

এম.জে. আবেদীন এন্ড কোং
চার্টার্ড একাউন্টেন্টস
M.J. ABEDIN & CO
CHARTERED ACCOUNTANTS

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National Plaza (3rd Floor)
109, Bir Uttam C.R. Datta Road,
Dhaka-1205

AUDITORS' REPORT

We have audited the accompanying Balance Sheet of IFIC Bank Ltd. as on 31 December 2010 and the related Profit and Loss Account, Cash Flow Statement, Statement of Changes in Shareholders Equity and Notes to the Financial Statements for the year then ended. The preparation of these financial statements are the responsibility of the bank management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Bank's affairs as of 31 December 2010 and of the results of its operations and cash flows for the year then ended and comply with the applicable sections of the Bank Companies Act, 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act, 1994, the Securities and Exchange Rule, 1987 and other applicable laws and regulations.

We also report that :

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches and not visited by us ;
- (iii) the Bank's balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account and returns;


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- (iv) the expenditure incurred was for the purpose of the business of the Bank;
- (v) the financial position of the bank as at 31 December 2010 and the profit for the year then ended have been properly reflected in the financial statements and prepared in accordance with the generally accepted accounting principles ;
- (vi) the financial statements have been drawn up in conformity with the Bank Companies Act, 1991 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank ;
- (vii) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery ;
- (viii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (ix) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements ;
- (x) the information and explanations required by us have been received and found satisfactory and
- (xi) the capital adequacy ratio (CAR), as required by law, has been maintained adequately during the year.

Date : April 27, 2011
Place : Dhaka


M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Consolidated Balance Sheet
As at 31 December 2010

	Note	Amount in Taka	
		31-Dec-10	31-Dec-09
<u>PROPERTY AND ASSETS</u>			
Cash	3.00	4,570,170,747	4,633,980,079
Cash in hand (including foreign currency)		988,681,208	670,698,496
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)		3,581,489,539	3,963,281,583
Balance with other Banks and financial institutions	4.00	3,055,765,005	8,155,648,754
In Bangladesh		1,410,699,425	7,203,872,949
Outside Bangladesh		1,645,065,580	951,775,805
Money at call on Short Notice	5.00	-	200,000,000
Investments	6.00	9,634,687,546	9,082,951,144
Government Securities		6,896,030,860	7,848,544,488
Other Investments		2,320,638,431	831,389,483
Outside Bangladesh		418,018,255	403,017,173
Loans and Advances	7(a)	48,826,256,257	37,793,886,723
Loans, Cash Credits, Overdrafts, etc.		45,884,156,097	35,986,175,332
Bills Purchased and Discounted	8(a)	2,942,100,160	1,807,711,391
Fixed Assets including Premises, Furniture and Fixtures	9.00	2,060,785,711	616,262,074
Other Assets	10(a)	2,692,595,414	2,419,136,205
Non Banking Assets		-	-
Total Assets		70,840,260,680	62,901,864,980
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowing from Other Banks, Financial Institutions and agents	11.00	-	1,250,000,000
In Bangladesh		-	1,250,000,000
Outside Bangladesh		-	-
Deposit and Other Accounts	12(a)	55,918,497,452	50,017,960,808
Current Deposits and Other Accounts		10,796,412,611	6,569,331,019
Bills Payable		1,209,103,518	1,279,279,322
Savings Bank Deposits		9,534,636,847	8,170,413,132
Term Deposits		34,378,344,476	33,998,937,336
Other Liabilities	13.00	9,156,321,438	7,436,447,933
Total Liabilities		65,074,818,890	58,704,408,742
Capital / Shareholders' Equity			
Paid up Capital	14.00	2,179,826,000	1,743,860,800
Statutory Reserve	15(a)	2,182,225,215	1,545,408,159
Other Reserve	16.00	83,808,197	179,907,922
Surplus in Profit and Loss Account	17(a)	1,319,582,378	728,279,357
Total Shareholders' Equity		5,765,441,790	4,197,456,238
Total Liabilities and Shareholders' Equity		70,840,260,680	62,901,864,980

Note	Amount in Taka	
	31-Dec-10	31-Dec-09

OFF BALANCE SHEET ITEMS


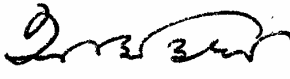
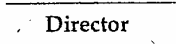
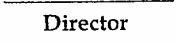

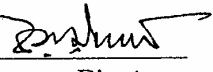
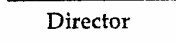
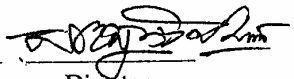


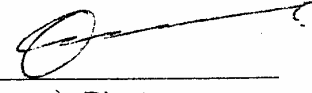

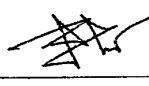
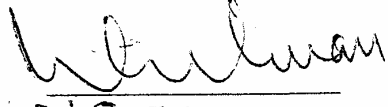
Contingent liabilities

Acceptances and endorsements		11,046,031,618	6,762,868,026
Letters of guarantee	18.00	3,602,941,412	3,186,598,664
Irrevocable letters of credit	19.00	13,931,175,236	7,593,746,458
Bills for collection	20.00	4,532,052,734	3,823,520,949
		<u>33,112,201,000</u>	<u>21,366,734,096</u>

Other commitments

Documents credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		<u>-</u>	<u>-</u>
		<u>33,112,201,000</u>	<u>21,366,734,096</u>

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

 Mohammad Abdullah Managing Director	 Director	 Director	 Director
 Director	 Director	 Director	 Director
 Director	 Director	 Director	
 Director	 Director	 Chairman	

As per our separate report of even date annexed.


