,890,783,163	11,468,553,820

		Amount in Taka	
		31 December 2013	31 December 2012
	Fixed Deposits		
	IFIC Bank Limited (note-13)	76,702,440,925	65,317,764,044
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		76,702,440,925	65,317,764,044
	Other deposits		
	IFIC Bank Limited (note-13)	3,005,674,356	2,613,797,586
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		3,005,674,356	2,613,797,586
		107,990,281,918	92,481,115,043
14	Other liabilities		
	Exporters foreign currency account	2,888,375,726	2,733,391,832
	Accrued expenses	19,533,702	18,911,763
	Specific provision for classified loans & advance (note-14.1)	1,620,060,000	2,210,250,805
	General provision for unclassified loans & advances (note-14.2)	812,300,000	753,308,000
	Provision for diminution in value of investments (note-14.3)	580,000,000	344,433,249
	Provision for other assets (note-14.4)	245,334,653	217,399,444
	Provision for nostro account (note-14.5)	9,762,000	10,025,155
	Provision for Off balance sheet (note-14.6)	428,720,000	365,500,000
	Interest suspense account (note-14.7)	2,184,857,265	2,169,577,855
	Foreign demand draft (FDD)	12,984,407	13,082,346
	Dividend payable	2,814,447	2,814,447
	Provision for taxation (note-14.8)	2,653,397,712	2,590,910,628
	Export development fund	2,933,072,649	1,924,643,969
	Bonus payable	200,000,000	170,000,000
	SME Refinance	82,112,024	53,593,750
	Revaluation of investment abroad	28,184,837	8,176,182
	Exporter's cash assistance	115,300	-
	Oman International Exchange (LLC)	4,098,906	1,619,441
	Foreign exchange settlement and others	3,329,643	80,496,358
		14,709,053,271	13,668,135,225
14.1	Specific provision for classified loans & Advances		
	Provision held at the beginning of the year	2,210,250,805	1,001,982,032
	Less: Fully provided debts written off	(1,093,776,542)	(578,731,227)
	Add: Recoveries of amounts previously written off	648,876,150	175,200,118
	Add: Specific provision for the year	-	1,611,799,882
	Less: Provision no longer required	(145,290,413)	-
	Add: Net charge to profit and loss account	-	-
	Specific provision held at the end of the year	1,620,060,000	2,210,250,805
14.2	General provision for Un-classified loans & advances		
	Provision held at the beginning of the year	748,808,000	781,808,000
	Provision transferred to provision for classified loans & advance	-	(33,000,000)
	Provision made during the year	49,392,000	-
		798,200,000	748,808,000
	Off-shore Banking Unit (OBU)		
	Provision held at the beginning of the year	4,500,000	11,000,000
	Provision transferred to provision for classified loans & advance	-	(6,500,000)
	Provision made during the year	9,600,000	-
		14,100,000	4,500,000
	General provision held at the end of the year	812,300,000	753,308,000

		Amount in Taka	
		31 December 2013	31 December 2012
14.3	Provision for diminution in value of investments		
	Provision held at the beginning of the year	344,433,249	150,722,874
	Provision no longer required	-	-
	Provision made during the year	235,566,751	193,710,375
	Provision held at the end of the year	580,000,000	344,433,249
14.4	Provision for other assets		
	Provision held at the beginning of the year	217,399,444	264,358,342
	Provision no longer required	-	(46,958,899)
	Provision made during the year	27,935,209	-
	Provision held at the end of the year	245,334,653	217,399,444
14.5	Provision for nostro account		
	Provision held at the beginning of the year	10,025,155	10,276,632
	Provision no longer required	(263,155)	(251,477)
	Provision made during the year	-	-
	Provision held at the end of the year	9,762,000	10,025,155
14.6	Provision for off-balance sheet		
	Provision held at the beginning of the year	365,500,000	364,000,000
	Provision no longer required	-	-
	Provision made during the year	63,220,000	1,500,000
	Provision held at the end of the year	428,720,000	365,500,000
14.7	Interest suspense account		
	Balance at the beginning of the year	2,169,577,855	2,081,379,137
	Add: Amount transferred to "interest suspense" account during the year	943,109,057	535,549,274
	Less: Amount recovered from "interest suspense" account during the year	(741,426,551)	(377,294,956)
	Less: Amount written-off during the year	(186,403,096)	(70,055,599)
	Balance at the end of the year	2,184,857,265	2,169,577,855
14.8	Provision for taxation		
	Balance at 1 January	2,590,910,628	2,273,369,816
	Provision made during the year	1,090,000,000	963,216,485
		3,680,910,628	3,236,586,301
	Adjustment made during the year	(1,027,512,916)	(645,675,673)
	Balance at 31 December	2,653,397,712	2,590,910,628
14.8.a	Consolidated Provision for taxation during the year		
	IFIC Bank Limited (note-14.8)	1,090,000,000	963,216,485
	IFIC Securities Limited	11,878,414	43,646,872
		1,101,878,414	1,006,863,357
14.a	Consolidated Other liabilities		
	IFIC Bank Limited (note-14)	14,709,053,271	13,668,135,225
	IFIC Securities Limited	665,278,501	368,736,223
	IFIC Money Transfer (UK) Limited	12,887,529	10,537,453
		15,387,219,301	14,047,408,901
15	Share Capital		
15.1	Authorized Capital		
	2,000,000,000 ordinary shares of Taka 10 each	20,000,000,000	20,000,000,000

		Amount in Taka	
		31 December 2013	31 December 2012
15.2	Issued, subscribed and fully paid up capital		
	8,000,000 ordinary shares of Taka 10 each issued for cash	80,000,000	80,000,000
	4,400,000 ordinary shares of Taka 10 each issued as Rights share	44,000,000	44,000,000
	3,682,521,120 ordinary shares of Taka 10 each issued for bonus share	3,682,521,120	3,336,473,750
		3,806,521,120	3,460,473,750

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.

15.3	Issued, subscribed and fully paid up Capital-Shareholders' Category		
	255,994,035 ordinary shares of Taka 10 each fully paid held by the Sponsors, Directors, Institutions, Foreign investors & General Public	2,559,940,350	2,327,218,500
	124,658,077 ordinary shares of Tk. 10 each fully paid held by the Government of the People's Republic of Bangladesh.	1,246,580,770	1,133,255,250
		3,806,521,120	3,460,473,750

15.4 Capital Adequacy Ratio (BASEL II)
As per section 13(2) of the Bank Companies Act, 1991, BRPD circular no. 24 dated 3 August 2010 subject to Revised Guidelines on Risk Based Capital Adequacy (RBCA) for Banks and subsequent amendment through, Bangladesh Bank BRPD circular no. 35 dated December 29, 2010, the Capital Adequacy Ratio (CAR) is calculated.

Tier-1 (Core Capital)

Paid-up capital	3,806,521,120	3,460,473,750
Statutory reserve (note-16)	3,374,079,154	2,832,536,912
General reserve (note-17)	55,771,397	55,771,397
Retained earnings (note-22)	1,730,120,902	1,272,220,491
	8,966,492,573	7,621,002,549

Deduction from Tier-1 Capital

	642,345,690	882,314,501
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Total Eligible Tier-1 Capital

	8,324,146,883	6,738,688,048
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Tier-2 (Supplementary Capital)

General provision against unclassified loans and advance (note-14.2)	812,300,000	753,308,000
General provision on off balance sheet items (note-14.4)	428,720,000	365,500,000
Revaluation reserve for securities up to 50% (note-18)	8,021,759	8,542,290
Revaluation reserve for fixed assets up to 50% (note-19)	57,657,352	57,657,352
	1,306,699,111	1,185,007,642

Tier-3 (Additional Supplementary Capital)

Total Capital	9,630,845,995	7,923,695,690
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Total assets including off-balance sheet items	174,321,416,386	151,230,827,200
Total risk-weighted Assets	92,915,367,884	77,798,800,000
Required capital (10% of risk-weighted assets)	9,291,536,788	7,779,880,000
Total Capital surplus/(deficit)	339,309,206	143,815,690

Capital adequacy ratio:

On core capital- against required minimum 5%	8.96%	8.66%
On supplementary capital- against required minimum 5%	1.41%	1.52%
On total capital- against required minimum 10%	10.37%	10.18%

For details computation of risk-weighted assets please see "Annexure - E"

Amount in Taka

31 December 2013

31 December 2012

15.4.a Consolidated Capital Adequacy Ratio (BASEL II)

As per section 13(2) of the Bank Companies Act, 1991, BRPD circular no. 24 dated 3 August 2010 subject to Revised Guidelines on Risk Based Capital Adequacy (RBCA) for Banks and subsequent amendment through, Bangladesh Bank BRPD circular no. 35 dated December 29, 2010, the Capital Adequacy Ratio (CAR) is calculated.

Tier-1 (Core Capital)

Paid-up capital	3,806,521,120	3,460,473,750
Statutory reserve (note-16)	3,374,079,154	2,832,536,912
General reserve (note-17)	55,771,397	55,771,397
Retained earnings (note-22)	1,868,074,768	1,384,730,738

Deduction from Tier-1 Capital

	9,104,446,440	7,733,512,797
	642,345,690	882,314,501

Total Eligible Tier-1 Capital

	8,462,100,749	6,851,198,296
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Tier-2 (Supplementary Capital)

General provision against unclassified loans and advance (note-14.2)	812,300,000	753,308,000
General provision on off balance sheet items (note-14.4)	428,720,000	365,500,000
Revaluation reserve for securities up to 50% (note-18)	8,021,759	8,542,290
Revaluation reserve for fixed assets up to 50% (note-19)	57,657,352	57,657,352

Tier-3 (Additional Supplementary Capital)

	-	-
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Total Capital

	9,768,799,861	8,036,205,937
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Total assets including off-balance sheet items	175,707,668,737	152,008,948,269
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Total risk-weighted Assets	94,674,000,000	78,694,500,000
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Required capital (10% of risk-weighted assets)	9,467,400,000	7,869,450,000
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Total Capital surplus/(deficit)	301,399,861	166,755,937
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Capital adequacy ratio:

On core capital- against required minimum 5%	8.94%	8.71%
On supplementary capital- against required minimum 5%	1.38%	1.51%
On total capital- against required minimum 10%	10.32%	10.21%

15.5 Shareholding by category

Category	2013			2012		
	No. of Share	%	Taka	No. of Share	%	Taka
Sponsors	24,682,064	6.48	246,820,640	22,438,246	6.48	224,382,460
Directors	18,386,911	4.83	183,869,110	16,715,375	4.83	167,153,750
Government	124,658,077	32.75	1,246,580,770	113,325,525	32.75	1,133,255,250
Institutions	69,254,932	18.19	692,549,320	117,338,423	33.91	1,173,384,230
Foreign Investors	1,727,320	0.45	17,273,200	955,111	0.28	9,551,110
General Investors	141,942,808	37.30	1,419,428,080	75,274,695	21.75	752,746,950
Total	380,652,112	100	3,806,521,120	346,047,375	100	3,460,473,750

Amount in Taka

31 December 2013

31 December 2012

15.6 Distribution of paid up capital

Holding of share	2013			2012		
	No. of Share	Total Share	%	No. of Share	Total Share	%
1 to 500 shares	35,689	3,629,514	0.95	29,328	3,630,320	1.05
501 to 5000 shares	11,279	17,500,565	4.60	9,520	14,864,335	4.29
5,001 to 10,000 shares	1,081	7,829,127	2.06	731	5,185,973	1.50
10,001 to 20,000 shares	518	7,336,417	1.93	318	4,460,128	1.29
20,001 to 30,000 shares	162	4,045,957	1.06	107	2,640,372	0.76
30,001 to 40,000 shares	95	3,297,790	0.86	57	1,966,388	0.57
40,001 to 50,000 shares	61	2,766,381	0.73	24	1,094,580	0.32
50,001 to 100,000 shares	114	8,174,139	2.15	75	5,393,571	1.56
100,001 to 1,000,000 shares	149	45,999,529	12.08	104	33,995,879	9.82
More than 1,000,000 shares	48	280,072,693	73.58	31	272,815,829	78.84
Total	49,196	380,652,112	100	40,295	346,047,375	100

15.7 Shareholding of Directors as at 30 December 2013

Sl. No.	Name of the Directors	Status	% of Share as at 31 December 2013	Closing Position	Opening Position
1	Mr. Salman F Rahman	Chairman	2.00	*7,615,189	6,922,900
2	Mr. Mohammad Lutfar Rahman	Director	2.83	10,771,722	9,792,475
3	Mr. Monirul Islam	Independent Director	Nil	Nil	Nil
4	Mr. Syed Anisul Huq	Independent Director	Nil	Nil	Nil
5	Mr. Mohammed Nayem Syed	Independent Director	Nil	Nil	Nil
6	Mr. A. R. M. Nazmus Sakib **	Govt. nominated Director	32.75	124,658,077	113,325,525
7	Mr. Jalal Ahmed **	Govt. nominated Director			
8	Mr. Arijit Chowdhury **	Govt. nominated Director			
9	Mr. M. Shah Alam Sarwar	Managing Director	Nil	Nil	Nil
	Total				

* The ownership of 7,563,352 nos. shares (1.987%) i.e. 807,470 nos. paper shares along with 6,755,882 nos. bonus shares kept in Suspense Account is pending with the Appellate Division of the Supreme Court in Civil Misc. Petition No. 417 of 2009.

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

16 Statutory reserve

Opening balance on 1 January	2,832,536,912	2,554,520,330
Transferred from profit during the year	541,542,242	278,016,582
Closing Balance at 31 December	3,374,079,154	2,832,536,912

17 General reserve

Opening balance on 1 January	55,771,397	55,771,397
Transferred during the year	-	-
Closing Balance at 31 December	55,771,397	55,771,397

18 Revaluation reserve against securities

HTM securities (note-18.1)	605,974	2,560,751
HFT securities (note-18.2)	15,437,544	14,523,828
	16,043,518	17,084,579

		Amount in Taka	
		31 December 2013	31 December 2012
18.1	Revaluation reserve HTM securities		
	Opening balance on 1 January	2,560,751	-
	Gain/(loss) from revaluation on investments	(1,954,777)	2,560,751
	Adjustment for sale/maturity of securities	-	-
		605,974	2,560,751
18.2	Revaluation reserve HFT securities		
	Opening balance on 1 January	14,523,828	1,323,882
	Gain/(loss) from revaluation on investments	913,716	13,199,946
	Adjustment for sale/maturity of securities	-	-
		15,437,544	14,523,828
18.a	Consolidated revaluation reserve against securities		
	IFIC Bank Limited (note -18)	16,043,518	17,084,579
	IFIC Securities Limited	9,982,172	520,136
	IFIC Money Transfer (UK) Limited	-	-
		26,025,690	17,604,715
19	Revaluation reserve against fixed assets		
	Opening balance on 1 January	115,314,704	115,314,704
	Addition during the year	-	-
	Depreciation charge during the period	-	-
		115,314,704	115,314,704
<p>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.</p>			
20	Reserve against non banking assets		
	Opening balance on 1 January	-	-
	Addition during the year	-	-
	Depreciation charge during the period	-	-
21	Foreign currency translation gain/(loss)		
	Opening balance on 1 January	-	-
	Addition during the year	-	-
	Closing Balance at 31 December	-	-
21.a	Consolidated foreign currency translation gain/(loss)		
	Opening balance on 1 January	(67,976)	-
	Addition during the year	17,067	(67,967)
	Closing Balance at 31 December	(50,909)	(67,967)
22	Surplus in Profit and Loss Account		
	Opening balance on 1 January	1,272,220,491	1,275,604,478
	Net profit after Tax for the year	1,345,490,024	1,105,146,297
	Appropriation made to statutory reserve during the year	(541,542,242)	(278,016,584)
	Issue of bonus shares	(346,047,370)	(692,094,750)
	Cash dividend paid	-	(138,418,950)
	Closing Balance at 31 December	1,730,120,902	1,272,220,491
22.1	Opening balance on 1 January		
	Opening balance before deferred tax adjustment	1,272,220,491	1,106,709,837
	Adjustment for net Deferred Tax (Expenses)/Income	-	168,894,641
	Restated opening balance on 1 January	1,272,220,491	1,275,604,478

		Amount in Taka	
		31 December 2013	31 December 2012
22.a	Consolidated Surplus in Profit and Loss Account		
	IFIC Bank Limited (note-22)	1,730,120,902	1,272,220,491
	IFIC Securities Limited	160,180,052	124,648,773
	IFIC Money Transfer (UK) Limited	(22,226,186)	(12,138,525)
		1,868,074,768	1,384,730,738
23	Non controlling interest		
	IFIC Securities Limited	6,000	6,000
	IFIC Money Transfer (UK) Limited	-	-
		6,000	6,000
24	Contingent liabilities		
	Acceptances and endorsements (note-24.1)	13,876,907,523	11,672,883,029
	Letters of guarantee (note-24.2)	6,340,226,700	5,717,606,179
	Irrevocable Letters of credit (note-24.3)	14,442,618,436	12,272,437,515
	Bills for collection (note-24.4)	7,644,607,405	6,839,150,698
	Other contingent liabilities	-	-
		42,304,360,063	36,502,077,421
24.1	Acceptances and endorsements		
	Back to back bills (Local)	13,876,907,523	11,672,883,029
	Back to back bills (Foreign)	-	-
		13,876,907,523	11,672,883,029
24.2	Letters of guarantee		
	Letters of guarantee (Local)	6,340,226,700	5,717,606,179
	Letters of guarantee (Foreign)	-	-
		6,340,226,700	5,717,606,179
	Money for which the bank is contingently liable in respect of guarantee issued favoring:		
	Directors	-	-
	Government	3,475,618,873	3,134,307,475
	Banks and other financial institutions	575,353,123	518,852,515
	Others	2,289,254,705	2,064,446,188
		6,340,226,700	5,717,606,179
24.3	Irrevocable Letters of credit		
	Letter of credit (LC) - cash sight	6,699,217,417	5,125,307,712
	Letter of credit (LC) - back to back	7,361,368,431	114,235,613
	Letter of credit (LC) - cash usance	382,032,587	7,032,894,190
		14,442,618,436	12,272,437,515
24.4	Bills for collection		
	Inland bills collection	60,348,644	64,762,241
	Foreign bills collection	1,126,700	15,123,895
	Inland documentary bills for collection	3,135,823,337	2,948,003,692
	Foreign documentary bills for collection	4,447,308,724	3,811,260,869
		7,644,607,405	6,839,150,698