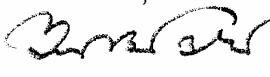




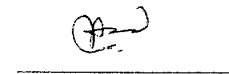
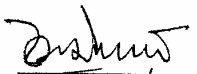


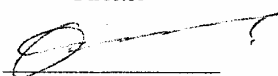
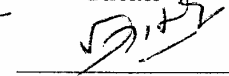
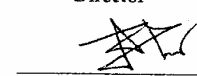
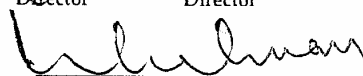
Date : April 27, 2011
Place : Dhaka


M. J. ABEDIN & CO
Chartered Accountants


INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Consolidated Profit and Loss Account
For the year ended 31 December 2010

	Note	Amount in Taka	
		2010	2009
INCOME			
Interest income	22(a)	4,667,279,517	3,872,149,004
Less: Interest paid on deposits, borrowings, etc.	23(a)	2,574,522,672	2,769,970,423
Net interest income		2,092,756,845	1,102,178,581
Income from investment	24.00	1,312,558,373	1,061,507,533
Commission, exchange and brokerage	25.00	1,298,249,422	887,032,768
Other operating income	26.00	1,441,787,514	345,050,855
Capital gain	27.00	227,658,694	328,586,416
Total operating income		6,373,010,848	3,724,356,154
Salaries and allowances	28.00	1,340,981,459	999,494,974
Rent, taxes, insurance, lighting and travelling	29.00	307,942,708	227,029,788
Legal expenses		3,053,149	2,688,785
Postage, stamp, telecommunication etc.	30.00	55,355,243	48,080,038
Auditors' fee		500,000	500,000
Stationery, printing and advertisement	31.00	59,016,653	48,023,390
Charges on loan loss		131,210,521	20,148,300
Managing Director's salary	32.00	5,875,000	5,740,000
Directors' meeting fee	33.00	1,289,000	1,012,000
Repair, maintenance and depreciation of assets	34.00	241,924,255	169,680,091
Other expenses	35.00	381,777,582	242,440,373
Total operating expenses		2,528,925,571	1,764,837,738
Profit before provision		3,844,085,277	1,959,518,416
Provision for loans & advance, other assets & off BS items	36.00	660,000,000	310,000,000
Profit before taxation		3,184,085,277	1,649,518,416
Provision for taxation:	13.07	1,520,000,000	750,000,000
Current tax		1,473,847,706	735,754,470
Deferred tax.		46,152,294	14,245,530
Profit after taxation		1,664,085,277	899,518,416
Extra ordinary gain		28,559,248	-
Retained profit brought forward		292,314,157	158,664,624
		1,984,958,682	1,058,183,040
Appropriations			
Statutory reserve		665,376,304	329,903,683
General reserve		636,817,055	329,903,683
		28,559,248	-
Retained earnings		1,319,582,378	728,279,357
Earnings per Share (EPS)	43(a)	76.34	41.27

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

 Mohammad Abdullah Managing Director	 Director	 Director	 Director	 Director
 Director	 Director	 Director	 Director	 Director
 Director	 Director	 Director	 Chairman	

As per our separate report of even date annexed.

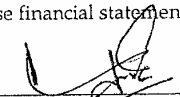
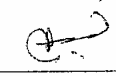
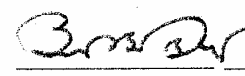


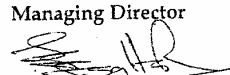
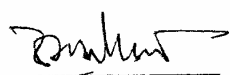

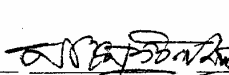

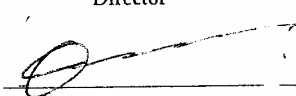
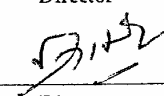
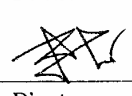
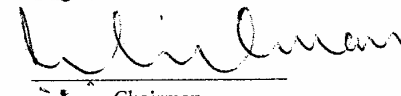

M. J. ABEDIN & CO
Chartered Accountants

Date : April 27, 2011
Place : Dhaka

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Consolidated Cash Flow Statement
For the year ended 31 December 2010

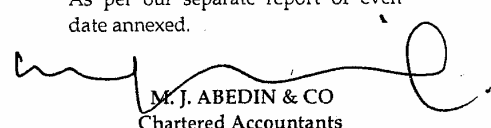
	Note	Amount in Taka	
		2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received in cash		4,667,279,517	3,872,149,004
Interest payments		(2,574,522,672)	(2,769,970,423)
Dividend received		83,441,889	10,709,159
Fees and commission received in cash		964,050,478	846,066,077
Recovery of loans and advances in cash previously written-off		1,146,597,629	73,755,906
Cash paid to employees		(1,161,856,459)	(909,234,974)
Cash paid to suppliers		-	-
Income tax paid		(835,992,442)	(535,435,085)
Cash received from other operating activities	37.00	2,094,619,031	1,691,646,431
Cash paid for other operating activities	38.00	(766,168,284)	(643,779,889)
Cash flows before charges in operating assets and liabilities		3,617,648,688	1,635,906,205
Increase / Decrease in operating assets and liabilities			
Loans and advances to customers		(11,032,369,534)	(4,775,501,341)
Other assets	40(a)	562,533,235	(211,799,410)
Deposits from other Banks		1,327,064,388	49,643,000
Deposit from customers		4,573,472,255	13,876,148,268
Trading liabilities		(1,250,000,000)	1,050,000,000
Other liabilities	41.00	(1,370,746,391)	120,165,786
		(7,190,046,047)	10,108,656,303
Net cash from operating activities		(3,572,397,360)	11,744,562,508
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of securities		23,000,000	23,000,000
Cash payments for purchase of securities		(1,504,250,030)	(264,477,041)
Purchase of property, Plant & equipment of fixed assets		(1,243,206,731)	(196,468,896)
Sales of fixed assets		3,647,411	283,111
Net cash from investing activities		(2,720,809,350)	(437,662,827)
CASH FLOWS FROM FINANCING ACTIVITIES			
Received from issue of loan, capital and debts security		-	(3,530,016)
Payments for redemption of loan capital and debt security		-	(3,530,016)
Net Cash from Financing activities		-	(3,530,016)
Net increase/(decrease) in cash and cash equivalent		(6,293,206,708)	11,303,369,667
Opening cash and cash equivalent		20,756,173,322	9,452,803,655
Closing cash and cash equivalent	39.00	14,462,966,613	20,756,173,322

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

 Mohammad Abdullah Managing Director	 Director	 Director	 Director	 Director
 Director	 Director	 Director	 Director	 Director
 Director	 Director	 Director	 Chairman	

As per our separate report of even date annexed.

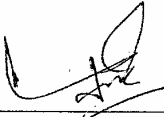


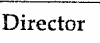
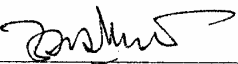
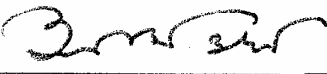

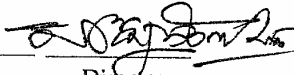
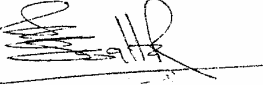

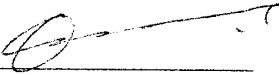

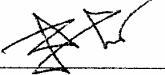

Date : April 27, 2011
Place : Dhaka


M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Consolidated Statement of Changes in Equity
As at 31 December 2010


Particulars	Amount in Taka				
	Paid up capital	Statutory Reserve	Other Reserve	Profit/Loss	Total
Balance at 01 January 2010	1,743,860,800	1,545,408,159	179,907,922	728,279,357	4,197,456,238
Bonus share issued (2009)	435,965,200	-	-	(435,965,200)	-
	2,179,826,000	1,545,408,159	179,907,922	292,314,157	4,197,456,238
Surplus /Deficit on account of revaluation on investment	-	-	8,752,000	-	8,752,000
Surplus /Deficit revaluation of Govt. treasury bill & bond etc.			(133,410,973)		(133,410,973)
Net profit after tax for the year	-	-	-	1,664,085,277	1,664,085,277
Extra Ordinary Gain	-	-	-	28,559,248	28,559,248
Appropriations made during the year	-	636,817,055	28,559,248	(665,376,304)	-
Balance as on 31 December 2010	2,179,826,000	2,182,225,215	83,808,197	1,319,582,378	5,765,441,790

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

 Mohammad Abdullah Managing Director	 Director	 Director	 Director
 Director	 Director	 Director	 Director
 Director	 Director	 Director	
 Director	 Director	 Chairman	

As per our separate report of even date annexed.