		Amount in Taka	
		2013	2012
25	Income statement		
	Income		
	Interest, discount and similar income (note-25.1)	13,144,227,335	11,850,030,531
	Dividend income (note- 25.2)	83,972,568	74,574,844
	Capital Gain Income (note- 25.3)	52,950,851	331,826,958
	Fees, commission and brokerage (note-29.1)	634,590,841	610,742,321
	Gain less losses arising from dealing in securities	-	-
	Gains less losses arising from investment securities	-	-
	Gain less losses arising from dealing in foreign currencies (note-29.2)	599,417,068	539,933,772
	Income from non-banking assets	-	-
	Other operating income (note-30)	507,934,495	408,354,685
	Profit less losses on interest rate change	-	-
		15,023,093,159	13,815,463,110
	Expenses		
	Interest, fee and commission (note-27)	8,494,157,902	7,636,960,088
	Losses on loan and advances (note-39)	35,777,187	-
	Administrative expenses (note-31,32,33,34,36,37 & 38)	2,586,841,102	2,338,621,853
	Other operating expenses (note-35 & part of note- 40 & 41)	786,015,780	559,933,574
	Depreciation on banking assets (part of note-40)	172,429,584	169,564,792
		12,075,221,555	10,705,080,307
		2,947,871,604	3,110,382,803
25.1	Interest, discount and similar income		
	Interest Income (note-26)	11,111,313,344	10,442,619,724
	Interest on Treasury Bills and Bonds (note-28)	1,307,811,360	905,608,362
	Interest on Debentures (note-28)	1,902,257	2,075,969
	Interest on Other Bonds (note-28)	56,783,978	-
	Interest on Fixed Deposit (note-28)	651,741,722	499,726,476
	Income on Reverse Repo (note-28)	14,674,674	-
		13,144,227,335	11,850,030,531
25.2	Dividend income		
	Dividend on share (note-28)	67,348,085	53,213,728
	Dividend from OIE LLC (note-28)	16,624,483	21,361,116
		83,972,568	74,574,844
25.3	Capital Gain Income		
	Gain from sale of shares (note-28)	52,950,851	269,727,121
	Capital Gain on Treasury Bills (note-28)	-	-
	Capital Gain on Treasury Bonds (note-28)	-	62,099,837
		52,950,851	331,826,958
26	Interest income		
	Term loan-industrial	736,451,949	765,855,527
	Term loan-consumer finance	17,226,904	24,449,260
	Term loan-others	1,231,040,200	1,173,048,143
	House building loan	214,584,300	232,515,584
	Staff house building loan	62,141,426	54,225,986
	Staff loan against PF	28,529,263	29,328,293
	Transport loan	157,817,092	180,498,979
	Agricultural Loan	95,355,812	16,849,382
	Loan general	318,164,226	113,870,929
	Secured overdraft	2,862,150,454	2,470,202,428
	Over Draft-staff salary	3,314,349	-

		Amount in Taka	
		2013	2012
	Over Draft-garments	81,500,389	43,897,347
	Cash credit	3,303,310,875	2,699,684,324
	Lease Finance	119,487,216	138,688,613
	Inland documentary bill purchased (IDBP)	218,374,343	365,629,639
	Foreign documentary bill purchased (FDBP)	19,298,437	2,992,255
	Payment against document (cash)	83,709,357	219,035,007
	Payment against document (forced)	60,138,943	89,272,277
	Payment against document (EDF)	53,859,007	48,494,407
	Payment against document (inland)	31,937,271	61,870,677
	Payment against document (others)	35,623,148	88,748,507
	Loan against imported merchandise	16,665,643	16,964,206
	Loan against trust receipt (LTR)	1,079,723,779	1,228,914,551
	Export cash credit	4,625,785	29,970,604
	Credit card	33,871,410	40,821,380
	Money at call on short notice	87,384,153	165,077,153
	Balance held outside Bangladesh	42,863,891	24,971,972
	Balance held inside Bangladesh	2,209,871	1,559,507
	Demand loan	74,315,585	60,754,932
	Margin loan on CMD	-	-
	Others	24,291,854	19,722,664
		11,099,966,932	10,407,914,532
	Off-shore banking unit	11,346,412	34,705,192
		11,111,313,344	10,442,619,724
26.a	Consolidated interest income		
	IFIC Bank Limited (note-26)	11,111,313,344	10,442,619,724
	IFIC Securities Limited	236,237,723	292,108,735
	IFIC Money Transfer (UK) Limited	-	-
		11,347,551,067	10,734,728,459
	Less: Inter -company interest income	190,508,998	214,342,487
		11,157,042,069	10,520,385,972
27	Interest paid on deposits, borrowings, etc.		
	Interest paid on deposits		
	Saving bank deposit	590,050,442	514,985,128
	Special notice deposit	415,195,212	285,156,887
	Fixed deposit	6,036,408,359	5,857,870,603
	Non resident FC deposit	205,922	252,554
	Resident FC deposit	29,338	35,884
	Pension savings scheme	254,414,651	204,317,097
	Monthly income scheme	1,132,550,307	393,910,502
	FCAD	343,819	212,825
		8,429,198,051	7,256,741,479
	Interest paid on borrowings		
	Call deposit	8,527,056	105,495,974
	Local banks accounts	34,903,503	262,167,213
	Foreign banks accounts	4,767,001	39,842
	Repurchase agreement (repo)	11,629,156	9,668,722
	Bangladesh Bank SME Refinance	3,629,437	1,282,851
	Others	35,162	33,538
	Discount paid	1,468,537	1,530,470
		64,959,851	380,218,609
		8,494,157,902	7,636,960,088

		Amount in Taka	
		2013	2012
27.a	Consolidated interest paid on deposits, borrowings, etc.		
	IFIC Bank Limited (note-27)	8,494,157,902	7,636,960,088
	IFIC Securities Limited	246,628,647	236,185,106
	IFIC Money Transfer (UK) Limited	-	-
		8,740,786,549	7,873,145,193
	Less: Inter -company interest paid	190,508,998	214,342,487
		8,550,277,551	7,658,802,706
28	Investment income		
	Interest income:		
	Treasury Bills and Bonds (note-28.1)	1,307,811,360	905,608,362
	Debentures	1,902,257	2,075,969
	Other Bonds	56,783,978	-
	Fixed Deposit	651,741,722	499,726,476
	Reverse Repo	14,674,674	-
		2,032,913,991	1,407,410,807
	Non interest income:		
	Gain from sale of shares	52,950,851	269,727,121
	Dividend on share	67,348,085	53,213,728
	Capital Gain on Treasury Bills	-	-
	Capital Gain on Treasury Bonds	-	62,099,837
	Prize bond	50,000	121,000
	Dividend & Magt. Fees (OIE) LLC	16,624,483	21,361,116
		136,973,420	406,522,802
		2,169,887,411	1,813,933,609
28.1	Treasury bonds		
	Interest on treasury bonds	1,315,710,886	941,246,376
	Less: Holding period interest on HTM securities	7,899,526	35,638,014
		1,307,811,360	905,608,362
28.a	Consolidated investment income		
	IFIC Bank Limited (note-28)	2,169,887,411	1,813,933,609
	IFIC Securities Limited	22,365,677	-
	IFIC Money Transfer (UK) Limited	-	-
		2,192,253,088	1,813,933,609
29	Commission, exchange and brokerage		
	Commission (note-29.1)	634,590,841	610,742,321
	Exchange (note-29.2)	599,417,068	539,933,772
	Brokerage	-	-
		1,234,007,909	1,150,676,093
29.1	Commission		
	Bills purchased (Inland)	907,301	1,183,168
	Bills purchased (Foreign)	157,043	58,099
	Remittances (inland)	23,162,267	23,950,990
	Remittances (foreign)	6,901,232	4,812,592
	Letter of guarantee (LG)-local	44,503,266	83,008,020
	Letter of guarantee (LG)-foreign	6,557,788	6,357,627
	Letter of credit (back to back)	137,308,549	126,588,904
	Letter of credit (cash)	139,845,308	132,067,243
	Letter of credit (inland)	169,792	1,758,939
	Letter of credit (others)	5,387,457	8,864,890
	Wes Bond	1,039,918	384,103

		Amount in Taka	
		2013	2012
	LDBC	7,705,587	7,372,962
	IFDBC	198,457,015	156,762,898
	FDDBC	7,793,208	6,286,149
	FBC (foreign)	37,150	18,000
	Loan against imported merchandise (LIM)	-	89,857
	Online Charge	23,942,591	20,849,245
	Shares (subscription)	331,492	3,492
	Negotiation against contract	137,548	50
	Add confirmation	6,899,468	7,004,306
	Reimbursement charge	7,338	17,853
	Bill collection charge	950	363,761
	Sanchaypatra	1,506,070	917,312
	Commission others	21,832,502	22,021,860
		634,590,841	610,742,321
29.2	Exchange Gain		
	Rebate from foreign correspondent	53,536,380	50,799,198
	Exchange gain from revaluation, FC & others	545,880,688	489,134,574
		599,417,068	539,933,772
29.a	Consolidated Commission, Exchange and Brokerage		
	IFIC Bank Limited (note-29)	1,234,007,909	1,150,676,093
	IFIC Securities Limited	75,601,905	102,155,110
	IFIC Money Transfer (UK) Limited	10,153,475	1,195,202
		1,319,763,289	1,254,026,405
30	Other operating income		
	Locker rent	8,008,620	7,370,775
	Godown rent	2,184,124	2,576,920
	Other Rents	2,676,480	2,676,480
	Postage charges recovery	26,878,085	24,966,395
	Telex charge recovery	14,413	24,420
	SWIFT charges recovery	128,266,891	96,235,982
	Incidental charge recovery	220	20
	Legal charge recovery	-	-
	Godown insurance recovery	571,825	768,097
	Stationery expenses recovery	5,467,890	3,899,520
	Miscellaneous earning	118,195,107	97,898,807
	Loan processing fees and service charges	102,638,914	67,951,681
	Visa Card fees and commission	33,217,388	27,803,081
	Service charge on accounts	65,595,735	61,843,083
	Other fees, commission & charges	14,123,450	10,625,179
		507,839,142	404,640,439
	Off-shore banking unit	45,354	3,593,246
		507,884,495	408,233,685
30.a	Consolidated Other operating income		
	IFIC Bank Limited (note-30)	507,884,495	408,233,685
	IFIC Securities Limited	2,445,013	21,566,469
	IFIC Money Transfer (UK) Limited	-	-
		510,329,508	429,800,154

		Amount in Taka	
		2013	2012
31	Salaries and allowances		
	Basic salary	763,723,771	734,484,246
	House rent allowance	378,197,375	346,393,143
	Conveyance allowance	31,359,657	30,869,765
	Medical allowances	76,496,293	69,414,070
	Entertainment allowance	71,126,004	68,580,472
	Other allowances	33,604,420	39,751,689
	Leave encashment	7,932,064	3,302,099
	Festival bonus	131,388,703	118,977,740
	Performance bonus	200,000,000	170,000,000
	Provident fund- Bank's contribution	73,802,146	67,389,091
	Contribution to gratuity fund	120,000,000	119,999,785
		1,887,630,433	1,769,162,100
<p>Number of employees for the year 2013 who were paid remuneration less than Tk. 36,000 was nil. Total number of employees employed in the Bank at the end of the year 2013 were 2,574.</p>			
31.a	Consolidated Salaries and allowances		
	IFIC Bank Limited (note-31)	1,887,630,433	1,769,162,100
	IFIC Securities Limited	17,639,921	19,834,049
	IFIC Money Transfer (UK) Limited	5,330,106	-
		1,910,600,460	1,788,996,149
32	Rent, taxes, insurance, electricity etc.		
	Rent paid	385,240,272	307,966,790
	Rates, taxes and utilities	58,142,713	56,498,262
	Insurance premium	87,683,914	68,219,888
	Electricity & water	57,779,510	50,661,606
		588,846,410	483,346,545
32.a	Consolidated Rent, taxes, insurance, electricity etc.		
	IFIC Bank Limited (note-32)	588,846,410	483,346,545
	IFIC Securities Limited	8,014,931	7,816,320
	IFIC Money Transfer (UK) Limited	5,617,464	-
		602,478,805	491,162,865
33	Legal expenses		
	Legal expenses	3,002,307	1,684,352
	Retainers fees	2,040,000	2,050,000
		5,042,307	3,734,352
33.a	Consolidated legal expenses		
	IFIC Bank Limited (note-33)	5,042,307	3,734,352
	IFIC Securities Limited	56,250	-
	IFIC Money Transfer (UK) Limited	459,162	-
		5,557,719	3,734,352
34	Postage, stamp, telecommunication, etc.		
	Postage expenses	22,356,689	18,769,569
	Telegram & telex,	31,319	4,735
	Telephone - office	9,523,269	8,819,535
	Telephone - residence	22,919,098	19,059,307
	Communication facilities (Reuter, VAST,radio etc.)	3,156,776	3,334,678
	SWIFT charges	32,074,802	22,453,450
		90,061,952	72,441,274

		Amount in Taka	
		2013	2012
34.a	Consolidated Postage, stamp, telecommunication etc.		
	IFIC Bank Limited (note-34)	90,061,952	72,441,274
	IFIC Securities Limited	24,809.00	-
	IFIC Money Transfer (UK) Limited	183,537	-
		90,270,298	72,441,274
35	Stationery, printing, advertisement, etc.		
	Printing stationery	21,068,226	18,153,087
	Security stationery	9,042,950	9,030,280
	Petty stationery	15,688,115	15,885,361
	Computer stationery	11,473,632	10,576,670
	Advertisement and publicity	43,310,508	48,382,384
		100,583,432	102,027,782
35.a	Consolidated Stationery, printing, advertisement, etc.		
	IFIC Bank Limited (note-35)	100,583,432	102,027,782
	IFIC Securities Limited	607,272.00	-
	IFIC Money Transfer (UK) Limited	101,398	-
		101,292,102	102,027,782
36	Managing director's salary		
	Basic salary	9,600,000	4,074,194
	House rent allowance	900,000	1,172,580
	House maintenance allowance	300,000	849,194
	Provident fund- Bank's contribution	960,000	407,419
	Entertainment allowances	300,000	849,194
	Festival bonus	1,600,000	600,000.00
		13,660,000	7,952,581
37	Director's fee		
	Meeting attendance fees	900,000	1,285,000
		900,000	1,285,000
	Each Director is paid Tk. 5,000 per meeting per attendance effective from 18 January 2010.		
37.a	Consolidated Director's fee		
	IFIC Bank Limited (note-37)	900,000	1,285,000
	IFIC Securities Limited	104,927	120,750
	IFIC Money Transfer (UK) Limited	-	-
		1,004,927	1,405,750
38	Auditors' fee		
	Statutory audit fees	700,000	700,000
		700,000	700,000
38.a	Consolidated Auditors' fee		
	IFIC Bank Limited (note-38)	700,000	700,000
	IFIC Securities Limited	200,000	-
	IFIC Money Transfer (UK) Limited	-	-
		900,000	700,000
39	Charges on loan loss		
	Written-off loans and advances	35,777,187	-

		Amount in Taka	
		2013	2012
40	Depreciation and repair of bank's assets		
	Depreciation		
	Buildings	30,666,530	31,141,906
	Wooden furnitures	5,313,132	5,445,337
	Steel furnitures	2,703,462	2,573,908
	Computer and office equipments	81,148,865	78,626,817
	Electrical and gas equipments	30,991,507	33,303,304
	Improve and leasehold premises	12,268,526	12,254,570
	Vehicles	8,414,391	5,262,062
	Software	923,171	956,888
		172,429,584	169,564,792
	Repairs and maintenance		
	Property maintenance and repairs	55,959,330	48,186,371
	Vehicles maintenance and repairs	70,240,376	51,376,548
		126,199,706	99,562,919
		298,629,291	269,127,711
40.a	Consolidated depreciation and repair of bank's assets		
	IFIC Bank Limited (note-40)	298,629,291	269,127,711
	IFIC Securities Limited	1,749,384	1,997,843
	IFIC Money Transfer (UK) Limited	2,169,796	1,967,558
		302,548,470	273,093,112
41	Other expenses		
	Entertainment	21,326,567	19,069,315
	Petrol, oil and lubricants	96,196,149	81,097,925
	Subscription and donation	14,614,670	10,359,914
	Training and internship	27,939,686	9,231,464
	Books, newspapers and magazines, etc.	1,452,613	1,336,046
	Uniforms and liveries	1,987,940	2,184,526
	Annual General Meeting	20,529,324	21,429,924
	Business development	7,790,878	15,064,049
	Crockerries	780,484	679,341
	Corporate Social Responsibility (CSR)	33,147,000	41,444,695
	Loss on sales of fixed assets (note-41.1)	465,495	1,182,689
	Loss on sales of shares	-	3,858,848
	Brokerage	232,041	10,394,613
	Traveling expenses	143,139,843	70,606,665
	Security services	28,236,000	3,947,661
	Bank charges and commission	7,276,761	8,259,408
	Recovery and sales agent	5,229,697	14,811,257
	Casual and contractual service	88,475,347	-
	Consultancy fee	1,037,770	2,673,000
	Visa card expense	7,918,373	7,367,937
	Manager conference	1,404,717	1,972,669
	Risk charges	8,835,197	-
	Amortization Loss HTM securities	2,058,880	-
	Revaluation loss on HFT Securities	28,624,876	20,695,263
	Miscellaneous	10,532,333	10,675,663
		559,232,642	358,342,873
41.a	Consolidated Other expenses		
	IFIC Bank Limited (note-41)	559,232,642	358,342,873
	IFIC Securities Limited	14,214,484	19,487,099
	IFIC Money Transfer (UK) Limited	6,379,673	8,110,898
		579,826,799	385,940,869

		Amount in Taka	
		2013	2012
41.1	Gain/(loss) on sales of fixed assets		
	Book value of fixed assets sold		
	Motor vehicle	2,250,000	3,500
	Furniture and fixture	8,152,051	8,790,146
	Office appliances	2,025,879	6,210,048
	Electrical appliances	10,179,545	3,783,906
		22,607,475	18,787,600
	Less : Accumulated depreciation		
	Motor vehicle	1,328,400	3,487
	Furniture and fixture	6,501,415	7,357,725
	Office appliances	1,810,931	5,793,370
	Electrical appliances	7,589,086	3,012,599
		17,229,832	16,167,180
	Written down value	5,377,643	2,620,420
	Sale proceeds of above fixed assets	4,912,148	1,437,731
	Total sales of above fixed assets	4,912,148	1,437,731
	Total gain/(loss) on sales of fixed assets	(465,495)	(1,182,689)
42	Provision for advance, other assets & off balance sheet items		
	Provision for classified advances	(145,290,413)	1,611,799,882
	Provision for unclassified advances	49,392,000	(33,000,000)
	Provision for Off-Shore Banking Units	9,600,000	(6,500,000)
	Provision for off-balance sheet exposures	63,220,000	1,500,000
	Provision for diminution in value of investments	235,566,751	193,710,375
	Other provisions	27,672,054	(47,210,375)
		240,160,392	1,720,299,882
42.1	Other provisions		
	Provision for other assets	27,935,209	(46,958,899)
	Provision for nostro account	(263,155)	(251,477)
		27,672,054	(47,210,375)
42.a	Consolidated Provision for advance, other assets & off balance sheet items		
	IFIC Bank Limited (note-42)	240,160,392	1,720,299,882
	IFIC Securities Limited	-	49,164,583
	IFIC Money Transfer (UK) Limited	-	-
		240,160,392	1,769,464,465
43	Provision for taxation		
	Current tax (note-14.8)	1,090,000,000	963,216,485
	Deferred tax expense/(income) (note-43.1)	272,221,188	(678,279,860)
		1,362,221,188	284,936,625
43.1	Deferred tax expense/(income)		
	Deferred tax income (note-10.5)	239,968,811	(715,728,895)
	Deferred tax expense (note-10.5)	32,252,377	37,449,035
		272,221,188	(678,279,860)
43.a	Consolidated provision for current tax		
	IFIC Bank Limited (note-43)	1,090,000,000	963,216,485
	IFIC Securities Limited	11,878,414	43,646,872
	IFIC Money Transfer (UK) Limited	-	-
		1,101,878,414	1,006,863,357
43.b	Consolidated provision for deferred tax		
	IFIC Bank Limited (note-43)	272,221,188	(678,279,860)
	IFIC Securities Limited	-	-
	IFIC Money Transfer (UK) Limited	-	-
		272,221,188	(678,279,860)

		Amount in Taka	
		2013	2012
44	Receipts from other operating activities		
	Brokerage	-	-
	Rent received	12,869,224	12,624,175
	Income from investment	50,000	1,698,620,044
	Other receipts	495,015,271	395,600,709
	Capital gain (note-25.3)	52,950,851	62,099,837
		560,885,347	2,168,944,765
44.a	Consolidated Cash received from other operating activities		
	IFIC Bank Limited (note-44)	560,885,347	2,168,944,765
	IFIC Securities Limited	24,810,690	123,721,579
	IFIC Money Transfer (UK) Limited	-	-
		585,696,037	2,292,666,344
45	Cash paid for other operating activities		
	Postage, telegram & telephone	90,061,952	72,441,274
	Rent paid	385,240,272	307,966,790
	Rates, taxes & utilities	58,142,713	56,498,262
	Insurance premium paid	87,683,914	68,219,888
	Electricity & water	57,779,510	50,661,606
	Stationery, printing, advertisement, etc.	100,583,432	102,027,782
	Traveling expenses	143,139,843	70,606,665
	Auditors fee	700,000	700,000
	Directors fee	900,000	1,285,000
	Legal expense	5,042,307	3,734,352
	Other expenses	416,092,799	354,330,348
		1,345,366,742	1,088,471,967
45.a	Consolidated Cash paid for other operating activities		
	IFIC Bank Limited (note-45)	1,345,366,742	1,088,471,967
	IFIC Securities Limited	23,222,673	27,424,169
	IFIC Money Transfer (UK) Limited	12,741,235	8,110,898
		1,381,330,651	1,124,007,033
46	Cash and cash equivalents		
	Cash in hand	2,019,892,903	1,793,359,302
	Balance with Bangladesh Bank & Sonali Bank	7,666,874,644	7,789,494,162
	Balance with other banks and financial Institutions	10,028,281,576	5,151,800,976
	Money at call on short notice	-	950,000,000
	Govt. Securities	15,887,336,348	11,283,196,834
	Prize Bonds	6,355,000	5,427,100
		35,608,740,471	26,973,278,373
46.a	Consolidated Cash and cash equivalents		
	IFIC Bank Limited (note-46)	35,608,740,471	26,973,278,373
	IFIC Securities Limited	8,810	13,519
	IFIC Money Transfer (UK) Limited	8,087,246	6,705,370
		35,616,836,527	26,979,997,263
47	(Increase)/decrease of other assets		
	Closing other assets	4,310,100,907	3,871,326,334
	Less: Opening other assets	(3,871,326,334)	(2,752,254,000)
	Less: Tax paid during the year	(1,010,204,639)	(808,310,404)
		(571,430,066)	310,761,931
47.a	(Increase)/decrease in consolidated other assets		
	IFIC Bank Limited (note-47)	(571,430,066)	310,761,931
	IFIC Securities Limited	(21,009,106)	31,864,786
	IFIC Money Transfer (UK) Limited	-	-
		(592,439,172)	342,626,717

		Amount in Taka	
		2013	2012
48	Other liabilities		
	Closing other liabilities		
	Exporter's F.C. account	2,888,375,726	2,733,391,832
	Accrued expenses	19,533,702	18,911,763
	Interest suspense	2,184,857,265	2,169,577,855
	Others	9,239,610,933	5,725,283,071
		14,332,377,626	10,647,164,521
	Written-off	186,403,096	70,055,599
		14,518,780,721	10,717,220,120
	Less : Opening 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	5,725,283,071	5,870,965,024
		10,647,164,521	9,512,131,002
	Written-off	70,055,599	896,596,033
		10,717,220,120	10,408,727,035
	Increase/(decrease) for the year	3,801,560,602	308,493,085
48.a	Other liabilities		
	IFIC Bank Limited (note-48)	3,801,560,602	308,493,085
	IFIC Securities Limited	304,443,643	344,275,696
	IFIC Money Transfer (UK) Limited	6,872,399	9,699,827
		4,112,876,644	662,468,608
49	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 2013 stands at Taka 1,111,754,787 against required amount of Taka 1,112,226,374.		
50	Earning Per Share (EPS)		
	Net profit after tax	1,345,490,024	1,105,146,297
	Number of ordinary shares outstanding (Adjusted for bonus share issued for the year 2013)	380,652,112	380,652,112
	Earning Per Share(EPS)	3.53	2.90
50.a	Consolidated Earning Per Share (EPS)		
	Net profit after tax	1370933641.66	1,133,840,736
	Number of ordinary shares outstanding (Adjusted for bonus share issued for the year 2013)	380,652,112	380,652,112
	Earning Per Share (EPS)	3.60	2.98
51	Events after the Reporting Period		
	The Board of Directors in its 623rd Emergency Meeting held on 20 March 2014 recommended for payment of 15% stock dividend for the year ended 31 December 2013.		


Managing Director


Director


Director


Director

Dhaka, 20 March 2014

Balance with other Banks and Financial Institutions-Outside Bangladesh (Nostrro Account) as at 31 December 2013

Name of the Bank and Financial Institutions	Account type	Currency type	2013			2012		
			FC amount	Conversion rate	Equivalent BDT	FC amount	Conversion rate	Equivalent BDT
J.P. Morgan Chase Bank, New York	CD	US\$	6,379,449.63	77.7500	496,002,208.73	8,380,415	79.8499	669,175,276
Citi Bank N.A. New York	CD	US\$	1,806,182.68	77.7500	140,430,703.37	2,266,133	79.8499	180,950,485
HSBC Bank, New York	CD	US\$	2,714,611.89	77.7500	211,061,074.45	3,230,584	79.8499	257,961,848
Standard Chartered Bank, London	CD	US\$	201,574.74	77.7500	15,672,436.04	123,951	79.8499	9,897,488
Masreq Bank PSC, New York	CD	US\$	463,811.60	77.7500	36,061,351.90	2,153,567	79.8499	171,962,106
Mashreq Bank, PSC, Hongkong	CD	US\$	-	77.7500	-	51,125	79.8499	4,082,325
Mashreq Bank, PSC, Mumbai, India	CD	US\$	349,941.90	77.7500	27,207,982.73	-	-	-
Standard Chartered Bank, N.Y.	CD	US\$	371,884.95	77.7500	28,914,054.86	167,837	79.8499	13,401,741
Wachovia Bank N.A. New York	CD	US\$	572,385.39	77.7500	44,502,964.07	602,399	79.8499	48,101,523
Sonali Bank, (UK) Limited	CD	US\$	569,209.05	77.7500	44,256,003.64	-	-	-
HSBC Bank, Mumbai	CD	US\$	84,377.83	77.7500	6,560,376.28	185,067	79.8499	14,777,605
Standard Chartered Bank, Kolkata	CD	US\$	156,699.85	77.7500	12,183,413.34	577,111	79.8499	46,082,267
A.B. Bank Ltd., Mumbai	CD	US\$	438,565.82	77.7500	34,098,492.51	598,445	79.8499	47,785,785
NIB Bank Ltd, Karachi, Pakistan	CD	US\$	353,123.73	77.7500	27,455,370.01	66,472	79.8499	5,307,746
National Trust Bank Ltd., Colombo	CD	US\$	68,627.85	77.7500	5,335,815.34	176,990	79.8499	14,132,606
N B L, Kathmandu, Nepal	CD	US\$	41,784.28	77.7500	3,248,727.77	66,509	79.8499	5,310,759
Sonali Bank, Kolkata	CD	US\$	213,027.64	77.7500	16,562,899.01	163,131	79.8499	13,026,005
State Bank of India, Kolkata	CD	US\$	61,597.97	77.7500	4,789,242.17	63,139	79.8499	5,041,616
Bank of Bhutan, Phuentsoling	CD	US\$	49,348.65	77.7500	3,836,857.54	49,349	79.8499	3,940,485
ICIC Bank Ltd.	CD	US\$	543,534.42	77.7500	42,259,801.16	595,388	79.8499	47,541,700
HSBC Bank Australia Ltd.	CD	AUD	-	-	-	20,292	82.7924	1,680,018
J.P. Morgan Chase Bank, Sydney' 58	CD	AUD	26,479.88	68.9332	1,825,342.86	21,430	82.7924	1,774,260
The Bank Nova Scotia, Toronto, Canada	CD	CAD	15,434.14	72.5822	1,120,243.84	(8,738)	80.1223	(700,097)
UBS, AG., Zurich	CD	CHF	-	-	-	8,370	87.4492	731,958
Habib Bank AG, Zurich	CD	CHF	268,746.78	87.1930	23,432,837.99	30,989	87.4492	2,710,001
Commerz Bank AG, Frankfurt	CD	EUR	36,149.10	106.8246	3,861,613.15	69,480	105.5735	7,335,221
Verrens Bank AG, Germany	CD	EUR	-	-	-	11,016	105.5735	1,163,005
J.P. Morgan Chase Bank AG, Frankfurt	CD	EUR	14,662.64	106.8246	1,566,330.65	301,177	105.5735	31,796,324
Sonali Bank, (UK) Limited	CD	EUR	36,666.14	106.8246	3,916,845.74	-	-	-
Standard Chartered Bank, London	CD	GBP	15,626.09	128.0854	2,001,473.99	14,000	129.1133	1,807,573
HSBC Bank PLC, London	CD	GBP	91,603.96	128.0854	11,733,129.86	353,424	129.1133	45,631,794
Sonali Bank (UK) Limited	CD	GBP	177,128.16	128.0854	22,687,531.22	9,470	129.1133	1,222,703
Bank Of Tokyo- Mitsubishi,Tokyo	CD	JPY	955,443.00	0.7393	706,359.01	277,662	0.9279	257,643
Total					1,273,291,483			1,653,889,768

Cost and Market Value of Investments as at 31 December 2013

Name of the Company	Face Value	Quantity	Cost Price	Average Cost	Quoted Rate	Market Value
Government Securities:						
Treasury Bills	4,201,300,000		4,025,963,960			4,114,079,358
Treasury Bonds	9,651,600,000		10,333,492,530			10,183,438,982
Prize Bond	6,355,000		6,355,000			6,355,000
Bangladesh Bank Bills	1,580,000,000		1,570,779,720			1,574,818,008
Debentures:						
Investment Corporation of Bangladesh debenture	-	-	-	-	-	-
House Building Finance Corporation debenture	100,000,000		15,000,000			15,000,000
Total Government Securities:			15,951,591,210			15,893,691,348
Other Investments:						
Unquoted Shares						
Karma Sangsthan Bank Limited	100	200,000	20,000,000	100		20,000,000
Central Depository Bangladesh Limited	10	2,284,722	22,847,220	10		22,847,220
EnergyPack Power Co. Ltd.	10	590,000	25,960,000	44		25,960,000
Banglalion Communication (BCL) Bond	1,000	1,144,110	579,997,606	507		579,997,606
Sub Total		4,218,832	648,804,826			648,804,826
Quoted Shares						
Share of National Housing Finance & Investment Limited	10	4,808,100	39,010,000	8	33	157,705,680
Power Grid Co. BD Ltd.	10	3,984,250	275,412,488	69	53	210,368,400
Delta Life Insurance Co. Ltd.	10	1,650,000	22,110,000	13	267	440,055,000
Khulna Power Co. Ltd.	10	2,406,399	126,278,021	52	49	118,154,191
R.A.K. Ceramics	10	1	10	10	53	53
Ocean Containers Ltd.						
Summit Power	10	1,822,154	108,786,696	60	38	69,970,714
Summit Alliance port Ltd.	10	207,014	27,546,745	133	30	6,272,524
Square Pharma	10	146,473	21,240,801	145	190	27,859,165
BATBC Ltd.	10	145,850	91,744,278	629	1,603	233,812,135
Eastland Insurance	10	146,900	8,941,428	61	47	6,904,300
TITAS Gas	10	6,411,925	491,136,095	77	74	473,200,065
Beximco Ltd.	10	16,667,192	1,264,121,634	76	32	536,683,582
Singer (BD) Ltd.	10	368,012	86,011,456	234	187	68,744,642
Malek Spinning	10	1,296,850	30,886,016	24	27	34,755,580
DESCO Ltd.	10	231,351	15,967,159	69	58	13,510,898
Unique Hotel	10	200,000	21,029,385	105	78	15,600,000
The City Bank Ltd.	10	4,381,230	194,197,477	44	20	88,500,846

Cost and Market Value of Investments as at 31 December 2013

Name of the Company	Face Value	Quantity	Cost Price	Average Cost	Quoted Rate	Market Value
AMCL (PRAN)	-	-	-	-	-	-
MJL BD. Ltd.	10	1,204,658	141,707,639	118	75	90,469,816
Fareast Life Ins. Ltd.	10	827,338	136,631,812	165	96	79,424,448
Beximco pharma	10	3,029,694	204,741,386	68	47	143,001,557
Northern gen. Insurance	10	210,560	11,497,613	55	41	8,654,016
Reliance insurance	10	141,900	11,674,463	82	80	11,309,430
Sumit Purbachal Power	10	300,000	9,792,372	33	62	18,480,000
Sub Total		50,587,851	3,340,464,973	2,329	3,241	2,853,437,042
Mutual Funds						
IFIC Bank 1st Mutual Fund	10	27,185,314	250,000,000	9	7	179,423,072
ICB Employee 1st Mutual Fund	10	1,339,500	17,986,473	13	6	7,635,150
Sub Total		28,524,814	267,986,473			187,058,222
Outside Bangladesh						
Shares of Nepal Bangladesh Bank Ltd.		4,759,012	671,891,065	141	499	2,374,084,861
Shares of Oman International Exchange LLC		2,013	17,672,731	8,778		17,672,731
Shares of NIB Bank Limited		24,578,800	330,251,740	13	2	42,449,179
Sub Total		29,339,825	1,019,815,536			2,434,206,770
Total Other Investment:			5,277,071,808			6,123,506,860

Loans and Advances Allowed to each Customer Exceeding 10% of Bank's Total Capital as at 31 December 2013

Million BDT

Sl.	Name of the group	Name of Clients	Outstanding as on 31 December 2013			Amount Classified
			Funded	Non-Funded	Total	
1	Soiltech Group	SOILTECH INTERNATIONAL LTD.	1,519.20	129.60	1,648.80	-
		WAHIDUNNABI	45.90	-	45.90	-
		ACE-SWEE HONG JOINT VENTURE	139.60	-	139.60	-
		SOILTECH INTERNATIONALANL	58.30	-	58.30	-
		SUB TOTAL:	1,763.00	129.60	1,892.60	-
2	Stylo Group	STYLO KNITWEAR (PVT) LTD.	-	31.50	31.50	-
		STYLO FASHION GARMENTS LTD.	637.80	761.00	1,398.80	-
		SUB TOTAL:	637.80	792.50	1,430.30	-
3	Newage Group	NEW AGE FASHIONWEAR LTD.	80.70	365.70	446.40	-
		NEWAGE GARMENTS LTD.	218.00	107.50	325.50	-
		NEWAGE APPARELS LTD.	72.10	442.30	514.40	-
		KEILOCK NEWAGE BD. LTD.	-	23.30	23.30	-
		SUB TOTAL:	370.80	938.80	1,309.60	-
4	Dekko	DEKKO KNITWEAR LTD.	401.50	85.60	487.10	-
		EPYLLION KNITEX LTD.	389.10	278.10	667.20	-
		SUB TOTAL:	790.60	363.70	1,154.30	-
5	Islam Garments	ISLAM GARMENTS LTD.	787.10	2,372.90	3,160.00	-
		SUB TOTAL:	787.10	2,372.90	3,160.00	-
6	Wisdom	WISDOM ATTIRE LTD.	425.70	875.70	1,301.40	-
		SUB TOTAL:	425.70	875.70	1,301.40	-
7	Abul Khair	ABUL KHAIR STEEL PRODUCTS	8.10	88.30	96.40	-
		SHAH DAIRY FOODS LTD.	-	9.90	9.90	-
		ABUL KHAIR CONDENSED MILK	-	4.10	4.10	-
		ABUL KHAIR LIMITED	193.90	398.10	592.00	-
		ABUL KHAIR CONSUMER PRODUCT	243.30	-	243.30	-
		ABUL KHAIR MILK PRODUCTS	119.90	281.30	401.20	-
		ABUL KHAIR CERAMIC INDUST	52.00	-	52.00	-
		SUB TOTAL:	617.20	781.70	1,398.90	-
8	T.K. Group	BENGAL SACK CORPORATION L	313.50	163.40	476.90	-
		T.K. GAS & GAS CYLINDER L	12.00	-	12.00	-
		CHITTAGONG BAGS LIMITED	52.00	-	52.00	-
		CHING HUNG FIBRES LTD	51.90	-	51.90	-
		T.K.CHEMICAL COMPLEX	194.50	182.70	377.20	-
		SUB TOTAL:	623.90	346.10	970.00	-
9	Shirt Makers	SHIRT MAKERS LIMITED	115.20	152.40	267.60	-
		SECTION SEVEN LIMITED	204.90	753.90	958.80	-
		SUB TOTAL:	320.10	906.30	1,226.40	-
10	Noman	MARIUM TEXTILE MILLS LTD.	51.70	-	51.70	-
		ZABER & ZUBVAIR FABRIES L	763.50	-	763.50	-
		TALHA SPINNING MILLS LTD.	667.60	171.20	838.80	-
		SUB TOTAL:	1,482.80	171.20	1,654.00	-
11	Knit Concern	KNIT CONCERN LTD.	293.60	1,148.70	1,442.30	-
		K.C. APPARELS LTD.	316.40	396.80	713.20	-
		KAY TELECOMMUNICATIONS	22.00	75.00	97.00	-
		K.C. LINGERIE LIMITED	33.60	-	33.60	-
		K C LINGERIE LTD	-	186.60	186.60	-
		SUB TOTAL:	665.60	1,807.10	2,472.70	-
12	Pran	AGRICULTURAL MARKETING CO	41.30	-	41.30	-
		RFL PLASTICS LIMITED	19.20	303.20	322.40	-
		BANGA BUILDING MATERIALS	5.10	-	5.10	-
		DURABLE PLASTIC LIMITED	139.60	160.50	300.10	-
		PRAN EXPORTS LTD	274.90	-	274.90	-
		PRAN AGRO LIMITED	20.20	-	20.20	-
		PRAN DAIRY LIMITED	20.50	55.30	75.80	-
		SUB TOTAL:	520.80	519.00	1,039.80	-