Date : April 27, 2011
Place : Dhaka


M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED

Balance Sheet
As at 31 December 2010

	Note	Amount in Taka	
		31-Dec-10	31 Dec. 2009
PROPERTY AND ASSETS			
Cash	3.00	4,570,170,747	4,633,980,079
Cash in hand (including foreign currency)		988,681,208	670,698,496
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)		3,581,489,539	3,963,281,583
Balance with other Banks and financial institutions	4.00	3,055,765,005	8,155,648,754
In Bangladesh		1,410,699,425	7,203,872,949
Outside Bangladesh		1,645,065,580	951,775,805
Money at call on short notice	5.00	-	200,000,000
Investments	6.00	9,634,687,546	9,082,951,144
Government securities		6,896,030,860	7,848,544,488
Other investments		2,320,638,431	831,389,483
Outside Bangladesh		418,018,255	403,017,173
Loans and advances	7.00	47,563,427,882	37,793,886,723
Loans, cash credits, overdrafts, etc.		45,105,909,397	35,986,175,332
Bills purchased and discounted	8.00	2,457,518,485	1,807,711,391
Fixed assets including premises, furniture and fixtures	9.00	2,060,785,711	616,262,074
Other assets	10.00	2,680,361,641	2,419,136,205
Non banking assets		-	-
Total assets		69,565,198,532	62,901,864,980
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial Institutions and In Bangladesh	11.00	-	1,250,000,000
Outside Bangladesh		-	1,250,000,000
Deposit and other accounts	12.00	54,660,410,064	50,017,960,808
Current deposits and other accounts		9,538,325,223	6,569,331,019
Bills payable		1,209,103,518	1,279,279,322
Savings bank deposits		9,534,636,847	8,170,413,132
Term deposits		34,378,344,476	33,998,937,336
Other liabilities	13.00	9,156,321,438	7,436,447,933
Total liabilities		63,816,731,502	58,704,408,742
Capital/ Shareholders' equity			
Paid up capital	14.00	2,179,826,000	1,743,860,800
Statutory reserve	15.00	2,178,830,263	1,545,408,159
Other reserve	16.00	83,808,197	179,907,922
Surplus in Profit and Loss Account	17.00	1,306,002,570	728,279,357
Total shareholders' equity		5,748,467,030	4,197,456,238
Total liabilities and shareholders' equity		69,565,198,532	62,901,864,980

OFF BALANCE SHEET ITEMS

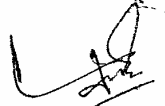

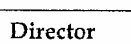
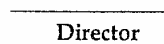
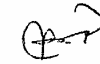


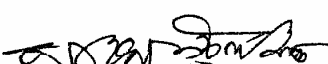




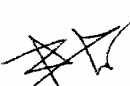

Contingent liabilities

Note	Amount in Taka	
	31-Dec-10	31-Dec-09
Acceptances and endorsements	11,046,031,618	6,762,868,026
Letters of guarantee	18.00 3,602,941,412	3,186,598,664
Irrevocable letters of credit	19.00 13,931,175,236	7,593,746,458
Bills for collection	20.00 4,532,052,734	3,823,520,949
	<u>33,112,201,000</u>	<u>21,366,734,096</u>

Other Commitments:


Documents credit and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	<u>-</u>	<u>-</u>
	<u>33,112,201,000</u>	<u>21,366,734,096</u>

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

			
Mohammad Abdullah Managing Director	Director	Director	Director
			
Director	Director	Director	Director
			
Director	Director	Director	
			
Director	Director	Chairman	

As per our separate report of even date annexed.

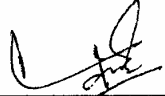




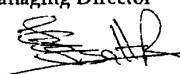
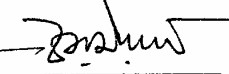

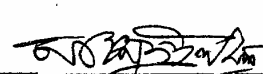

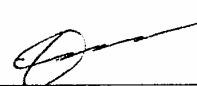
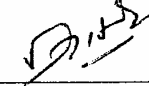
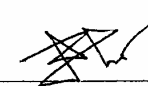

Date : April 27, 2011
Place : Dhaka


M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Profit and Loss Account
For the year ended 31 December 2010

	Note	Amount in Taka	
		2010	2009
INCOME			
Interest income	22.00	4,640,914,591	3,872,149,004
Less: Interest paid on deposits, borrowings, etc.	23.00	2,565,132,506	2,769,970,423
Net Interest income		2,075,782,085	1,102,178,581
Income from investment	24.00	1,312,558,373	1,061,507,533
Commission, exchange and brokerage	25.00	1,298,249,422	887,032,768
Other operating income	26.00	1,441,787,514	345,050,855
Capital gain	27.00	227,658,694	328,586,416
Total operating income		6,356,036,088	3,724,356,154
Salaries and allowances	28.00	1,340,981,459	999,494,974
Rent, taxes, insurance, lighting and travelling	29.00	307,942,708	227,029,788
Legal expenses		3,053,149	2,688,785
Postage, stamp, telecommunication etc.	30.00	55,355,243	48,080,038
Auditors' fee		500,000	500,000
Stationery, printing and advertisement	31.00	59,016,653	48,029,390
Charges on loan loss		131,210,521	20,148,300
Managing Director's salary	32.00	5,875,000	5,740,000
Directors' meeting fee	33.00	1,289,000	1,012,000
Repair, maintenance and depreciation of assets	34.00	241,924,255	169,680,091
Other expenses	35.00	381,777,582	242,440,373
Total operating expenses		2,528,925,571	1,764,837,738
Profit before provision		3,827,110,517	1,959,518,416
Provision for loans & advance, other assets & off BS items	36.00	660,000,000	310,000,000
Profit before taxation		3,167,110,517	1,649,518,416
Provision for taxation:	13.07	1,520,000,000	750,000,000
Current tax		1,473,847,706	735,754,470
Deferred tax		46,152,294	14,245,530
Profit after taxation		1,647,110,517	899,518,416
Extra Ordinary Gain		28,559,248	-
Retained profit brought forward		292,314,157	158,664,624
		1,967,983,922	1,058,183,040
Appropriations		661,981,352	329,903,683
Statutory reserve		633,422,103	329,903,683
General Reserve		28,559,248	-
Retained earnings		1,306,002,570	728,279,357
Earnings per Share (EPS)	43.00	75.56	41.27

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

 Mohammad Abdullah Managing Director	 Director	 Director	 Director	 Director
 Director	 Director	 Director	 Director	 Director
 Director	 Director	 Director	 Chairman	

As per our separate report of even date annexed.



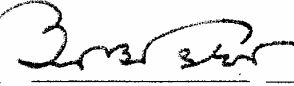


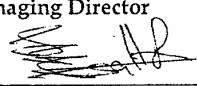
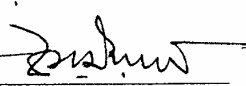

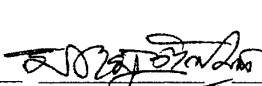
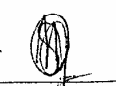
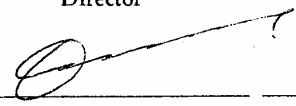
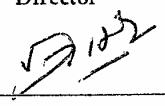
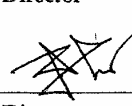
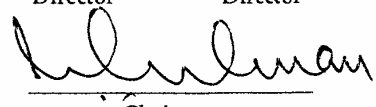
Date : April 27, 2011
Place : Dhaka


M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Cash Flow Statement
For the year ended 31 December 2010


	Note	Amount in Taka	
		2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received in cash		4,640,914,591	3,872,149,004
Interest payments		(2,565,132,506)	(2,769,970,423)
Dividend received		83,641,889	10,709,159
Fees and commission received in cash		964,050,478	846,066,077
Recovery of loans and advances in cash previously written-off		1,146,597,629	73,755,906
Cash paid to employees		(1,161,856,459)	(909,234,974)
Cash paid to suppliers		-	-
Income tax paid		(835,992,442)	(535,435,085)
Cash received from other operating activities	37.00	2,094,619,031	1,691,646,431
Cash paid for other operating activities	38.00	(766,168,284)	(643,779,889)
Cash flows before charges in operating assets and liabilities		3,600,673,928	1,635,906,205
Increase / Decrease in operating assets and liabilities			
Loans and advances to customers		(9,769,541,159)	(4,775,501,341)
Other assets	40.00	574,767,007	(211,799,410)
Deposits from other Banks		68,977,000	49,643,000
Deposit from customers		4,573,472,255	13,876,148,268
Trading liabilities		(1,250,000,000)	1,050,000,000
Other liabilities	41.00	(1,370,746,391)	120,165,786
		(7,173,071,288)	10,108,656,303
Net cash from operating activities		(3,572,397,360)	11,744,562,508
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of securities		23,000,000	23,000,000
Cash payments for purchase of securities		(1,504,250,030)	(264,477,041)
Purchase of property, Plant & equipment of fixed assets		(1,243,206,731)	(196,468,896)
Sales of fixed assets		3,647,411	283,111
Net cash from investing activities		(2,720,809,350)	(437,662,827)
CASH FLOWS FROM FINANCING ACTIVITIES			
Received from issue of loan, capital and debts security		-	-
Payments for redemption of loan capital and debt security		-	(3,530,016)
Net Cash from Financing activities		-	(3,530,016)
Net increase/(decrease) in cash and cash equivalent		(6,293,206,709)	11,303,369,667
Opening cash and cash equivalent		20,756,173,322	9,452,803,655
Closing cash and cash equivalent	39.00	14,462,966,613	20,756,173,322

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

 Mohammad Abdullah Managing Director	 Director	 Director	 Director	 Director
 Director	 Director	 Director	 Director	 Director
 Director	 Director	 Director	 Chairman	

As per our separate report of even date annexed.






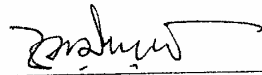

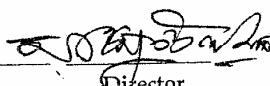


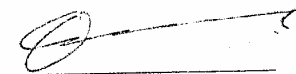
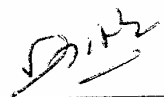


Date: April 27, 2011
Place: Dhaka


M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Statement of Changes in Equity
As at 31 December 2010


Particulars	Amount in Taka				
	Paid up capital	Statutory Reserve	Other Reserve	Profit /Loss	Total
Balance at 01 January 2010	1,743,860,800	1,545,408,159	179,907,922	728,279,357	4,197,456,238
Bonus share issued (2009)	435,965,200	-	-	(435,965,200)	-
	2,179,826,000	1,545,408,159	179,907,922	292,314,157	4,197,456,238
Surplus /Deficit on account of revaluation on investment	-	-	8,752,000	-	8,752,000
Surplus /Deficit revaluation of Govt. treasury bill & bond etc.			(133,410,973)		(133,410,973)
Net profit after tax for the year	-	-	-	1,647,110,517	1,647,110,517
Extra Ordinary Gain	-	-	-	28,559,248	28,559,248
Appropriations made during the year	-	633,422,103	28,559,248	(661,981,352)	-
Balance as on 31 December 2010	2,179,826,000	2,178,830,263	83,808,197	1,306,002,570	5,748,467,030

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

 _____ Mohammad Abdullah Managing Director	 _____ Director	 _____ Director	 _____ Director
 _____ Director	 _____ Director	 _____ Director	 _____ Director
 _____ Director	 _____ Director	 _____ Director	
 _____ Director	 _____ Director	 _____ Chairman	

As per our separate report of even date annexed.