Annexure-C

Million BDT

Sl.	Name of the group	Name of Clients	Outstanding as on 31 December 2013			Amount Classified
			Funded	Non-Funded	Total	
13	Uttara	UTTARA JUTE FIBRES N INDS	866.40	7.60	874.00	-
		UTTARA TRADERS(PVT.) LTD.	4.80	556.40	561.20	-
		UTTARA ACRYLIC MILLS LTD	260.50	24.00	284.50	-
		UTTARA SPINNING MILLS LTD	134.00	5.40	139.40	-
		SIX SEASONS FOOD & BEVERA	21.00	-	21.00	-
		SUB TOTAL:	1,286.70	593.40	1,880.10	-
14	Cassiopea	CASSIOPEA APPARELS LTD.	250.20	1,250.50	1,500.70	-
		CASSIOPEA FASHION LTD.	36.30	148.00	184.30	-
		ELEGANT WASHING PLANT	-	24.80	24.80	-
		CASSIOPEA GARMENTS LTD.	-	23.20	23.20	-
		SUB TOTAL:	286.50	1,446.50	1,733.00	-
15	Silver Line	SILVER LINE COMPUSIT TEXT	614.10	2,097.30	2,711.40	-
		SILVER COMPOSITE TEXTILE	2.30	55.60	57.90	-
		SUB TOTAL:	616.40	2,152.90	2,769.30	-
16	IFIC	IFIC SECURETIES LTD	1,280.70	450.00	1,730.70	-
		SUB TOTAL:	1,280.70	450.00	1,730.70	-
17	Western	NEW WESTERN MARINE SHIPBU	298.10	232.20	530.30	-
		WESTERN MARINE SHIPYARD L	465.40	215.50	680.90	-
		IHC-WMSHL LTD	48.50	0.20	48.70	-
		SUB TOTAL:	812.00	447.90	1,259.90	-
18	Scholasitca	SCHOLASTICA LIMITED	1,258.70	-	1,258.70	-
		SUB TOTAL:	1,258.70	-	1,258.70	-
19	Sikder	POWERPAC MUTIARA KAJANG	1,280.40	-	1,280.40	-
		R & R HOLDINGS	1,302.40	-	1,302.40	-
		SUB TOTAL:	2,582.80	-	2,582.80	-
20	Jamuna	JAMUNA BUILDERS LTD.	1,232.50	-	1,232.50	-
		JAMUNA ELECTRONICS & AUTO	-	3.30	3.30	-
		SUB TOTAL:	1,232.50	3.30	1,235.80	-
21	ENA	ENA PROPERTIES LTD.	1,378.50	-	1,378.50	-
		NORTHERN POWER SOLUTIONS	-	113.80	113.80	-
		SUB TOTAL:	1,378.50	113.80	1,492.30	-
22	SQ	SQ CELSIUS LIMITED	76.10	136.70	212.80	-
		SQ CELSIUS LIMITED	1,173.50	160.20	1,333.70	-
		SUB TOTAL:	1,249.60	296.90	1,546.50	-
23	Pacific	PACIFIC BANGLADESH TELECO	1,266.00	388.80	1,654.80	-
		SUB TOTAL:	1,266.00	388.80	1,654.80	-
24		SUMMIT BIBIYANA -II POWER	976.70	-	976.70	-
		SUB TOTAL:	976.70	-	976.70	-
25	Optimum	SHAGORE GARMENTS LTD.	1,308.00	853.00	2,161.00	-
		OPTIMUM LTD.	399.00	801.00	1,200.00	-
		THE ACCESSORIES LTD.	317.00	101.00	418.00	-
		KNIT BANGLA	94.00	470.00	564.00	-
		L.Z. TEXTILES LTD	-	343.00	343.00	-
		STYRAX FASHIONS LIMITED	1,065.00	2,124.00	3,189.00	-
		MINIMAX LTD.	784.00	986.00	1,770.00	-
		SUB TOTAL:	3,967.00	5,678.00	9,645.00	-
		GRAND TOTAL:	27,199.50	21,576.10	48,775.60	-

Schedule of fixed assets including premises, furniture and fixture as at 31 December 2013

Particulars	Cost				Rate %	Depreciation				
	Balance as at 1 January 2013	Revaluation	Addition during the year	Disposal during the year		Balance as at 31 December 2013	Charged during the year	Disposal during the year	Balance as at 31 December 2013	Written down value as at 31 December 2013
Land	475,118,759	-	-	-	-	-	-	-	-	475,118,759
Building	1,317,217,623	-	12,126,848	-	1,329,344,471	2.5	30,666,530	-	133,349,814	1,195,994,657
Wooden Furniture	103,474,412	-	5,328,709	4,487,517	104,315,604	10	5,313,132	3,282,102	56,497,408	47,818,195
Steel Furniture	49,571,298	-	3,923,928	186,809	53,308,417	10	2,703,462	132,327	28,977,265	24,331,152
Office & Computer Equipment	802,851,336	-	91,337,597	2,025,879	892,163,054	20	81,148,865	1,810,931	567,567,589	324,595,465
Electrical & Gas Equipment	306,164,547	-	24,449,209	10,179,545	320,434,211	20	30,991,507	7,589,086	196,468,183	123,966,028
Improve & Leasehold Premises	191,395,600	-	12,778,176	2,910,399	201,263,378	10	12,268,526	2,526,337	90,846,647	110,416,731
Motor Vehicles	67,411,910	-	21,945,310	2,250,000	87,107,220	20	8,414,391	1,328,400	53,449,655	33,657,565
Soft Furnishing	10,281,549	-	879,274	567,327	10,593,496	40	923,171	560,649	9,208,739	1,384,757
As at 31 December 2013	3,323,487,034	-	172,769,051	22,607,475	3,473,648,610		172,429,584	17,229,832	1,136,365,301	2,337,283,309
As at 31 December 2012	3,031,402,402	-	310,872,232	18,787,600	3,323,487,034		169,564,792	16,167,180	981,165,549	2,342,321,484

Computation of Risk-weighted Assets of the Bank as at 31 December 2013

1.00 Risk Weighted Assets for Credit Risk Balance Sheet Exposures

Million BDT

Sl.	Exposure Type	BB's Rating Grade*	Exposure	Risk Weight	Risk Weighted Asset
1	2	3	4	5	6 = (5x4)
a)	Cash		2,245.04	-	-
b)	Claims on Bangladesh Government and Bangladesh Bank		18,164.11	-	-
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	35.00	0.50	17.50
g)	Claims on Banks and NBFIs		-		-
	i) Maturity over 3 months	1	1,964.11	0.20	392.82
		2,3	99.07	0.50	49.54
		4,5	-	1.00	-
		6	-	1.50	-
		Unrated	-	1.00	-
	ii) Maturity less than 3 months		11,155.08	0.20	2,231.02
h)	Claims on Corporate (excluding equity exposure)	1	2,567.29	0.20	513.46
		2	11,577.83	0.50	5,788.91
		3,4	5,527.80	1.00	5,527.80
		5,6	-	1.50	-
		Unrated	14,589.88	1.25	18,237.34
i)	Claims under Credit Risk Mitigation [From Work Sheet - 1 (a)]	PSE	-	N/A	-
		Banks & NBFIs	-	N/A	-
		Corporate	2,148.69	N/A	1,245.13
		Retail & SME	887.96	N/A	18.19
		Consumer finance	2,270.99	N/A	39.54
		Residential property	-	N/A	-
		Commercial real estate	-	N/A	-

1.00 Fixed Risk Weight Groups

j)	Claims categorized as retail portfolio & SME (excluding consumer loan).		13,537.18	0.75	10,152.89
k)	Consumer Loan		622.14	1.00	622.14
l)	Claims fully secured by residential property		8,634.73	0.50	4,317.36
m)	Claims fully secured by Commercial real estate		8,579.42	1.00	8,579.42
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:		-		-

Annexure-E

Million BDT

Sl.	Exposure Type	BB's Rating Grade*	Exposure	Risk Weight	Risk Weighted Asset
i)	Where specific provisions are less than 20 percent of the outstanding amount of the past due claim;		525.80	1.50	788.70
ii)	Where specific provisions are not less than 20 percent of the outstanding amount of the past due claim;		568.80	1.00	568.80
iii)	Where specific provisions are more than 50 percent of the outstanding amount of the past due claim;		377.70	0.50	188.85
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		24.10	1.00	24.10
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.		18.70	0.75	14.03
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.		848.76	1.25	1,060.96
r)	Investments in premises, plant and equipment and all other fixed assets.		2,337.28	1.00	2,337.28
s)	Claims on all fixed assets under operating lease		548.41	1.00	548.41
t)	All other assets		-	-	-
	i) Claims on GoB & BB (eg. advanced income tax, reimbursement of patirakkha/shadharon shanchay patra, etc.)		604.55	0.00	-
	ii) Staff loan/Investment		1,453.92	0.20	290.78
	iii) Cash items in Process of Collection		-	0.20	-
	iv) Claims on Off-shore Banking Units (OBU)		708.80	1.00	708.80
	v) Other assets (net off specific provision, if any)		2,310.16	1.00	2,310.16
	Sub-Total		115,034.83		66,573.93

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

a)	Claims on Bangladesh Government and Bangladesh Bank			0	
b)	Claims on other Sovereigns & Central Banks*				
c)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank			0	
	Claims on Multilateral Development Banks (MDBs):				
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB			0	
	ii) Others MDBs	1		0.20	
		2,3		0.50	
		4,5		1.00	
		6		1.50	
		Unrated		0.50	
d)	Claims on Public Sector Entities (other than Government) in Bangladesh	1		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	

Sl.	Exposure Type	BB's Rating Grade*	Exposure	Risk Weight	Risk Weighted Asset
f)	Claims on Corporate (excluding equity exposure)	1	2,666.76	0.20	533.35
		2	1,618.07	0.50	809.03
		3,4	125.75	1.00	125.75
		5,6	-	1.50	-
		Unrated	4,293.52	1.25	5,366.90
g)	Against retail portfolio & SME (excluding consumer loan)		5,935.02	0.75	4,451.27
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		14,639.12	-	11,286.30

3.00 Capital Charge for Market Risk (Balance Sheet Exposures)

(Figs. in million Tk.)

Sl.	Market Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Interest Rate Related Instruments	8.01	10.00	80.14
b	Equities	608.10	10.00	6080.99
c	Foreign Exchange Position	37.28	10.00	372.84
d	Commodities	0.00	10.00	0.00
	Sub-Total	653.40	10.00	6533.97

4.00 Capital Charge for Operational Risk (Basic Indicator Approach)

(Figs. in million Tk.)

Sl.	Operational Risk	Capital Charge	Risk Weight	Risk Weighted Asset
a	Gross Income	852.12	10.00	8521.16
	Sub-Total	852.12	10.00	8521.16
	Grand Total Risk Weighted Assets			92,915.37

Related party disclosures

Name of Directors and their interest in different entities
as at 31 December 2013

Sl.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
1	Mr. Salman F Rahman	Chairman	Chairman	GMG Airlines Limited
			Chairman	Abahani Limited
			Vice Chairman	Bangladesh Export Import Co. Ltd.
			Vice Chairman	Beximco Pharmaceuticals Ltd.
			Vice Chairman	Beximco Synthetics Ltd.
			Vice Chairman	Shinepukur Ceramics Ltd.
			Vice Chairman	Beximco Holdings Ltd.
			Vice Chairman	Beximco Engineering Ltd.
			Vice Chairman	Beximco Computers Ltd.
			Vice Chairman	Esses Exporters Ltd.
			Vice Chairman	Beximco Apparels Ltd.
			Vice Chairman	Beximco Property Development and Management Ltd.
			Vice Chairman	Beximco Fashions Ltd.
			Vice Chairman	Independent Television Ltd.
Vice Chairman	Sonali Ansh Limited			
Vice Chairman	International Knitwear & Apparels Ltd			
Vice Chairman	Crescent Fashion and Design Ltd.			
2	Mr. Mohammad Lutfar Rahman	Director	Chairman (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Chairman (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Chairman (Representing IFIC Bank Ltd.)	IFIC Securities Ltd.
			Chairman & CEO	New England Equity Limited
			Chairman & CEO	Shore Cap Holdings Limited
			Chairman & CEO	NEEL Petroleum & Chemicals Limited
			Managing Director	Latif Securities Limited
			Managing Director	Business Capital Shares & Securities Ltd.
			Managing Director	LR Agro Farms Limited
			Director	Union Insurance Company Limited
			Director	National Television Limited (RTV)
Director	International Television Limited (NTV)			
Director	Al-Manar Hospital (Pvt) Limited			
3	Mr. Monirul Islam	Independent Director	Managing Director	Cosmo Sizing & Weaving Mills Ltd.
			Director	Ramna Chinese & Thai Food Ltd.
4	Mr. Syed Anisul Huq	Independent Director	Independent Director	Deshbandhu Polymer Ltd.
			Independent Director	Hamid Febrics Ltd.
5	Mr. Mohammed Nayem Syed	Independent Director	Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Representing IFIC Bank Ltd.)	IFIC Securities Ltd.
			Managing Director	Karnaphuly Printers Ltd.
			Managing Director	Kuliarchar (UK) Ltd.
			Managing Director	Shahajalal Foods (UK) Ltd.
Director	Red-Sea International Ltd.			
6	Mr. A. R. M. Nazmus Sakib	Govt. nominated Director	Director (Nominated by IFIC Bank Ltd.)	Oman International Exchange LLC
			Additional Secretary	Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
7	Mr. Jalal Ahmed	Govt. nominated Director	Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Representing IFIC Bank Ltd.)	IFIC Securities Ltd.
			Additional Secretary	Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.

Related party disclosures

Name of Directors and their interest in different entities as at 31 December 2013

Sl.	Name	Status with the Bank	Status with interested entities	Name of the firms/companies in which they have interest
			Director	Bangladesh Telecommunication Co. Ltd.
			Director	Bangladesh Services Ltd.
			Director	British American Tobacco Bangladesh Co. Ltd.
			Director	Industrial Promotion & Development Co. Ltd.
			Director	Bangladesh Submarine Cable Co. Ltd.
8	Mr. Arijit Chowdhury	Govt. nominated Director	Joint Secretary	Bank and Financial Institutions Division, Ministry of Finance, Bangladesh Secretariat, Dhaka.
9	Mr. M. Shah Alam Sarwar	Managing Director & CEO	Director (Nominated by Govt. of Bangladesh)	Grameen Bank
			Director (Nominated by IFIC Bank Ltd.)	Nepal Bangladesh Bank Ltd., Nepal
			Director (Nominated by IFIC Bank Ltd.)	Oman International Exchange LLC
			Director (Nominated by IFIC Bank Ltd.)	IFIC Money Transfer (UK) Ltd.
			Director (Nominated by IFIC Bank Ltd.)	IFIC Securities Ltd.

Related party transactions

- i) Significant contracts with the Bank wherein Directors have interest during the year

Name of the party	Relationship	Nature of Transaction	Amount
-	-	-	-

- ii) Share issued to Directors and Executive without consideration or exercisable at a discount : Nil

- iii) Transactions

Amount in BDT

Name of the Party	Relationship	Nature of Facilities	Outstanding as at 31 December 2012	Transactions		Outstanding as at 31 December 2013
				Debit	Credit	
Mr. Mohammad Lutfar Rahman	Director	Credit card	738,881	-	635,868	103,013
M/s. Bextex Limited	Director's allied concern	LG	3,405,000	-	-	3,405,000
IFIC Securities Limited	Subsidiary	Loan	1,452,144,530	-	171,440,628	1,280,703,902
		Current Account	141,472,800	86,387,782	-	55,085,018
		B/O Account	109,447,797	115,574,090	-	225,021,886
		Office Rent	2,676,480	-	2,676,480	2,676,480

- iv) Lending policies in respect of related party :
Lending to related parties is effected as per requirement of section 27(1) of Bank Companies Act 1991.
- v) Business other than banking business with any related concern of the Directors as per section 18(2) of Bank Companies Act 1991.

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

Bank has executed maintenance agreement with Beximco Computers Limited for maintenance of different application software at a total cost of BDT 688,800 and Bangladesh Export Import Co. Limited for Broadband Internet Service at a total cost of BDT 1,269,600 for the year 2013.

- vi) Investment in the securities of Director and their related concern is nil.

Disclosure on Audit Committee of the Bank

a) Particulars of members of the Audit Committee

Annexure-G

Sl.	Name	Status with the Bank	Status with Committee	Educational Qualification
1	Mr. Syed Anisul Huq	Independent Director	Chairman	B. Com.
2	Mr. Monirul Islam (Upto 25.08.2013)	Independent Director	Member	B. A (Hons), M. A.
3	Mr. Mohammed Nayem Syed	Independent Director	Member	M. B. A., CFA
4	Mr. Jalal Ahmed	Director	Member	B. S. S (Hons), M. S. S. in Public Administration
5	Mr. Arijit Chowdhury	Director	Member	B. A (Hons), M. A., M. Sc. in Development Finance

b) Particulars of meetings held by the Audit Committee during the year 2013

Sl.	Meeting No	Meeting held on
1	71 st Audit Committee Meeting	09.01.2013
2	72 nd Audit Committee Meeting	28.03.2013
3	73 rd Audit Committee Meeting	08.04.2013
4	74 th Audit Committee Meeting	29.04.2013
5	75 th Audit Committee Meeting	21.07.2013
6	76 th Audit Committee Meeting	16.09.2013
7	77 th Audit Committee Meeting	12.11.2013

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

- i) Risk Based Internal Audit & Inspection Plan for -2013;
- ii) Auditors' Report and Audited Financial Statements for the year ended 31st December, 2012;
- iii) Management Report on the Financial Statements of the Bank for the year 2012;
- iv) Proposed Agenda for meeting of the Audit Committee to be held during the month from March to December, 2013;
- v) Status of Compliance on (i) Irregularities & lapses/errors & omissions & (ii) Significant non-complied irregularities & lapses observed in Internal Audit & Inspection Reports of 23 (twenty three) Branches conducted for the Quarter ended as on 30.12.2012;
- vi) Summary Report of Brief Highlights on Audit & Inspection Reports on the Branches conducted by Internal Control & Compliance Division;
- vii) Summary Report on the Bangladesh Bank Inspection on Comprehensive Inspection Report on Dhanmondi, Bangshal, Islampur, Mohakhali, Stock Exchange, Konabari, Brahmanbaria and Sylhet Branches as on the position of 31.03.2012;
- viii) Directors' Report-2012;
- ix) Statement of Fraud & Forgeries occurred in the Bank upto 31.12.2012;
- x) Re-appointment of External Auditors of the Bank for the year 2013;
- xi) Branch-wise Recovery Position of Non-performing Loans (NPL) upto February, 2013;
- xii) Branch-wise Recovery Position of Non-performing Loans (NPL) upto March, 2013;
- xiii) Un-audited Accounts for the first quarter ended on 31.03.2013;
- xiv) Un-Audited Accounts for the half year ended on 30.06.2013;
- xv) Summary Report on the Bangladesh Bank Inspection on Comprehensive Inspection Report on Narayanganj, Federation, Kawranbazar, Nawabpur, Lalmatia, Faridpur, Rajshahi and Khatunganj Branches as on the position of 31.03.2012;

- xvi) Summary Report of Brief Highlights on Audit & Inspection Reports on the Branches conducted by Internal Control & Compliance Division;
- xvii) Status of Compliance on (i) Irregularities & lapses/errors & omissions & (ii) Significant non-complied irregularities & lapses observed in Internal Audit & Inspection Reports of 35 (thirty five) Branches conducted for the Quarter ended as on 31.03.2013;
- xviii) Annual Report on the Health/Overall status of IFIC Bank Ltd. for the year 2012;
- xix) Statement of Fraud & Forgeries occurred in the Bank upto 30.06.2013;
- xx) Summary Report on the Bangladesh Bank Inspection on Comprehensive Inspection Report on Federation, Narayanganj, Kawranbazar, Uttara, Rajshahi, Pabna, Bogra & Mohakhali Branches as on the position of 31.12.2012;
- xxi) Summary Report on Brief Highlights on Audit & Inspection Reports on the Branches conducted by Internal Control & Compliance Division;
- xxii) Statement of Fraud & Forgeries occurred in the Bank upto 30.09.2013;
- xxiii) Summary Report on findings of Audit & Inspection of the Branches of the Bank conducted by Audit & Inspection Department of ICC during the year 2012;
- xxiv) Extract from BRPD Circular No. 11 dated 27.10.2013 issued by Bangladesh Bank regarding formation and roles & responsibilities of the Audit Committee of the Board.

Financial Highlights of the Bank

as at 31 December 2013

Sl. No.	Particulars	Million BDT	
		2013	2012
1	Paid up Capital	3,806,521,120	3,460,473,750
2	Total Capital	9,630,845,995	7,923,695,690
3	Capital Surplus	339,309,206	143,815,690
4	Total Assets	132,017,056,322	114,728,749,779
5	Total Deposits	107,778,051,821	92,432,755,891
6	Total Loan & Advances	84,110,385,028	77,159,761,910
7	Total Contingent Liabilities & Commitments	42,304,360,063	36,502,077,421
8	Credit Deposit Ratio	78.04%	83.48%
9	Percentage of Classified Loan Against Total Loans & Advances	3.77%	5.31%
10	Profit after Tax & Provision	1,345,490,024	1,105,146,297
11	Amount of Classified Loans	3,168,075,712	4,095,545,142
12	Provision Kept Against Classified Loans	1,620,060,000	2,210,250,805
13	Provision Surplus/Deficit	362,367,263	42,214,261
14	Cost of Fund	6.88%	7.40%
15	Interest Earning Assets	109,474,123,577	94,235,471,605
16	Non-interest Earning Assets	22,542,932,746	20,493,278,174
17	Return on Investment (ROI)	10.25%	11.58%
18	Return on Assets (ROA)	1.09%	1.07%
19	Income from Investment	2,169,887,411	1,813,933,609
20	Earning per Share	3.53	2.90
21	Income per Share	39.47	39.92
22	Net Asset Value (NAV)	9,097,850,796	7,753,401,833
23	Net Asset Value (NAV) Per Share	23.90	22.41
24	Net Operating Cash Flow Per Share (NOCFPS)	37.58	28.80
25	Price Earning Ratio (Times)	9.70	12.47

Off-shore Banking Unit

Annexure-H

Balance Sheet

as at 31 December 2013

Particulars	Note	31 December 2013		31 December 2012	
		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		-	-	-	-
Loans and advances	4.00	9,116,905	708,839,348	5,383,564	429,877,085
Loans, cash credits, overdrafts, etc.		2,832,204	220,203,893	3,000,000	239,549,700
Bills purchased and discounted	5.00	6,284,700	488,635,455	2,383,564	190,327,385
Fixed assets including premises, furniture and fixtures	6.00	-	-	-	-
Other assets	7.00	148,003	11,507,203	25,632	2,046,741
Non banking assets		-	-	-	-
Total assets		9,264,907	720,346,551	5,409,196	431,923,826
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from other banks, financial Institutions and agents	8.00	8,966,920	697,178,035	4,929,566	393,625,390
Deposit and other accounts	9.00	-	-	-	-
Current deposits and other accounts		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Fixed Deposits		-	-	-	-
Bearer Certificate of Deposit		-	-	-	-
Other Deposits		-	-	-	-
Other liabilities	10.00	151,469	11,776,751	-	-
Total liabilities		9,118,390	708,954,785	4,929,566	393,625,390
Capital/Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
General Reserve		-	-	-	-
Revaluation reserve against securities		-	-	-	-
Revaluation reserve against fixed assets		-	-	-	-
Reserve against non banking assets		-	-	-	-
Foreign currency translation gain/(loss)		-	-	-	-
Surplus in Profit and Loss Account	11.00	146,518	11,391,766	479,630	38,298,437
Total shareholders' equity		146,518	11,391,766	479,630	38,298,437
Total liabilities and shareholders' equity		9,264,907	720,346,551	5,409,196	431,923,827

Off-shore Banking Unit

Balance Sheet

as at 31 December 2013

Particulars	Note	31 December 2013		31 December 2012	
		USD	Taka	USD	Taka
OFF BALANCE SHEET ITEMS					
Contingent liabilities					
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
		-	-	-	-
Other Commitments					
Documents credit and short term trade -related transactions		-	-	-	-
Forward assets purchased and forward deposit placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
		-	-	-	-
Total off-Balance Sheet exposures including contingent liabilities		-	-	-	-

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


Managing Director


Director


Director


Director

Dhaka, 20 March 2014

Off-shore Banking Unit

Profit and Loss Account

For the year ended 31 December 2013

Particulars	Note	31 December 2013		31 December 2012	
		USD	Taka	USD	Taka
Interest income	13.00	692,952	53,876,985	726,994	58,050,457
Interest paid on deposits, borrowings, etc.	14.00	547,017	42,530,573	292,364	23,345,266
Net Interest income		145,935	11,346,412	434,630	34,705,191
Investment Income		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income	15.00	583	45,354	45,000	3,593,246
Total operating income		146,518	11,391,766	479,630	38,298,437
Salaries and allowances					
Rent, taxes, insurance, electricity, etc.					
Legal expenses					
Postage, stamp, telecommunication, etc.					
Stationery, printing, advertisement, etc					
Managing Director's salary					
Directors' fees					
Auditors' fee					
Charges on loan loss					
Depriciation and repair of bank's assets					
Other expenses					
Total operating expenses		-	-	-	-
Profit/(Loss) before provision		146,518	11,391,766	479,630	38,298,437
Provision for loans, investments and other assets					
General provision Specific Provision					
Specific provision General Provision					
Provision for Off-Shore Banking Units					
Provision for off-balance sheet exposures					
Provision for diminution in value of investments					
Provision for other assets					
Total provision					
Total Profit/(Loss) before taxes		146,518	11,391,766	479,630	38,298,437

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


Managing Director


Director


Director


Director

Dhaka, 20 March 2014

Off-shore Banking Unit

Cash Flow Statement

For the year ended 31 December 2013

Particulars	Note	2013		2012	
		USD	Taka	USD	Taka
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received in cash		692,952	53,876,985	726,995	58,050,457
Interest payments		(547,017)	(42,530,573)	(292,364)	(23,345,266)
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		583	45,354	45,000	3,593,246
Cash paid for other operating activities		(479,630)	(38,298,436)	(408,831)	(33,464,030)
Cash flows before charges in operating assets and liabilities		(333,112)	(26,906,670)	70,799	4,834,407
Increase/Decrease in operating assets and liabilities					
Loans and advances to customers		(3,733,341)	(278,962,263)	7,849,942	653,323,772
Other assets	16.00	(122,371)	(9,460,462)	62,978	5,206,273
Borrowing from Banks		4,037,354	303,552,645	(7,983,719)	(663,364,452)
Deposits from other Banks		-	-	-	-
Deposit from customers		-	-	-	-
Other Liabilities		151,469	11,776,751	-	-
		333,112	26,906,670	(70,799)	(4,834,407)
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

Dhaka, 20 March 2014

Off-shore Banking Unit

Notes to the Financial Statements

For the year ended 31 December 2013

1.1 Status of the unit

Off-shore Banking Unit 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.

1.1.1 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.

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 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.

1.2.2 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.

1.2.3 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.

1.2.4 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.

1.2.5 Reporting period

These financial statements cover from 1 January to 31 December 2013.

1.3 Assets and basis of their valuation

1.3.1 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.

1.3.2 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.

1.3.3 Fixed assets and depreciation

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

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

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

1.04 Basis for valuation of liabilities and provisions

1.04.1 Benefits to the employees

The retirement benefits accrued for the employees of the units as on reporting date have been accounted for in accordance with the provisions of Bangladesh Accounting Standard-19, "Employee Benefit". Bases of enumerating the retirement benefit schemes operated by the bank.

1.04.2 Provision for liabilities

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

1.05 Revenue recognition

1.05.1 Interest income

In terms of the provisions of the BAS-18 "Revenue", the interest income is recognized on accrual basis.

1.05.2 Fees and commission income

Fees and commission income arises on services provided by the units are recognized on a cash receipt basis.

Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

1.05.3 Interest paid and other expenses

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

2 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 77.7500 (closing weighted average rate as at 31 December 2013) represents the year end.

Particulars	31 December 2013		31 December 2012	
	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	2,832,204	220,203,893	3,000,000	239,549,700
Lease Finance	-	-	-	-
T.R. Loan	-	-	-	-
	2,832,204	220,203,893	3,000,000	239,549,700
ii) Bills purchased and discounted (note-5)				
Inside Bangladesh				
Inland bills purchased and discounted	6,284,700	488,635,455	2,383,564	190,327,385
Outside Bangladesh				
Foreign bills purchased and discounted	-	-	-	-
	6,284,700	488,635,455	2,383,564	190,327,385
	9,116,905	708,839,348	5,383,564	429,877,085
4.01 Geographical location-wise Loans and Advances				
Dhaka	9,116,905	708,839,348	5,383,564	429,877,085
Chittagong Division	-	-	-	-
Sylhet	-	-	-	-
Rajshahi Division	-	-	-	-
Khulna	-	-	-	-
Barisal	-	-	-	-
	9,116,905	708,839,348	5,383,564	429,877,085
4.02 Classification of Loans and Advances				
Unclassified :				
(i) Standard	9,116,905	708,839,348	5,383,564	429,877,085
(ii) Special mention account	-	-	-	-
Classified :				
(i) Substandard	-	-	-	-
(ii) Doubtful	-	-	-	-
(iii) Bad/Loss	-	-	-	-
	9,116,905	708,839,348	5,383,564	429,877,085
5.00 Bills purchased and discounted				
In Bangladesh	6,284,700	488,635,455	2,383,564	190,327,385
Outside Bangladesh	-	-	-	-
	6,284,700	488,635,455	2,383,564	190,327,385

Particulars	31 December 2013		31 December 2012	
	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	17,700	1,376,175	15,930	1,272,009
Interest receivable on Bills discount	130,303	10,131,028	9,702	774,732
	148,003	11,507,203	25,632	2,046,741
8.00 Borrowing from other banks, financial Institutions and its agents				
In Bangladesh:				
IFIC Bank Limited	8,966,920	697,178,035	4,929,566	393,625,390
Bangladesh Bank	-	-	-	-
	8,966,920	697,178,035	4,929,566	393,625,390
Outside Bangladesh	-	-	-	-
	8,966,920	697,178,035	4,929,566	393,625,390
9.00 Current deposits and other accounts				
IFIC Bank Limited	-	-	-	-
Bangladesh Bank	-	-	-	-
	-	-	-	-
10.00 Other liabilities				
Interest on bills discount	-	-	-	-
Due to Head Office	151,469	11,776,751	-	-
	151,469	11,776,751	-	-
11.00 Surplus in Profit and Loss Account				
Opening balance	479,630	38,298,437	408,831	33,464,030
Less: Adjustment/payment for the year	(479,630)	(38,298,437)	(408,831)	(33,464,030)
Add: Addition during the year	146,518	11,391,766	479,630	38,298,437
	146,518	11,391,766	479,630	38,298,437
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	-	-	-	-
12.03 Letters of guarantee				
Letters of guarantee (Local)	-	-	-	-
Letters of guarantee (Foreign)	-	-	-	-
Foreign counter guarantees	-	-	-	-
	-	-	-	-
Less: Margin	-	-	-	-

Particulars	31 December 2013		31 December 2012	
	USD	Taka	USD	Taka
12.04 Bills for collection				
Outward local bills for collection	-	-	-	-
Inward foreign bills for collection	-	-	-	-
Less: Margin	-	-	-	-
13.00 Interest income				
Term Loan	147,021	11,430,859	355,555	28,391,016
LTR loan	-	-	-	-
Bills discount	545,931	42,446,127	371,440	29,659,441
Others	-	-	-	-
Interest on loans and advances	692,952	53,876,985	726,995	58,050,457
Interest on balance with other banks and financial institutions	-	-	-	-
Interest received from foreign banks	-	-	-	-
Total Interest income	692,952	53,876,985	726,995	58,050,457
14.00 Interest paid on deposits, borrowings, etc.				
Interest paid on IFIC Bank Limited	547,017	42,530,573	292,364	23,345,266
Interest paid on Bangladesh Bank	-	-	-	-
	547,017	42,530,573	292,364	23,345,266
15.00 Other operating income				
Service charge on loans	583	45,354	45,000	3,593,246
	583	45,354	45,000	3,593,246
16.00 Other Assets				
Opening other assets	25,632	2,046,741	88,610	7,253,014
Less : Closing other assets	(148,003)	(11,507,203)	(25,632)	(2,046,741)
	(122,371)	(9,460,462)	62,978	5,206,273

IFIC SECURITIES LIMITED



AUDITORS' REPORT **TO THE SHAREHOLDERS OF IFIC SECURITIES LIMITED**

Introduction

We have audited the accompanying Financial Statements of IFIC Securities Limited, which comprise the Statement of Financial Position as at December 31, 2013 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, 2013 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 and

Howladar Yunus & Co.
Chartered Accountants

Chartered Accountants
Correspondent firm of Grant Thornton International Ltd


Dated: March 20, 2014
Dhaka

Statement of Financial Position

As on December 31, 2013

	Notes	Amount in Taka	
		31.12.2013	31.12.2012
ASSETS:			
Non Current Assets		132,909,510	175,693,807
Property, Plant and Equipments	4.00	8,690,030	10,224,632
Investments	5.00	124,219,480	165,469,175
Current Assets		3,398,515,329	2,997,713,637
Margin loan to clients		3,191,058,405	2,738,664,415
Accounts receivable (DSE)		32,654,255	20,493,567
Dividend Receivable		351,225	
Advance Deposits and Prepayments	6.00	119,357,616	97,069,335
Cash & Cash Equivalents	7.00	55,093,828	141,486,320
TOTAL		3,531,424,839	3,173,407,444
EQUITY AND LIABILITIES:			
Shareholders Equity		970,162,224	925,168,909
Share Capital	8.00	800,000,000	800,000,000
Holding Gain Reserve	20.00	9,982,172	520,136
Retained Earnings	10.00	160,180,052	124,648,773
Non Current Liabilities		-	-
Current Liabilities		2,561,262,615	2,248,238,535
Clients Payable		267,315,115	189,831,951
DSE Payable		67,483	92,916
General Provision	9.00	72,131,178	72,131,178
Bank Loan	11.00	1,628,668,999	1,689,664,354
Other Liabilities	12.00	485,467,249	201,835,296
Provision for Income Tax	13.00	106,503,461	94,625,047
Deferred tax Liabilities	20.00	1,109,130	57,793
TOTAL		3,531,424,839	3,173,407,444

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


Chief Executive Officer
 (Current Charge)


Director


Director

Signed as per our annexed report on event date.


Chartered Accountants


Dated: March 20, 2014
Dhaka

Statement of Comprehensive Income

For the year ended December 31, 2013

	Notes	Amount in Taka	
		31.12.2013	31.12.2012
Income:		336,650,318	415,830,314
Operating Income	14.00	311,839,628	394,263,845
Non-Operating Income	15.00	24,810,690	21,566,469
Expenses:		289,240,625	285,441,166
Operating Expenses	16.00	10,695,253	12,666,353
Office & Administrative Expenses	17.00	29,534,652	32,914,979
Financial Expenses	18.00	249,010,720	239,859,834
Profit/(Loss) before Provisions and Tax		47,409,693	130,389,148
Less: Provisional Expenses	19.00	11,878,414	92,811,455
A. Net Profit After Tax		35,531,280	37,577,693
Other Comprehensive Income/(Loss)			
Holding Gain on Investment in Shares	20.00	10,513,373	577,929
Deferred Tax on Other Comprehensive Income		1,051,337	57,793
B. Other Comprehensive Income (Net off Tax)		9,462,036	520,136
Total Comprehensive Income (A+B)		44,993,315	38,097,829

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


Chief Executive Officer
 (Current Charge)


Director


Director

Signed as per our annexed report on event date.


Chartered Accountants

Dated: March 20, 2014
 Dhaka

Statement of Cash Flows

For the year ended December 31, 2013

	Notes	Amount in Taka	
		31.12.2013	31.12.2012
A. Cash flows from Operating Activities:			
Net profit before tax		47,409,693	130,389,148
Add: Non Cash Transaction		285,209,725	176,853,943
Sundry Payable		80,764	73,429
Liabilities for Expenses		(1,604,770)	752,504
Unrealized Interest Income		285,155,959	174,104,667
Depreciation		1,577,772	1,923,343
Increase/(Decrease) in Accounts Payable		77,483,164	96,469,717
Increase/(Decrease) in Dividend Receivable		(351,225)	-
Increase/(Decrease) in DSE Payable		(25,432)	(109,970)
(Increase)/Decrease in Accounts Receivable (DSE)		(12,160,688)	32,114,970
(Increase)/Decrease Advance Deposit and Prepayments		(22,288,281)	(63,163,330)
Net cash flows from operating activities		375,276,955	372,554,478
B. Cash flows from Investing Activities:			
Investments in Securities		51,763,068	8,093,904
Purchase of Property, Plant and Equipments		(43,170)	(659,320)
Loan to Clients		(452,393,990)	(557,899,906)
Net Cash flows from Investing Activities		(400,674,092)	(550,465,322)
C. Cash flows from Financing Activities:			
Loan from Dhaka Bank Limited		107,977,169	539,505
Loan from IFIC Bank Limited		(171,440,627)	58,556,862
Loan from Prime bank Limited		2,468,103	196,793,419
Net cash flows from Financing Activities		(60,995,356)	255,889,786
D. Net increase in Cash and Cash Equivalents (A+B+C)		(86,392,492)	77,978,942
E. Opening Cash and Cash Equivalents		141,486,320	63,507,378
F. Closing Cash and Cash Equivalents (D+E)		55,093,828	141,486,321


Chief Executive Officer
 (Current Charge)


Director


Director

Dated: March 20, 2014
 Dhaka

Statement of Change in Equity

For the year ended December 31, 2013

Particulars	Share Capital	Retained Earnings	Holding Gain Reserve	Total
Opening Balance as on 01.01.2013	800,000,000	124,648,773	520,136	925,168,909
Holding Gain during the year	-	-	9,462,036	9,462,036
Profit/(Loss) during the period	-	35,531,280	-	35,531,280
Balance as on December 31, 2013	800,000,000	160,180,053	9,982,172	970,162,224

Statement of Change in Equity

For the year ended December 31, 2012

Particulars	Share Capital	Retained Earnings	Holding Gain Reserve	Total
Opening Balance	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


Chief Executive Officer
 (Current Charge)


Director


Director

Dated: March 20, 2014
 Dhaka

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1. STATUS OF THE REPORTING ENTITY

1.1. Corporate History:

IFIC Securities Limited was incorporated in Bangladesh and registered with Joint Stock Companies and Firms vide its registration number C-87904/10 on November 02, 2010 as a Public Limited Company with an Authorized Capital of Tk. 3,000,000,000 divided into 300,000,000 ordinary shares of Tk. 10 each. The registered office of the company is located at 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 Equivalents:

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

3.5. Other Current Assets:

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

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

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

3.7. Income Tax:

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

3.8. Provisions:

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

3.9. Revenue Recognition:

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	
		31.12.2013 Taka	31.12.2012 Taka
4.00	Property, Plant & Equipment:		
	Furniture and Fixture	3,100,968	3,441,520
	Electric Goods	1,569,102	1,931,908
	Computer and Equipments	2,364,566	2,946,007
	Office Renovation	1,536,826	1,707,585
	Other Assets	118,568	197,612
		8,690,030	10,224,632
	Details please refer to Annexure -A		
5.00	Investments:		
	Membership with DSE *	74,989,000	74,989,000
	Investment in Shares	49,230,480	90,480,175
		124,219,480	165,469,175
	Investment in Shares are detail in Annexure - B		
	* This represents our original Investment cost for DSE membership in exchange of which shares at a face value of Tk. 10 each have been allotted in favour of the Company in October 2013 for DSE. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares at face value of Tk. 10 each against the membership of DSE. Out of the above DSE transferred 2,886,042 shares directly to the credit of the Beneficiary Owner's account of the Company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act. 2013. As there is no active market for shares DSE, we have shown the value at original cost of our Investment.		
6.00	Advance Deposit and Prepayments:		
	Advance Income Tax	115,744,376	94,735,270
	Advance For Nikunjo	850,000	-
	Advance Bank Guarantee Commission	1,495,383	466,208
	Pre-Paid Rent	1,267,857	1,867,857
		119,357,616	97,069,335
7.00	Cash and Cash Equivalents:		
	Cash in Hand	8,809	13,519
	Cash at Bank:	55,085,019	141,472,801
	IFIC Bank Ltd. Motijheel Br. A/C-365185-001	32,761,329	140,366,519
	IFIC Bank Ltd. Motijheel Br. A/C-354511-001	22,323,689	1,106,281
	Dhaka Bank Ltd. Foreign Ex. Br. A/C-2031.10.11050	1	1
		55,093,828	141,486,320
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	2013	2012	Face Value	2013	2012
	No. of Shares	No. of Shares		Amount in Taka	Amount in Taka
IFIC Bank Limited	79,999,400	79,999,400	10	799,994,000	799,994,000
Mr. M. Shah Alam Sarwar	100	100	10	1,000	1,000
Ms. Alkona K Choudhuri	100	100	10	1,000	1,000
Mr. S.M. Abdul Hamid	100	100	10	1,000	1,000
Mrs. Zaitun Sayef	-	100	10	-	1,000
Mr. M.M Haikal Hashmi	100	-	10	1,000	-
Mr. Ashim Chowdhury	100	100	10	1,000	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	
		31.12.2013 Taka	31.12.2012 Taka
9.00	General Provision:		
	Provision For Investment	1,158,950	1,158,950
	Provision For Margin (Note-9.01)	70,972,228	70,972,228
		72,131,178	72,131,178
9.01	Provision For Margin Loan:		
	Opening balance	70,972,228	21,807,645
	Add: Transfer During The Year	-	49,164,583
		70,972,228	70,972,228
10.00	Retained Earnings:		
	Opening balance	124,648,773	124,648,773
	Add: Profit during the year	35,531,280	-
		160,180,052	124,648,773
11.00	Bank Loan :		
	Loan from IFIC Bank Ltd, Motijheel Branch	1,280,703,903	1,452,144,530
	Loan from Dhaka Bank Ltd, Foreign Ex. Branch	148,703,574	40,726,405
	Loan from Prime Bank Ltd, SBC Tower Branch	199,261,522	196,793,419
		1,628,668,999	1,689,664,354
12.00	Other Liabilities:		
	Sundry Payable Note-12.01	271,526	190,763
	Liabilities for Expenses Note-12.02	2,412,031	4,016,801
	Unrealized Interest Income Note-12.03	482,783,692	197,627,733
		485,467,249	201,835,296
12.01	Sundry Payable:		
	VAT Payable	42,383	37,344
	Tax Payable	229,143	153,419
		271,526	190,763
12.02	Liabilities for Expenses:		
	Mobile/Telephone Allowance	2,875	5,000
	Electricity	15,850	128,207
	CDBL	450,000	1,404,664
	Water	-	17,120
	WASA	-	17,500
	Newspaper	-	13,184
	Audit fees	200,000	200,000
	Casual Worker Wage	-	13,950
	Printing & Stationery	100,000	200,000
	Cleaners	-	6,000
	Connectivity Bill	-	25,850
	Insurance	8,846	37,286
	DSE Bill	-	5,000
	Incentive Bonus	1,634,460	1,943,040
		2,412,031	4,016,801
12.03	Unrealized Interest Income:		
	Opening balance	197,627,733	197,627,733
	Add: Transferred during the year	285,155,959	-
		482,783,692	197,627,733
13.00	Provision for Income Tax:		
	Opening Balance	94,625,047	94,625,047
	Add: Provision for the year	11,878,414	-
		106,503,461	94,625,047

		Amount in Taka	
		31.12.2013 Taka	31.12.2012 Taka
14.00	Operating Income:		
	Brokerage Commission	75,601,905	102,155,110
	Interest on Margin Loan	236,237,723	292,108,735
		311,839,628	394,263,845
15.00	Non-Operating Income:		
	Documentations Charge	45,000	60,300
	Account Opening Fee	133,000	146,000
	CDBL Income Note-15.01	2,267,013	2,158,777
	Miscellaneous	-	65,906
	Dividend Income	2,462,975	132,000
	Capital Gain (Realized)	19,902,702	19,003,486
		24,810,690	21,566,469
15.01	CDBL Income:		
	BO Maintenance Charge	1,635,000	1,620,000
	Pledgement & Corporate Action Charge	632,013	538,777
		2,267,013	2,158,777
16.00	Operating Expenses:		
	Howla	837,296	1,011,444
	Laga	4,067,957	5,554,909
	CDBL	5,790,000	6,100,000
		10,695,253	12,666,353
17.00	Office & Administrative Expenses:		
	Salary and Allowances Note-17.01	17,585,196	19,834,049
	Director's Remuneration	98,250	120,750
	Board Meeting fees	6,677	-
	Entertainment	500,434	757,287
	Conveyance	54,725	53,305
	Auditors Fee	200,000	200,000
	Printing Stationery	607,272	795,584
	DSE	13,316	-
	Office Rent	7,190,585	7,496,320
	Electricity	104,736	320,000
	Regulatory	150,945	63,612
	Repair and Maintenance	171,612	74,500
	Legal and Professional Fee	56,250	98,000
	WASA	33,000	70,000
	Newspaper	16,670	33,304
	Cleaner's	15,680	14,000
	Water	59,760	77,390
	Software Maintenance	219,450	219,450
	Connectivity	626,850	630,814
	Depreciation	1,577,772	1,923,343
	Cokaries	9,625	5,150
	Security Guard	165,753	113,400
	Gas & Fuel	17,556	14,721
	Postage & Courier	24,809	-
	Beautification Exp.	21,500	-
	Washing Expenses	6,230	-
		29,534,653	32,914,979

		Amount in Taka	
		31.12.2013 Taka	31.12.2012 Taka
17.01	Salary and Allowances:		
	Basic Salary	11,914,180	13,794,329
	Car Maintenance	397,229	497,526
	Fuel Allowance	478,170	696,970
	Utility	332,000	447,000
	Bonus	1,119,402	1,304,360
	Office Attendant Allow	11,836	-
	Cash Risk Allowance	8,000	-
	Diploma Honarium	10,000	-
	Insurance Vehicle	28,793	50,653
	Incentive Bonus	1,634,460	1,994,267
	Leave Fare Assistance	1,264,895	637,750
	Casual Worker Wages	163,500	173,700
	Telephone and Mobile Bill	222,731	237,494
		17,585,196	19,834,049
18.00	Financial Expenses:		
	Bank Charges	175,073	156,009
	Bank Guarantee Charge	2,207,000	3,518,720
	Interest on Bank Loan	246,628,647	236,185,106
		249,010,720	239,859,834
19.00	Provisional Expenses:		
	Income Tax	11,878,414	43,646,872
	Investment	-	-
	Margin Loan	-	49,164,583
		11,878,414	92,811,455
20.00	Holding Gain on Investment in Shares:		
	Investment at Market Price	49,230,480	90,480,175
	Less Last year Holding Gain	(577,929)	-
	Investment at Cost Price	(38,139,178)	89,902,246
	Holding Gain on Investment in Shares	10,513,373	577,929
	Deferred Tax on Holding Gain @ 10%	1,051,337	57,793
	Holding Gain Reserve (Net off Tax)	9,462,036	520,136


Chief Executive Officer
 (Current Charge)


Director


Director

Dated: March 20, 2014
Dhaka

Related Party Disclosures

For the Year ended December 31, 2013

Annexure-C

Name of the Company	Total Transactions during the year (TK)		Relation ship with the company Addition for the period	Nature of Transaction	Balance as on 30.12.2013	Balance as on 30.12.2012
	Debit	Credit				
IFIC Bank Limited	635,793,534	751,367,124	Holding Company	Trading Account, Code # 1111	225,021,386	109,447,797
	1,742,000,000	1,570,559,373		Loan from Motijheel Branch	1,280,703,903	1,452,144,530
	4,847,477,938	4,955,083,129		Current Account Motijheel Branch 365185	32,761,329	140,366,519
	224,505,691	203,228,282		Current Account Motijheel Branch 354511	22,323,689	1,106,281
	3,452,147	-		Rent Paid	-	-

IFIC MONEY TRANSFER (UK) LIMITED



Report of the Directors for the Year Ended 31 December 2013

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

Mohammad Lutfar Rahman
Mohammed Nayem Syed
Jalal Ahmed
Mohammad Shah Alam Sarwar

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Ahmed & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



Mohammed Nayem Syed - Director
11 March 2014

Report of the Independent Auditors to the Members of IFIC MONEY TRANSFER (UK) LIMITED

We have audited the financial statements of IFIC MONEY TRANSFER (UK) LIMITED for the year ended 31 December 2013 on pages four to seven. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Tofail Ahmed (Senior Statutory Auditor)

for and on behalf of Ahmed & Co
Ferrari House (2nd Floor), 102 College Road
Harrow, Middlesex, HA1 1ES

11 March 2014

Profit and Loss Account

for the Year Ended 31 December 2013

	Notes	2013	2012
		£	£
TURNOVER		79,607	9,257
Administrative expenses		158,681	78,035
OPERATING LOSS	2	(79,074)	(68,778)
Interest payable and similar charges		17	24
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(79,091)	(68,802)
Tax on loss on ordinary activities	3	-	-
LOSS FOR THE FINANCIAL YEAR		(79,091)	(68,802)

The notes form part of these financial statements.

Balance Sheet

31 December 2013

	Notes	2013		2012	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4		100,580		116,358
CURRENT ASSETS					
Debtors	5	6,210		11,567	
Cash at bank and in hand		63,407		51,934	
		69,617		63,501	
CREDITORS					
Amounts falling due within one year	6	101,043		81,614	
NET CURRENT LIABILITIES			(31,426)		(18,113)
TOTAL ASSETS LESS CURRENT LIABILITIES			69,154		98,245
CAPITAL AND RESERVES					
Called up share capital	7		242,786		192,786
Profit and loss account	8		(173,632)		(94,541)
SHAREHOLDERS' FUNDS			69,154		98,245

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 11 March 2014 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 2013

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 asset 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:

	2013	2012
	£	£
Depreciation - owned assets	16,616	15,239
Directors' remuneration and other benefits etc	-	-

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2013 nor for the year ended 31 December 2012.

4. TANGIBLE FIXED ASSETS

	Short leasehold	Plant and machinery	Computer equipment	Totals
	£	£	£	£
COST				
At 1 January 2013	75,006	53,862	2,729	131,597
Additions	-	838	-	838
At 31 December 2013	75,006	54,700	2,729	132,435
DEPRECIATION				
At 1 January 2013	6,250	8,079	910	15,239
Charge for year	7,500	8,204	912	16,616
At 31 December 2013	13,750	16,283	1,822	31,855
NET BOOK VALUE				
At 31 December 2013	61,256	38,417	907	100,580
At 31 December 2012	68,756	45,783	1,819	116,358

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Other debtors	6,210	11,567

Notes to the Financial Statements

for the Year Ended 31 December 2013

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	97,743	74,187
Taxation and social security	-	1,502
Other creditors	3,300	5,925
	<u>101,043</u>	<u>81,614</u>

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number: Class:

242,786 Ordinary

Nominal value: £1	2013 £	2012 £
	242,786	192,786

50,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

8. RESERVES

	Profit and loss account £
At 1 January 2013	(94,541)
Deficit for the year	(79,091)
At 31 December 2013	<u>(173,632)</u>

9. ULTIMATE CONTROLLING PARTY

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

Important Events-2013



IFIC Bank signed deal with Misys

IFIC Bank Limited selected Misys BankFusion as its core banking platform to respond rapidly with changes in the market and to accelerate the bank's already impressive recent growth.

The signing ceremony took place at Misys Headquarters in London on 25 September 2013, attended by Mr. Mohammad Lutfar Rahman, Chairman, Executive Committee of the Board & Honourable Director of the Board, and Mr. Mohammad Shah A Sarwar, Managing Director and CEO of IFIC Bank, Mr. Frank Brienz, President and Chief Sales Officer (CSO) and Ms. Erin Smith, VP of Banking at Misys.



IFIC Bank launched software 'Remit4U'

IFIC Bank launched its own online remittance software Remit4U for accelerating remittance flow from Oman and the United Kingdom.

The Managing Director & CEO of the Bank Mr. Shah A Sarwar inaugurated the operation of the software at a simple ceremony at the Head Office of the Bank. The software was developed in-house by a team of software engineers of the Bank.



IFIC Bank signed a MoU with PRAN Group

IFIC Bank Limited signed a memorandum of understanding (MoU) with PRAN Dairy Limited for extending the agriculture loan facilities to contract farmers. Managing Director & CEO of the Bank Mr. Shah A Sarwar signed the deal with Director of PRAN Dairy Ltd. (a sister concern of PRAN-RFL Group) Ms. Uzma Chowdhury at the Head Office of the Bank.

Deputy Managing Director (Business) of IFIC Bank Mr. Mati-ul Hasan, Deputy Managing Director & CFO Mr. S. M. Abdul Hamid, SVP & Head of CRM Mr. Md. Jahiruddin Ferdous, Deputy General Manager (Finance) of PRAN-RFL Group Mr. Md. Alamgir Kabir were, among others, present during the signing ceremony.



IFIC Bank received Award from Citibank, N.A.

Citibank, N.A. presented the 2013 Performance Excellence Award to IFIC Bank Limited for achieving high standard in Straight-Through Processing (STP) via state-of-the-art international electronic payment processing.

On behalf of the Global Head of Correspondent Banking and Global Head of Financial Institutions Payments of Citi Treasury & Trade Solutions Group, Managing Director & Citi Country Officer for Bangladesh Mr. Khd. Rashed Maqsood handed over a crest and an appreciation letter to Managing Director & CEO of IFIC Bank Mr. Shah A Sarwar at IFIC Bank's Head Office in Dhaka.



IFIC Bank signed Mobile Banking deal with Banglalink

IFIC Bank Limited signed an agreement with Banglalink Digital Communications Ltd (Banglalink) to provide IFIC mobile banking services to Banglalink customers.

Mr. Shah A Sarwar, Managing Director & CEO of IFIC Bank Limited signed the agreement with Mr. Ziad Shatara, Managing Director and CEO of Banglalink Digital Communications Ltd. at the Corporate Head Office of Banglalink at Gulshan-1.

Mr. Ashim Chowdhury, Head of Business Project Delivery, Mr. Mohammad Monirul Islam, Head Mobile Banking Division of IFIC Bank, Mr. Shihab Ahmad, Chief Commercial Officer, Mr. Solaiman Alam Marketing Director of Banglalink were also present at the signing ceremony.



IFIC Bank signed Mobile Banking deal with Airtel

IFIC Bank Limited signed an agreement with Airtel Bangladesh Limited to provide IFIC mobile banking services to airtel customers.

The signing ceremony took place at airtel's corporate head office in Banani. Mr. M.M. Haikal Hashmi, Deputy Managing Director of IFIC Bank signed the agreement and exchanged documents with Mr. Rajnish Kaul, Chief Operating Officer of Airtel Bangladesh Limited.

Mr. Ashim Chowdhury, Head of Business Project Delivery of IFIC Bank, Ms. Rubaba Dowla, Chief Service Officer and Head of mCommerce of Airtel were present during the event.



IFIC Bank Opened 112th Branch at Taherpur in Rajshahi

Local Member of Parliament Engineer Enamul Haque and Deputy Managing Director of IFIC Bank Mr. S. M. Abdul Hamid inaugurated the 112th Branch of the Bank at Taherpur in Rajshahi. SEVP and Company Secretary of the Bank Mr. A.K.M. Mozharul Hoque, local dignitaries and businessmen also attended the inaugural ceremony.



IFIC Bank signed a MoU with IMED of Planning Ministry

IFIC Bank Ltd signed a Memorandum of Understanding (MoU) on electronic government procurement (e-GP) system with the Central Procurement Technical Unit (CPTU) of Implementation Monitoring and Evaluation Division (IMED), Ministry of Planning.

IMED Secretary Mr. Mohammad Mejbahuddin chaired the function as the chief guest while Deputy Managing Director of IFIC Bank Ltd. Mr. Mati-ul Hasan and Director General of Central Procurement Technical Unit (CPTU) of the Ministry Mr. Amulya Kumar Debnath signed the MOU on behalf of their respective organizations.

The signing ceremony was attended, among others, by System Analyst of CPTU Md. Mosharraf Hussain and SVP & Head of IT of IFIC Bank Mr. Saiful Momin.

BRANCH NETWORK



DHAKA DIVISION

Motijheel Branch

Islam Chamber
125/A, Motijheel C/A. Dhaka-1000
Tel : 9565215-18, 7111934,
7111923-26, 7162701
Mobile : 01713229809
Fax : 880-2-956635

Federation Branch

FBCCI Building 60, Motijheel C/A.
Dhaka-1000
Tel : 9561141-3, 9552176, 9586485,
9552175, 9586484
Mobile : 01713328336, 01678010051
Fax : 880-2-9567488

Moulvibazar Branch

6/1, Mokim Katra, Dhaka
Tel : 7316891, 7316097, 7316421
Fax : 7315934, Mobile:01713038736

Dhanmondi Branch

Royal Plaza (1st & 2nd floor)
House # 8A, Road # 4, Mirpur
Road, Dhanmondi, Dhaka-1205.
Tel : 8628381, 8628379,
9660320, 9660336
Mobile : 01713229815, 01678010053
Fax : 880-2-9615861

Shantinagar Branch

24, Shantinagar, Chamelibag, Dhaka.
Tel : 8317839, 8318728, 9356094
Mobile : 01713-229827, 01678010054
Fax : 9353759

Gulshan Branch

Holding No.109, Gulshan Avenue,
Ward No.19, P.S.-Gulshan, Dhaka-1212.
Tel : 9884045, 8814912, 8828187,
9896056
Mobile : 01713-041420, 01678010056
Fax : 880-2-8826682

Islampur Branch

Paradise Complex, 104, Islampur
Road, Dhaka
Tel : 7391607, 7391369, Fax : 7391240
Mobile : 01713-229829

Bangshal Branch

29/1, Nazira Bazar Lane
North South Road, Dhaka
Tel : 9563679, 9566407, 7118521
Mobile : 01713229830,
01678010058, Fax : 9580438

Elephant Road Branch

73/1, Elephant Road, (1st Floor), Dhaka
PABX : 9676151-2, 9672119
Mobile : 01711-431981, 01678010059
Fax : 8613361

Naya Paltan Branch

Orchard Plaza
71, Naya Paltan, (1st Floor), Dhaka
Tel : 8361338, 8362765, 9348603,
9334684
Mobile : 01713229831, 01678010060
Fax : 8317263

Kawran Bazar Branch

3, Kawran Bazar
Petro Centre Building, Dhaka.
Tel : 8189991, 8189992, 8189745
Mobile : 01713229832, 01678010061
Fax : 8189990

Malibagh Branch

91-B, Khilgaon
Malibagh Chowdhury Para
DIT Road, Dhaka-1219
Tel : 9343796, 9356431,
Mobile : 01713011054, 01678010062
Fax : 9362737

Uttara Branch

ABC Heritage (1st floor)
02 & 04, Jasimuddin Avenue
Sector - 03, Uttara, Dhaka-1230
Tel : 8917883, 8916266,
Mobile : 01755620824
Fax : 8950224

Lalmatia Branch

House-405E, Road No.16 (New),
27(Old), Dhanmondi R/A, Dhaka.
Tel : 9103830, 9128746,
Mobile : 01720034790,
01678010064, Fax : 8150801

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

North Brook Hall Rd

58-60, North Brook Hall Road,
Sutrapur, (1st floor), Dhaka-1100
Tel : 9581113, 9580749
Mobile : 01713011719, 01678010067,
Fax : 9580748