Date : April 27, 2011
Place : Dhaka


M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
STATEMENT OF LIQUIDITY
(Asset and Liability Maturity Analysis)
As at 31 December 2010

Assets and Liabilities	Amount in Taka					
	Not More than 1 Month	From 1 to 3 Month	From 3 to 12 Months	From 1 Year to 5 Years	From 5 Years and above	Total
Assets						
Cash in hand	988,681,208	-	-	-	-	988,681,208
Balance with other banks & financial institutions and agents	4,592,188,964	1,995,065,580	50,000,000	-	-	6,637,254,544
Money at call & short notice	-	-	-	-	-	-
Investment	4,747,300	-	1,482,144,431	1,985,590,038	6,162,205,777	9,634,687,546
Loans & advances	8,309,451,791	6,250,828,639	16,121,643,427	12,166,210,001	4,715,294,024	47,563,427,882
Premises & fixed assets	8,243,143	16,486,286	74,806,521	298,813,928	1,662,435,833	2,060,785,711
Other assets	1,403,335,092	489,046,533	576,638,081	204,079,532	7,262,404	2,680,361,641
Total Assets	15,306,647,497	8,751,427,038	18,305,232,461	14,654,693,499	12,547,198,038	69,565,198,532
Liabilities						
Other banks, financial institutions	-	-	-	-	-	-
Deposits and other accounts	10,048,609,290	8,610,383,759	24,623,400,808	7,891,059,733	3,486,956,474	54,660,410,064
Provision and other liabilities	1,630,895,098	1,192,085,625	1,020,389,040	1,368,281,443	3,944,670,232	9,156,321,438
Total Liabilities	11,679,504,388	9,802,469,384	25,643,789,848	9,259,341,176	7,431,626,706	63,816,731,502
Net Liquidity Gap: Surplus/(Deficit)	3,627,143,109	(1,051,042,347)	(7,338,557,387)	5,395,352,323	5,115,571,331	5,748,467,030

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

 Mohammad Abdullah Managing Director	 Director	 Director	 Director	 Director
 Director	 Director	 Director	 Director	
 Director	 Director	 Director	 Chairman	

As per our separate report of even date annexed.

Date : April 27, 2011
Place : Dhaka


M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Notes to the Financial Statements
For the year ended 31 December 2010

1.00 Legal status and nature of the Bank

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

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

1.01 Nature of business activities

All types of commercial banking services are provided by the Bank within the stipulations laid down by Bank Companies Act 1991 and directives as received from Bangladesh Bank from time to time. It has 95 branches and 02 SME Centre all over Bangladesh. The Bank is listed in the Dhaka and Chittagong Stock Exchanges as a publicly quoted company for its "A class" ordinary share.

1.02 Off-shore Banking Unit

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

2.00 Significant Accounting Policies

2.01 Basis of accounting:

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

2.02 Consolidation

The consolidated financial statements include the financial statements of IFIC Bank Limited and Off-shore Banking Units made up to the end of the financial year.

2.03 Revenue recognition

a) Interest income:

- i) In terms of provision of Bangladesh Accounting Standard (BAS) -18 the interest receivable is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified and is kept in interest suspense account. Interest on classified advances is accounted for as and when realized.
- ii) Interest on unclassified loans and advances is calculated on a daily product basis but charged and accounted for quarterly on accrual basis.
- iii) Commission and discounts on bills purchased and discounted are recognized on realization basis.

b) Investments income:

- i) Interest on investment in government and other trust securities, debentures and bonds, etc is accounted for as income on accrual basis.
- ii) Dividends on shares of Oman International Exchange LLC, Nepal Bangladesh Bank Ltd and NIB Bank Limited and shares of the listed companies of Dhaka and Chittagong stock exchanges have been accounted for on receipt basis.

c) Fees and commission income:

Fees and commission arises on services provided by the bank is recognized on cash basis.

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

2.04 Valuation of investment:

The basis of valuation of investment has been shown as under:

<u>Items</u>	<u>Applicable accounting value</u>
Government treasury bills:	At Present value,
Government treasury bonds:	At Present value,
Prize bond	At cost price,
Zero coupon bond	At redeemable value,
Debenture	At redeemable value,
Investment in shares (quoted)	At cost or market price whichever is lower at balance sheet date.
Investment in shares (un-quoted)	At cost price

2.05 Loans and advances

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

The classification rates are given below:

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

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

2.06 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is computed consistently by using diminishing balance method at the following rates:

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

2.07 Cash flow statement

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

2.08 Foreign currency transactions/ translations

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

Assets and liabilities as at December 31, 2010 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.

2.09 IFIC Securities Limited

IFIC Securities Limited a subsidiary of IFIC Bank Limited, has been incorporated as a Public Limited company on 02 November 2010 with an authorized capital of Tk. 3,000,000,000 (Taka three hundred crore) only and an initial paid-up capital of Tk. 800,000,000 (Tk. eighty crore) only.