Nawabpur Road Branch

Barek Plaza
63, Nawabpur Road
P.S. Sutrapur, Dhaka.
Tel : 9561036, 9561094
Mobile : 01713064289, 01678010068
Fax : 7125268

Narayanganj Branch

66/1, Bangabandhu Road
Narayanganj.
Tel : 7645000-3, 7633206
Mobile : 01730336985
Fax : 7633485

Netaiganj Branch

28, R.K. Das Road
Netaiganj, Narayanganj.
Tel : 7632464, 7632943
Fax : 7632943
Mob : 01713229834, 01678010072

Konabari Branch

Konabari Plaza, Konabari
Neelnagar, Gazipur Sadar, Gazipur
Tel : 9297133

Mobile : 01711-436078,
01678010074, Fax : 9298727

Muktarpur Branch

Muktarpur
P.O. Panchasar, Dist. Munsiganj.
Tel : 7611390, 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

Ghorasal Branch

Ghorasal Bazar, P.O. Ghorasal
P.S. + Upazila : Palash, Dist. Narsingdi.
Tel : 9466301, 9466330
Mobile : 01713229837, 01678010078,
Fax: 9466301

Madhabdi Branch

Mitali Building (1st Floor)
35, Madhabdi Bazar, Dist. : Narsingdi.
Tel : 029446498,
Mobile : 01711436624, 01678010079
Fax: 06257-56498

Bajitpur Branch

215, Bajitpur Bazar
P.O. Bajitpur, Dist. Kishoreganj
Tel : 09423-64014
Mobile : 01713229839, 01678010080
Fax : 09423-64329

Mymensingh Branch

52, Choto Bazar, 1st floor,
Mymensingh.
Tel : (091) 66883, (091) 66873
Fax: 09166883
Mobile : 01713019545, 01678010081

Faridpur Branch

Oriental Property
(1st Floor) 118, Thana Road, Faridpur
Tel : (0631) 62101, 64051
Fax : 063164051
Mobile : 01711434947, 01678010082

Takerhat Branch

Sufi Janab Ali Road (Lasker Market),
P.O. Khalia, P.S. Rajoir, Dist. Madaripur.
Tel: 06623-56324
Mobile : 01713-010614, 01678010083
Fax : 0662356324

Ashulia Branch

"Rifat Square Plaza"
Jamgora, Ashulia, Dhaka.
Tel : 7788411
Mobile : 01713423767, 01678010069,
Fax : 7788412

Rupganj Branch

"Manik Villa"
Tarabo Bazar,
Rupganj, Narayanganj.
Mobile No. 01714166955,
01678010073

Banani Branch

"Glowing Stone"
House No. 54, Road No. 11, Block-C,
Banani, Dhaka.
Tel: 9821757, 8836486, 8836091
Mobile : 01730019781, 01678010070
Fax : 9821756

Keranigonj Branch

"Bikrampur Plaza" (1st floor), Shahid
Delwar Hossain Road, East Aganagar,
Keranigonj, Dhaka.
Tel: 7762738, 7762737
Mobile : 01730019788, 01678018354
Fax : 7762736

Shariatpur Branch

469, Tulasar Sadar Road, Shariatpur
Sadar, Shariatpur.
Tel: 0601-61496
Mobile : 01730332032, 01678018357
Fax : 0601-61497

Mohakhali Branch

"Siddique Tower" Holding No.45,
A.K. Khandaker Sarak, Ward No.20,
P.S.-Gulshan, Dhaka.
Tel: 9899503, 9899507,
Mobile : 01730332033, 01678018356
Fax: 9899503

Dania Branch

"Al-Madina Shopping Complex"
(1st floor), Gobindapur Bazar
Dania, Jatrabari, Dhaka.
Tel: 7546218, 7546268
Mobile : 01730332034, 01678018352,
Fax : 7546218

Chandra SME/Krishi Br.

"Subarna Ibrahim General Hospital"
(Ground floor), Nayarhat Chandra
Sarak, Village – Bhataria (Chandra)
P.S. Kaliakoir, P.O. – Boroipara,
Ward No.8, Union Parisad – Atabahar,
Dist. – Gazipur.
Tel: 06822-52058, 06822-52059,
Fax : 06822-52058
Mobile : 01755620822

Tongi SME/Krishi

22, Muktijodhya Samsad Road, Tongi
Bazar, Tongi, Gazipur.
Tel: 9816354
Mobile : 01730332035

Tanbazar Branch

Amin Market" (1st floor)
7, S.M. Maleh Road, Narayanganj.
Tel: 7630891, 7630892
FAX : 7630892
Mobile : 01730003591, 01678018360

Stock Exchange Br.

6, Motijheel C/A, Dhaka.
Tel: 9515791-3, FAX : 9515794
Mobile : 01730006635, 01678018361

Savar Bazar Branch

Savar Bazar, Savar, Dhaka
Tel: 7744809, FAX : 7744808
Mobile : 01730003599, 01678018363

Panchaboti Branch

Gafur Super Complex"
Panchaboti, Hariharpara,
Enayetnagar, Fatullah, Narayanganj.
Tel: 7670032, 7670033
FAX : 7670032
Mobile : 01730330896
01678018362

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 : 01755629823, 01678018364

Nawabgonj SME/Krishi

Nawabgonj Adhunik Banijjik Biponi
(1st floor)
Union Parisad – Kolakopa,
P.S./Upa-zilla – Nawabgonj
Dist- Dhaka.
Tel: 7765320
Fax : 7765229
Mobile : 01730338570

Dholaikhal Branch

Al-Noor Steel Market
25, Goalghat Lane
Dholaikhal New Road, Dhaka.
Tel: 9556004, 9515043
Mobile : 01730318278

Board Bazar Branch

(1st floor), Village – Kalmeshwar,
Union – Gacha, Ward No.5
Upazilla – Gazipur Sadar
P.S. Gazipur Sadar
Dist. – Gazipur.
Tel : 9293274, Fax : 9293276,
Mobile : 01730709793

Tangail Branch

Laso Plaza" (1st floor)
Khalpar Road, Tangail
P.S.- Tangail Sadar,
Pouroshova – Tangail,
Municipal Holding No.59
Ward No.13, Dist. – Tangail.
Tel : 0921-51435
Fax : 0921-51434
Mobile : 01730709792

Dhamrai SME/Krishi

Haji Monir Plaza" (1st floor)
Dhamrai Bazar, Dhamrai, P.S. &
Pouroshova – Dhamrai
Ward No. 3, Holding No.24
Dist. – Dhaka,
Tel: 7730935, 7730936
Fax : 7730935
Mobile : 01730709797, 01678018369

Mirpur Branch

"Azaz Tower"
Holding No.145, Begum Rokeya
Sarani, Ward No.14,
P.S. – Mirpur, Dist. – Dhaka.
Tel : 8031790
Mobile : 01713109105

Bashundhara Branch

Ka- 5/2, Ka-7/1, 7/2 Jagannathpur,
Bashundhara Road
Ward No.17, Dhaka City Corporation
P.S. Badda, Dhaka.
Tel: 8417767, Fax : 8417766,
Mobile : 01755543548

Mohammadpur Br.

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.
Tel: 9104472, 9104473
Fax : 9104473, Mobile : 01755543540

Gulshan-Tejgaon Link Road Br.

Gulshan-Tejgaon Link Road Branch
(Urban)
Ground & Mezzanine Floor
"NINA KABBO"
227/A, Gulshan-Tejgaon Link Road,
Dhaka, Ward No.37, P.S.- Tejgaon,
Tel: 9853290, 9853291
Mobile : 01713016107

Manikgonj Branch

Rudronil Plaza"
134, Shahid Rafique Sarak, Manikgonj.
Tel : 7720042, Fax : 7720032
Mobile : 01755620828

Gabtolli Bagbari Branch

259, Bagbari, Mirpur (Gabtolli), P.O.
Mirpur, Ward No.-9
P.S. – Darus Salam, Dhaka.
Tel: 902736, Fax : 902737
Mobile : 01755620829

Konapara Branch

"F.R. Tower", (1st floor) Konapara,
Matuail, Demra, Dhaka
Union Parishad – Matuail, Ward No.6,
P.S. – Demra, Dist. – Dhaka.
Tel : 7550481, 7549737
Mobile : 01714112635

Meghola Bazar Branch

Afsar Plaza"
Meghola Bazar, Union – Narisa
P.S.- Dohar, Dhaka.
Mobile : 01766667604

CHITTAGONG DIVISION**Agrabad Branch**

30, Agrabad C/A, Chittagong.
Tel : 031-710531, 712347
712348, 717937
Mob: 01713229814, 01678010085
Fax : 880-31-710078

Khatunganj Branch

249/250, Khatunganj Road
Chittagong.
Tel : 031-612904, 619809,
613056, 632288
Mob: 01713229841, 01678010086
Fax : 880-31-610290

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

Noju Miah Hat Branch

Burichar, P.O. Nur Ali Bari, P.S.
Hathazari, Chittagong.
Tel : 031- 670908 Mob: 01713101231,
01678010092, Fax: 031-2570611

Hathazari Branch

Popular Super Market
(Ground Flr), Bus stand, Hathazari,
Chittagong.
Tel : 031-2601430
Mob: 01713229843, 01678010090
Fax: 031-2601193

Chawk Bazar Branch

Shahzada Market, 68, College road
Chawk Bazar, Chittagong.
Tel : 031-621160, 616539
Mobile: 01713229844, 01678010091
Fax: 031-611177

Shah Amanat Market

624/A, Shah Amanat Municipal Super
Market (Ground Floor), Jubilee Road,
Reazuddin Bazar, Chittagong.
Tel : 031-614244, 619516
Fax: 031-614244
Mobile : 01713229845, 01678010092

Sheikh Mujib Road

Azmal Arcade (1st floor)
1806, Sk. Mujib Road
Pathantuli, Chittagong.
Tel : (031) 713981, 721972, 2510455
Mobile: 01714031228, 01678010093
Fax: 031-713981

Cox's Bazar Branch

158, Main Road (1st Floor)
Ali Arcade, Cox's Bazar.
Tel : 0341-64573, 63856
Mobile: 01713229846, 01678010095
Fax: 0341-64573

Brahmanbaria Branch

Ground floor, 4. Court Road
P.O. Box No. 09, Brahmanbaria.
Tel : (0851) 58655, 59738
Mobile : 01711439720, 01678010096
Fax: 0851-58552

Comilla Branch

190/193 Rajgonj, Crossing
Chatipatty, Comilla.
Tel : (081) 68662, 77044
Mobile: 01713229812, 01678010097
Fax: 081-71402

Companiganj Branch

15, West Nabipur, P.O. Companiganj
P.S. Muradnagar, Dist. Comilla.
Tel: 0802-659123

Mobile : 01714080176, 01678010098
Fax: 080-2659037

Feni Branch

99, Islampur Road (1st Floor), Feni.
Tel : (0331) 73179, 61764
Mobile: 01713229847, 01678010201
Fax: 0331-73150

Choumuhani Branch

667/785, South Bazar,
Choumuhani, Begumgonj, Noakhali.
Tel : (0321) 52778, 52779
Mobile: 01713107230, 01678010205
Fax: 0321-52778

Fatikchari Branch

Haque Market (1st Floor)
Bibirhat, Fatikchari, Dist. - Chittagong.
Tel: 03022-56202
Mobile : 01713423765, 01678010094
Fax: 03022-56203

CDA Avenue Branch

1005/2/1872, CDA Avenue
East Nasirabad, Panchlailsh,
Chittagong.
Tel: 031-2555919, 2555920
FAX: 031-2555918
Mob: 01730329087, 01678018365

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,
Tel: 031-2773116, Fax: 031-2773117
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
Tel: 08528-74621, Fax: 08528-74623
Mob: 01730709794, 01755520716

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,
Tel: 08022-56440
Fax: 08022-56441
Mob: 01755543504

Rangamati Br.

Rangamati Branch (Urban)
(1st & 2nd floor)
22/2, Bazar Fund Road, Kathaltoli,
Rangamati.
Tel: 0351-63597, Fax: 0351-63598
Mob: 01755630823

Gouripur Bazar Br

Gouripur Bazar Branch, (1st & 2nd
floor) "Suruzzaman Tower" Gouripur
Bazar, Comilla.
Mob: 01755658705

Miah Bazar Branch

Wahab Market", 1st floor, Vill -
Jogomohonpur, Union - Ujirpur, P.O.-
Miah Bazar, P.S.- Chowddagram,
Comilla.
Mob: 01766667605, 01766667596

RAJSHSHI DIVISION**Rajshahi Branch**

3, Shaheb Bazar, Ghoramara, Rajshahi.
Tel : (0721) 774586, 774856, 774396,
Mob: 01711405660, 01678010206,
01714029471
Fax: 0721-774566

Naogaon Branch

263, Main Road
Thakur Mansion (1st floor), Naogaon.
Tel : (0741) 62769,
Mobile : 01713229848, 01678010208
Fax : 074162867

Chapai Nawabganj Branch

21, Daudpur Madrasha Road(1st
Floor), Puratan Bazar,
Chapainawabganj.
Tel : (0781) 52081
Mobile: 01713202488, 01678010214
Fax: 0781-52081

Pabna Branch

Chamber Building
Benai Patty, (Sona Patty), Pabna.
Tel : (0731) 63436, 66053
Mobile : 01713200818, 01678010219
Fax : 0731-64122

Bogra Branch

Station Road, Satmatha Holding
No.707/169, Satmatha Bogra.
Tel : (051) 66080, 65324
Mobile : 01713229850, 01678010213
Fax: 051-66080

Baneshwar Branch

Baneshwar Islamia High School
Market, Baneshwar
P.S. Puthia, Dist. Rajshahi.
Mobile: 0171-3201692,
01678010215, 01730710044

Belkuchi Branch

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

Kashinathpur SME/Krishni Branch

(1st floor), Village - Haridebpur,
Union - Jeetshakini, Ward No. 5,
Upazilla - Bera, P.O. Kashinathpur,
P.S.- Bera, Dist. - Pabna,
Tel: 07332-54411, 54422
Mob: 01714101832

Joypurhat Branch

1st floor)
Joypurhat Sadar Road, Joypurhat,
P.S.- Joypurhat, Pouroshova –
Joypurhat,
Municipal Holding No.138/0, 138/1 &
138/2, Ward No.08, Dist. – Joypurhat,
Tel : 0571-51163, 51164
Fax : 0571-51165
Mobile : 01730709796, 01755520714

Taherpur Br.

Mridha Plaza” (1st floor)
Main Road, Ward No.3
Taherpur, Rajshahi.
Tel : 07236-53331
Mobile : 01766667607

RANGPUR DIVISION

Rangpur Branch

Sarker Super Market, (1st Floor)
41/42, Dewan Bari Road
Betpatty, Rangpur
Tel : (0521) 63453, 62607
Mobile : 01713229811, 01678010211
Fax : 0521-62607

Dinajpur Branch

Maldahpatty, Dinajpur.
Tel : (0531) 65680, 63414
Fax : 0531-51632
Mobile : 01713229849
01678010212

Shetabgonj SME/Krishi Br.

(1st floor), School Road, Murshidhat,
Shetabgonj, P.S. – Bochagonj,
Pouroshova – Shetabgonj, Ward No.3,
Holding No.521, Dist. Dinajpur.
Tel : 05325-73202
Fax : 05325-73203
Mobile : 01730729872

Birol Bazar Br.

(1st floor)
Birol Bazar, Dinajpur, Upazilla – Birol,
Union Parishad – Birol, P.O. – Birol
P.S. – Birol, Ward No.7, Dinajpur.
Tel : 05324-56212
Fax : 05324-56213
Mobile : 01755658703

KHULNA DIVISION

Khulna Branch

Fatema Building
81, Lower Jessore Road, Khulna.
Tel : (041) 720396-7, 812199,
732600, 732601, Fax : 720399
Mobile : 0171-3229851
01678010216

Boro Bazar Branch

1, Sir Iqbal Road
Kalibari, Khulna.
Tel : (041) 812099, 812100
Mobile : 01711403445
01678010217
Fax : 041-812099

Jessore Branch

59, N.S.C. Road
(Garikhana Road), Jessore.
Tel : (0421) 68762, 68764, 68765,
Fax: 0421-68763
Mobile : 01713403300, 01678010218

Benapole Branch

Bandar Complex, Benapole, Jessore.
Tel : (04228) 75001-2
Mobile: 0171-3229810, 01678010219
Fax: 04228-75002

Satkhira Branch

Najmul Sarani (1st Floor)
Satkhira.
Tel : (0471) 62602, 65429
Mobile: 01713400254, 01678010220
Fax: 0471-63319

Noapara Branch

Dhaka – Khulna Highway, 97 Noapara
Bazar, Jessore.
Tel : (04222) 71397
Mobile: 0171-3400537, 01678010221

Kushita Branch

2, Siraj-Ud-Dowla Road
Abdul Hamid Market
N.S. Road, Kushtia.
Tel : (071) 62550, 61895,
Fax: 071-61895,
Mob: 01713400380, 01678010223

Kaligonj SME/Krishi Br.

Sheikh Super Market (1st floor),
Nimtola Boro Bazar,
P.O.- Noldanga, Kaligonj, Jhenidah.
Tel: 04523-56697
Fax: 04523-56698
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: 01730709791, 01755520712

Bagerhat Br.

Sadonar More, 56, Kazi Nazrul Islam
Road, Bagerhat.
Tel: 0468-64539, 64538
Mob: 01755642273

BARISAL DIVISION

Barisal Branch

95, Sadar Road
Barisal.
Tel : (0431) 64013, 64305
Fax: 0431-64305
Mobile: 01713400251, 01678010224

Bhola Br.

Bhola Branch (Urban)
(1st floor) “Amena Plaza”, Sadar Road,
Bhola, P.S.- Bhola Sadar, Pouroshova –
Bhola, Ward No.6, Dist. – Bhola,
Tel: 0491-61399
Mob: 01755543505

SYLHET DIVISION

Sylhet Branch

Laldighirpar, Sylhet.
Tel : (0821) 715489, 715490
Fax : 880-821-722022
Mobile # 01711-438372,
01678010225

Beani Bazar Branch

Zaman Square, Main Road, Beani
Bazar, Sylhet.
Tel: 08223-56179
Mob: 01711922493, 01678010226

Tultikar Branch

Point View Shopping Center (1st
floor), Amberkhana,
Sylhet.
Tel : (0821) 714357, 721729
Fax: 0821-721729
Mob: 01713301067, 01678010227

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) 727224
Mobile: 0171-3300202,
01678010229
Fax: 0821-727109

Moulvi Bazar (Dist.) Branch

69/1, Central Road
Paschim Bazar
P.O. & Dist. Moulvi Bazar.
Tel : (0861) 52392,
Fax: 0861-52363
Mobile : 01711435687, 01678010230

Sreemongal Branch

Razzaque Cosmopolitan Super Market
(1st Floor),
Hobigonj Road, Shreemongal
Moulvi Bazar.
Tel : (08626) 71924
Mobile : 01711401728, 01678010231
Fax: 08626-71924

Goala Bazar

“Haji Nasibullah Market”
Goalabazar, Osmaninagar
Dist. – Sylhet.
Tel : 08242-56404.
Mobile No. 01713257277,
01678010233
Fax: 08242-56044

Particulars of Branches of Oman International Exchange LLC, Oman

Head Office / Main Office

Post Box No. 994, Hay Al Mina
Postal Code No.114
Ruwi Souk Street
Hamriya (opposite Muscat Pharmacy)
Muscat, Sultanate of Oman
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 of Branches of Nepal Bangladesh Bank Limited, Nepal

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

Dadharam Market, Rangel 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 of 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 of 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.