The Securities & Exchange Commission (SEC) has accorded consent for transferring membership of Dhaka Stock Exchange (DSC) from IFIC Bank Limited to IFIC Securities Limited under the registration certificate no. 3.1/DSE-192/2011/455 dated 15 February 2011 for Stock broker operation and registration certificate no. 3.1/DSE-192/2011/456 dated 15 February 2011 for Stock Dealer Operation.

Pursuant to the formation of IFIC Securities Limited as a subsidiary of IFIC Bank Limited to act as a stock broker and dealer, IFIC Bank Limited confirms that effective from 10 March 2011 all its operations in the securities trading business including stock broker and under stock dealer activities will be taken over by IFIC Securities Ltd.

2.10 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.

2.10.1 Credit Risk Management

Risk is inherent in all commercial operation. In Bank, credit risk is an obvious factor that needs to be managed. Credit risk is the possibility that a borrower or counter party may fail to meet its obligation pursuant to agreed terms. Credit risk, therefore, arises from the banks' dealings with or lending to corporate, individuals and other banks or financial institutions.

As per Bangladesh Bank guidelines, Credit Risk Management (CRM) has been introduced and are being reviewed annually the last one made on 2009 to meet the demand of the time. Credit Risk Management (CRM) is a dynamic process which enables banks to proactively manage loan portfolios. The Policy objective of CRM is maximizing banks earning from loan portfolios through improvement of quality of assets. That is why credit facilities are considered solely on viability of business. Financed projects/enterprises are continuously monitored to ensure repayment. At the same time diversification has been brought in credit portfolio through introducing various products as per Bangladesh Bank guidelines.

As a financial enterprise, IFIC Bank is also engaged in different financial dealing with prime objective to maximize stakeholders' value. Thus the bank endeavors to maintain a manageable loan portfolio, which is rewarding by taking calculated risk and ensuring quality of loans.

2.10.2 Asset Liability Management

Assets Liability Management is the most important aspect for the Financial Institution to manage Balance Sheet Risk, especially for managing of liquidity risk and interest rate risk. Change in Market Liquidity and interest rate expose bank business to the risk of loss. Failure to identify the risks associated with business and failure to take timely measures in giving a sense of direction may threaten the survival of institution. As such, it is important that senior management as well as the Board of Directors must understand the existence of such risk on the balance sheet and they should ensure that the structure of the banks business and the level of balance sheet risk it assumes are effectively managed and appropriate policies and procedures are established to control and limit these risks, and that resources are available for evaluating and controlling interest rate risk. To address all the risk elements of the balance sheet, monthly ALCO meeting are conducted in 2010, ATM desk of the bank analyses the balance sheet risk and prepares the monthly ALCO papers as per the guidelines of Bangladesh Bank. By strongly monitoring the maturity gap of assets and Liabilities and interest rate movement, bank is able to maintain optimum liquidity with required regulatory compliances. A policy Guideline on Asset Liability Management has been formulated, approved by the Board of Directors of the bank and revised time to time.

2.10.3 Prevention of Money Laundering

The Chief Anti Money Laundering Compliance Officer (CAMLCO) regularly submitted the status report to the Managing Director and Bangladesh Bank on the areas like hundi activities, abnormal transaction, Suspicious Transaction Report (STR), Cash Transaction Report (CTR) procedures and similar other areas as required.

As Directed by Bangladesh Bank, “Guidelines on Prevention of Money Laundering” of the bank was amended and modified by the Board and “Policy for Combating Financing of Terrorism” was prepared and subsequently approved by the Board on 27.01.2009 the revised guidelines and the policy were distributed to all branches/Divisions of Head Office for meticulous compliance. Bangladesh Bank conducted inspection of several branches and Head Office Compliance on the report has been duly made.

Bank Academy and Anti Money Laundering Division jointly conducted several courses on Prevention of Money Laundering including Money Laundering Prevention Act, 2009 and Anti Terrorism Act, 2009 where Central Bank executives were the guest speakers.

2.10.4 Internal Control and Compliance

In a Banking institution a system of effective Internal Control strengthens the base of safe & sound banking. The operational performance of the Bank is depended on efficient and sound internal control system for establishing corporate governance, transparency & accountability in the bank. As a part of Core Risk Management, Internal Control & Compliance Division with three departments namely; Compliance, Monitoring and Audit & Inspection is an integral part of daily activities of the Bank working as on going process to ensure smooth operation of the bank. Inline 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), Unified Calendar of returns, Ethics/Code of Conduct of employees have meanwhile been done for successful implementation of effective internal control system. Compliance Department is functioning to ensure compliance with statutory & regulatory requirement and also Bank’s own policy & procedures for developing compliance culture. Monitoring department is responsible for operational performance of branches and Head office Divisions by minimizing/ avoiding risk factors. As the internal watch dog of the bank, an independent Audit & Inspection mechanism is working to review the effectiveness of internal control at the Branches/ Divisions. Internal Control Unit has also been set-up at the branches with the existing manpower to minimize irregularities/lapse, to prevent fraud/forges and to control risks at the operational level. As a whole, an effective control has been in place & farther strengthened with strict compliance, effective monitoring & risk based Audit both at the end of Branch & Head office level for improving overall worked achieving its ultimate goal.