GLOBAL NETWORK OF CORRESPONDENT BANKS



-  **AFGHANISTAN**
Bank Alfalah Limited
-  **ARGENTINA**
HSBC Bank Argentina SA
-  **AUSTRALIA**
BNP Paribas SA
Citigroup PTY Limited
Citibank N.A.
Commonwealth Bank of Australia Sydney
JPMorgan Chase Bank NA
KEB Australia Limited
-  **AUSTRIA**
Bank of Tokyo-Mitsubishi UFJ (Holland) NV
Erste Bank Der Oesterreichischen Sparkas
Erste Group Bank AG
Raiffeisen Bank International AG
Unicredit Bank Austria AG
-  **BAHRAIN**
BNP Paribas SA
Bank Alfalah Limited
Bank Al Habib Limited
ICICI Bank Limited
Korea Exchange Bank
Standard Chartered Bank
-  **BELGIUM**
Bank J. Van Breda and Co. NV
Bank of America NA
Belfius Bank SA/NV
BNP Paribas SA
BNP Paribas Fortis
Commerzbank AG, The
Deutsche Bank AG
-  **BHUTAN**
Bank of Bhutan
Druk PNB Bank Limited
-  **BRAZIL**
Banco De Tokyo-Mitbushi UFJ Brasil S/A
Banco Keb Do Brasil S.A.
Banco Santander (Brasil) SA
HSBC Bank Brasil-Banco Multipto
-  **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
Bank of New York Mellon The Bank of Nova Scotia
The BNP Paribas (China) Ltd.
China Everbright Bank
Citibank (China) Co. Ltd.
Commerzbank AG
HSBC Bank (China) Co. Ltd.
Jiangsu Jiangnan Rural Commercial Bank Co. Ltd.
JPMorgan Chase Bank (China) Company Ltd.
Jiangsu Jianguin Rural Commercial Bank
Korea Exchange Bank
Laishang Bank Co., Ltd.
Ningbo Yuyao Rural Cooperative Bank
Ping an Bank Co. Ltd.
Standard Chartered Bank (China) Limited
Wells Fargo Bank N.A.
Woori Bank (China) Limited
Yinzhou Bank
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
Syd Bank A/S
Vestjysk Bank
-  **EGYPT**
Bank Audi SAE
Masreq Bank
-  **FINLAND**
Danske Bank
Danske Bank PLC
Nordea Bank Finland PLC
Pohjola Pankki Oyj (Pohjola Bank PLC)
-  **FRANCE**
Banque Revillon
BNP Paribas SA
Commerzbank AG
HSBC France
JPMorgan Chase Bank NA
Korea Exchange Bank
Monte Paschi Banque S.A.
-  **GERMANY**
Bankhaus Carl F. Plump & Co.
BHF-Bank Aktiengesellschaft
Commerzbank AG
Danske Bank A/S
Deutsche Bank Private-Und Geschaeltskunden AG
Deutsche Bank AG
Deutsche Bank Trust AG
HSH Nord Bank AG
JPMorgan AG
Joh. Berenberg, Gossler Und. Co. KG
Korea Exchange Bank
Landesbank
Baden-Wuerttemberg Sparkasse Hannover
Sparkasse Krefeld
Sparkasse Nuremberg
SEB AG
Unicredit Bank AG (Hypabereinsbank)
Volksbank Remscheid-Soligen Eg
Volksbank Reutlingen EG
-  **HONG KONG**
Axis Bank Limited
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
BNP Paribas
Citibank N.A.
Commerzbank AG
EBL Finance (HK) Limited
HBZ Finance Limited
Hongkong and Shanghai Banking Corp.
ICICI Bank Limited
Intesa Sanpaolo SPA
JPMorgan Chase Bank NA
Korea Exchange Bank
Mashreqbank PSC
Mizuho Bank Ltd.
National Bank of Pakistan
Skandinaviska Enskilda Banken AB (Publ)
Societe Generale
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
Svenska Handelsbanken AB
Unicredit Bank AG (Hypobayerische)
Wells Fargo Bank N.A.
Wing Hang Bank Ltd.
-  **HUNGARY**
Budapest Bank RT
CIB Bank Ltd.
Commerzbank (Budapest) RT
Raiffeisen Bank ZRT
-  **INDIA**
AB Bank Limited
Axis Bank Limited
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
Shamrao Vithal Co-operative Bank Limited, The
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
Bank Mandiri (Persero) PT
Citibank N.A.
Hongkong and Shanghai Banking Corp. Ltd.
JPMorgan Chase Bank, N.A.
P.T. Bank KEB Indonesia
Standard Chartered Bank
-  **IRELAND**
Citibank Europe PLC
Danske Bank A/S
Royal Bank of Scotland, The
Wells Fargo Bank International
-  **ITALY**
Banca Carim-Cassa Di Risparmio Di Rimini
Banca Delle Marche SPA
Banca di Credito Cooperativo di Cambiano
Banca Monte Dei Paschi Di Siena Spa
Banca Popolare Dellemlia 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 Soc. Coop
Bank of Tokyo-Mitsubishi UFJ Ltd., The
Cassa Di Risparmio Del Veneto SPA
Cassa Di Risparmio Di Cesena SPA
Cassa Di Risparmio Di Venezia SPA
Commerzbank AG
Credito Bergamasco SPA
ICCREA Banca-Istitu Centrale Del Credito
Intesa Sanpaolo SPA
JPMorgan Chase Bank NA
Mizuho Bank Ltd.
UBI Banca (Unione Di Banche Italiane) SCP
Unicredit SPA
Unipol Banca SPA
Veneto Banca SCPA
-  **JAPAN**
Bank of Tokyo-Mitsubishi UFJ Ltd., The
Bank of New York Mellon, The
Citibank Japan Ltd.
Gifu Shinkin Bank, The
Hongkong & Shanghai Banking Corp. Ltd.
JPMorgan Chase Bank NA
Korea Exchange Bank
Mizuho Bank Ltd.
Okazaki Shinkin Bank, The
Standard Chartered Bank
State Bank of India
Sumitomo Mitsui Banking Corporation
Unicredit Bank AG (Hypobayerische)
Wells Fargo Bank N.A.
-  **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
Kwangju Bank Limited, The
National Bank of Pakistan
Pusan Bank
Shinhan Bank
Standard Chartered Bank
Wells Fargo Bank N.A.
Woori Bank
-  **KSA**
Islamic Development Bank
Saudi British Bank, The

- 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
JPMorgan Chase Bank Berhad
Malayan Banking Berhad (Maybank)
Standard Chartered Bank
- MALDIVES**
Bank of The Maldives PLC
- MALTA**
AKBank T.A.S.
- NEPAL**
Himalayan Bank Limited
Nepal Bangladesh Bank Ltd
- NETHERLANDS**
ABN Amro Bank N.V.
Bank of America N.A.
Commerzbank AG
Deutsche Bank AG
Deutsche Bank Nederland N.V.
Korea Exchange Bank
Royal Bank of Scotland N.V., The
- NEW ZEALAND**
Bank of New Zealand
General Equity Building Society
- NORWAY**
Danske Bank A/S
DNB Bank ASA
Nordea Bank Norge ASA
Sparebank 1 SR-Bank ASA
- OMAN**
Bank Dhofar (S.A.O.G)
BankMuscat SAOG
- PAKISTAN**
Bank Al Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
HSBC Bank Oman S.A.O.G.
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Summit Bank Limited
- PANAMA**
Korea Exchange Bank
- PHILIPPINES**
Asian Development Bank
Hongkong & Shanghai Banking Corp. Ltd.
Korea Exchange Bank
- POLAND**
Bank Handlowy W Warszawie SA
Bank Polska Kasa Opieki SA
Danske Bank A/S
Deutsche Bank Polska SA
MBANK S.A. (Formerly BRE Bank)
- Bank)
RBS Bank (Polska) S.A.
- 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
BNP Paribas
BNP Paribas Wealth Management
Citibank N.A.
Commerzbank AG
Deutsche Bank AG
DBS Bank Limited
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 Bank Ltd.
National Bank of Kuwait S.A.K., The
Nordea Bank Finland PLC
Skandinaviska Enskilda Banken AB (Publ)
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
Unicredit Bank AG (Hypobayerische)
United Overseas Bank Ltd.
- SLOVENIA**
Dezelna Banka Slovenije D.D.
Nova Kreditna Banka Maribor D.D.
Unicredit Banka Slovenija D.D.
- SOUTH AFRICA**
Citibank South Africa
Firstrand Bank Limited
NED Bank Limited
- SPAIN**
Banco De Sabadell S.A.
Banco Santander S.A.
Bank of Tokyo-Mitsubishi UFJ Ltd., The
Bankia S.A.
CAIXABANK S.A.
Caja Espana De Inversones
Commerzbank AG
HSBC Bank PLC
Laboral Kutxa
NCG Banco S.A.
- SRI LANKA**
ICICI Bank Limited
Nations Trust Bank Ltd.
Seylan Bank PLC
Standard Chartered Bank
- SWEDEN**
Danske Bank
DNB Bank ASA
Nordea Bank AB (PUBL)
Skandinaviska Enskilda Banken
Svenska Handelsbanken
SWED Bank
- SWITZERLAND**
Banque Cantonale De Geneve
Banque De Commerce Et De Placements
BNP Paribas (Suisse) SA
Credit Suisse AG
Habib Bank AG Zurich
Royal Bank of Scotland, The
UBS AG
UBL (Switzerland) AG
Valiant Bank
Zurcher Kantonal Bank
- TAIWAN**
Bank of New York Mellon, The
Bank of Nova Scotia
Chang Hwa Commercial Bank Ltd.
Citibank Taiwan Limited
Deutsche Bank AG
HSBC Bank (Taiwan) Limited
JPMorgan Chase Bank NA
MEGA International
Commercial Bank Co. Ltd.
Standard Chartered Bank
Standard Chartered Bank (Taiwan) Ltd.
Sumitomo Mitsui Banking Corporation
Taishin International Bank
Wells Fargo Bank N.A.
- THAILAND**
Bangkok Bank Public Company Ltd.
Bank of Ayudhya Public Company Limited
Bank of Tokyo-Mitsubishi UFJ Ltd. The
Citibank N.A.
Export-Import Bank of Thailand
Hongkong & Shanghai Banking Corp. Ltd.
JPMorgan Chase Bank, N.A.
Krung Thai Bank Public Company Ltd.
Mizuho Bank Ltd.
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
- TURKEY**
AK Bank T.A.S.
AlternatifBank AS
Asya Katilin Bankasi AS
FinansBank A.S.
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
Mashreqbank PSC
Standard Chartered Bank
United Bank Limited
- U.S.A**
Bank of America, N.A.
Bank of New York Mellon, The
Bank of the West
Bank of Tokyo-Mitsubishi UFJ Ltd., The
BNP Paribas USA
Brown Brothers Harriman and Co.
Cathay Bank
Citibank N.A.
Deutsche Bank Trust Company Americas
Habib American Bank
Habib Bank Limited
HSBC Bank USA
JPMorgan Chase Bank NA
Masreqbank PSC
Mizuho Bank Ltd.
Regions Bank
RBS Citizens NA
Royal Bank of Scotland, The
Standard Chartered Bank
Sterling National Bank
Sumitomo Mitsui Banking Corporation
UMB Bank N.A.
Union Bank NA
US Bank
Wells Fargo Bank N.A.
Woori Bank
Woori America Bank
- UKRAINE**
PJSC Bank Credit Dnepr
- UNITED KINGDOM**
Bank of America N.A.
Citibank N.A.
Commerzbank AG
Danske Bank A/S
Habib Bank AG Zurich
Habib-UK Plc
HSBC Bank PLC
Intesa Sanpaolo SPA
JPMorgan Chase Bank NA
Korea Exchange Bank
Masreqbank PSC
Mizuho Bank Limited
Northern Bank
Sonali Bank (UK) Ltd.
Standard Chartered Bank
United National Bank Ltd.
Wells Fargo Bank N.A.
Wells Fargo Securities Int'l Ltd.
- UZBEKISTAN**
Central Bank of The Republic Uzbeki
National Bank for Foreign Economic
- VIETNAM**
Asia Commercial Joint Stock Bank
HSBC Bank (Vietnam) Limited
Joint Stock Commercial Bank for Inv. & Development
JPMorgan Chase Bank, N.A.
Korea Exchange Bank
Vietnam Technological and Commercial JOI
Woori Bank

NOTICE OF THE 37TH ANNUAL GENERAL MEETING





Head Office : BDBL Bhaban (8th -10th , 16th -19th Floors), 8, Rajuk Avenue, Dhaka-1000

Notice of the 37th Annual General Meeting

Notice is hereby given to the Members of International Finance Investment and Commerce Bank Limited (IFIC Bank Limited) that the 37th Annual General Meeting of the Company will be held on **Sunday, June 01, 2014 at 11.00 a.m. at Bashundhara Convention Center-2, Block # C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka** to transact the following business and adopt necessary resolution:

A. Ordinary Business:

- 1) To receive, consider and adopt the Audited Financial Statements of the Bank for the year ended 31st December 2013 together with the Reports of the Auditors and Directors thereon.
- 2) To declare dividend for the year ended 31st December 2013 as recommended by the Board of Directors.
- 3) To elect/re-elect Director(s) of the Bank.
- 4) To appoint/re-appoint the External Auditors of the Bank for the term until the next Annual General Meeting and fixing-up their remuneration.

B. Special Business:

- 1) To approve the proposal for raising the Tier-II Capital by issuing '**Subordinated Debt (Bond)**' for BDT 3,000.00 million to meet future Capital Adequacy Requirement of the Bank as per Basel-II by adopting the following Special Resolution:

RESOLVED

"that the proposal for raising the Tier-II Capital through issuance of '**Subordinated Debt (Bond)**' for BDT 3,000.00 million with following features:

Issue Size	BDT 3,000,000,000.00
Purpose	To meet future Capital Adequacy Requirement of the Bank as per Basel-II
Tenure	7 (seven) years
Nature of Convertibility	20% Convertible Coupon Bearing Debt (Bond).

is hereby approved subject to the approval of the Regulatory Authorities."

- 2) To approve the proposal for raising the Paid-up Capital of the Bank by issuing Rights Shares at the ratio of 1R:1 i.e. 01 (one) Rights Share for every existing 01 (one) share of BDT 10.00 each at an issue price of BDT 20.00 per share (including a premium of BDT 10.00 each) on paid-up capital after considering Bonus Shares for Stock Dividend by adopting the following Special Resolution:

RESOLVED

"that the proposal for issuance of Rights Shares at the ratio of 1R:1 i.e. 01(one) Rights Share for every existing 01 (one) share of BDT 10.00 each at an issue price of BDT 20.00 per share (including a premium of BDT 10.00 each) on paid-up capital after considering Bonus Shares for Stock Dividend is hereby approved subject to the approval of the Bangladesh Securities & Exchange Commission and other regulatory authorities."

- C. To transact any other business/issue with the permission of the Chair.

By order of the Board of Directors

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

Dated : May 05, 2014

Notes :

- 1) The '**Record Date**' was fixed on **Thursday, April 24, 2014**.
- 2) The Shareholders whose names appeared in the Share Register of the Bank and/or in the Depository (CDBL) Register on the '**Record Date**' i.e. **April 24, 2014** shall be eligible to attend the AGM and will be entitled to the Dividend.
- 3) For determination of entitlement of the proposed Rights Shares, another Record Date shall be declared after obtaining approval from the Bangladesh Securities & Exchange Commission.
- 4) The Board of Directors has recommended Stock Dividend @15% for the year ended 31st December 2013 for approval of the Shareholders in the 37th Annual General Meeting of the Bank.
- 5) A Shareholder eligible to attend and vote at the AGM may appoint a Proxy to attend and vote on his/her behalf. Proxy Form duly completed by the Shareholder and Power of Attorney/Letter of Authorization from a Company/Corporation must be submitted to the Registered Office of the Company at least 72 (seventy two) hours before the time fixed for holding of the Meeting.
- 6) The retiring Directors shall be eligible for election/re-election as per provision laid down in the Articles of Association of the Bank.
- 7) For convenience of the Honourable Shareholders and Proxy-holders, the '**Registration Counters**' of the Annual General Meeting shall be opened at 9.00 a.m. on **June 01, 2014**.
- 8) **No benefit in cash or kind i.e. Gift/Gift Coupon/Food Box etc. shall be given to the Shareholders in the 37th AGM**, in compliance with the BSEC's Circular No.SEC/CMRRCD/2009-193/154 dated October 24, 2013.

ATTENDANCE SLIP





Head Office : BDBL Bhaban (8th -10th , 16th -19th Floors), 8, Rajuk Avenue, Dhaka-1000

ATTENDANCE SLIP

I hereby record my attendance at the 37th Annual General Meeting of International Finance Investment & Commerce Bank Limited being held on Sunday, June 01, 2014 at 11.00 a.m. at Bashundhara Convention Center-2, Block # C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka.

Name of the Shareholder(s) :

Folio/BO ID No.

Signature of the Shareholder

Note : Honourable Shareholders attending the Meeting in person is requested to complete the Attendance Slip and deposit the same to the **'Registration Counter'** at the AGM venue. Signature in the Attendance Slip must tally with the signature recorded with the Company (**In case of folio, signature recorded with the Share Department and for BO holders, signature received from the CDBL**).

PROXY FORM





Head Office : BDBL Bhaban (8th -10th , 16th -19th Floors), 8, Rajuk Avenue, Dhaka-1000

PROXY FORM

Affix
Revenue
Stamp of
BDT 20.00

I/We

Folio/BO ID No.

Address :

being a Shareholder of International Finance Investment & Commerce Bank Limited, do hereby appoint

Mr./Ms.....

of.....

Cell/Land Phone #

as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the 37th Annual General Meeting of the Company scheduled to be held on **Sunday, June 01, 2014 at 11.00 a.m. at Bashundhara Convention Center-2, Block # C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka** and at any adjournment thereof.

In witness whereof I/We set my/our hand(s) on this theday of.....2014.

Signature of the Proxy.....

Signature of the Shareholder(s).....

No. of shares held.....Cell/Land Phone #

Note : The Proxy Form duly stamped and completed in all respect must be deposited to the Share Department of the Company at least 72(seventy two) hours before the schedule time of the Meeting for attestation. Signature of the Shareholder(s) must tally with the signature recorded with the Company (In case of folio, signature recorded with the Share Department and for BO holders, signature received from the CDBL).



Head Office : BDBL Bhaban (8th -10th , 16th -19th Floors), 8, Rajuk Avenue, Dhaka-1000

ATTENDANCE SLIP FOR PROXY-HOLDER

I hereby record my attendance at the 37th Annual General Meeting of International Finance Investment & Commerce Bank Limited being held on Sunday, June 01, 2014 at 11.00 a.m. at Bashundhara Convention Center-2, Block # C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka.

Name of the Shareholder(s) :

Folio/BO ID No.

No. of Shares held.....

Name of the Proxy-holder.....

Signature of the Proxy-holder.....

Signature of the approving
Official of IFIC Bank Limited

Signature of the Shareholder(s).....

Note : The Proxy-holder attending the Meeting is requested to deposit the Attendance Slip to the 'Registration Counter' at the AGM venue.



Head Office:

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

8 Rajuk Avenue, Dhaka-1000, Bangladesh

Telephone: 9563020, 9562060, 9562062, 9562068

Fax: 880-2-9562015, 880-2-7161644

Web: www.ificbankbd.com