2.10.5 Foreign Exchange Risk Management

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

2.10.6 Information and Communication Technology (ICT)

The Bank is aware of the method of ICT Risk Management which is based on the syntax of Risk Management. Information assets are critical of the services provided by the Bank to its customers. Protection and maintenance of these assets are critical to its sustainability. The Bank has already taken initiatives for protecting the information from unauthorized access, modification, disclosure and destruction to protect customers' interest. The Bank has already developed its own ICT policies for different operation and services. Those are very detailed and are closely in line with the ICT guidelines of Bangladesh Bank.

The Bank has developed a critical human resource fall tolerance plan with detail job description for each IT personnel, segregation of duties for IT tasks and system support in respect of severity.

Training is a key component of ICT Risk Management. The Bank has been continuously conducting training sessions on sensitive IT tasks (i.e. operational procedure, security procedures, steps to be taken in case of any contingency/health security in the ICT area etc.) for relevant employees.

The Bank is taking Data Backup on daily basis one copy is being stored in five proof Vault and another copy is being kept at remote site to face any disaster in data centre. Preparation of business continuity plan and establishment of Disaster Recovery site is under process to failover business operations.

The Bank has started to maintain separate insurance coverage for its ICT assets by considering essentiality for the Bank as well as for its customers and stakeholders.

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

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

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

2.11. 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 13(thirteen) 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 02 (two) Deputy Managing Director, 03(three) Senior Executive Vice President (SEVP) who are the Company Secretary, Chief Financial Officer (CFO) and Head of Human Resources Division and 04 (four) Executive Vice President (EVP) who are Head of Credit Risk Management, Corporate Banking & Marketing, Corporate Communication and Support Service and Internal Control and Compliance Division and 01(one) Senior Vice President who is head of IT and 01 (one) First Vice President who is head of Card. The VP & Managing Director's Secretariat also Acts as the member secretary of the committee. The Divisional Heads who are the members of the Committee are concerned with management of respective Division as well as monitoring day to day activities taking place in the Branches and have long experience in commercial banking actives.

The Committee sits at lest 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.

2.12 Taxation

2.12.1 Current Tax

Provision for income tax has been made @ 42.50% as prescribed in the Finance Act 2010 on accounting profit made by the Bank after considering some of the taxable add backs of income and disallowance of expenditure.

2.12.2 Deferred Tax

Deferred tax liabilities are the amounts of income taxes payable in the future period in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of taxable temporary difference. Deferred tax assets and liabilities are recognized for the future tax consequences of timing difference arising between the carrying values of assets, liabilities, income and expenditure and their respective tax basis. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account.

2.13 Earning per share

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

a. Basic earnings

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

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

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

c. Basic Earning Per Share

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

2.14 Retirement Benefit

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

2.14.1 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.

2.14.2 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.

2.15 Off-balance sheet items

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

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

2.16 Post-balance sheet events

The board of directors recommended 27% bonus shares as stock dividend in its 558th board meeting held on April 27, 2011.

2.17 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 International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, IFIC Bank applied most of IAS and IFRS as adopted by ICAB.

2.18 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-Dec-10	31-Dec-09
3.00	Cash		
	A. Cash in hand		
	Local currency in hand	966,338,449	646,688,105
	Foreign currencies in hand	20,194,059	23,130,992
	Cash with ATM	2,148,700	879,400
	Sub total	988,681,208	670,698,496
	B. Balance with Bangladesh Bank and its agents bank		
	Balance with Bangladesh Bank:		
	Local currency	2,715,133,050	2,567,986,611
	Foreign currencies	415,636,794	851,759,506
		3,130,769,844	3,419,746,117
	Balance with Sonali Bank:		
	As agent of Bangladesh Bank	450,719,695	543,535,466
	Other than agent	-	-
		450,719,695	543,535,466
	Sub total	3,581,489,539	3,963,281,583
	Grand total	4,570,170,747	4,633,980,079

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

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

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

Required reserve in amount	3,419,055,390	2,408,226,000
Percentage (%)	6.00%	5.00%
Average reserve held in amount (Bangladesh Bank)	3,547,061,235	2,512,908,750
Percentage (%)	6.22%	5.22%
Surplus	0.22	0.22%

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

Required reserve in amount	10,827,008,735	8,669,614,000
Percentage (%)	19%	18%
Average reserve held in amount	11,422,013,111	11,630,765,061
Percentage (%)	20.04%	24.15%
Surplus / (Deficit)	1.04%	6.15%

	Amount in Taka	
	31-Dec-10	31-Dec-09
4.00 Balance with other Banks and Financial Institutions		
In Bangladesh (<i>Note -4.01</i>)	1,410,699,425	7,203,872,949
Outside Bangladesh (<i>Note -4.02</i>)	1,645,065,580	951,775,805
	3,055,765,005	8,155,648,754
4.01 In Bangladesh		
Current Account	149,661,357	134,900,315
Agrani Bank Ltd.	124,588,175	117,614,485
IFIC Bank Ltd. (CMD)	25,073,182	17,285,830
Short Term Deposits	11,038,068	198,972,634
AB Bank Ltd.	-	-
Trust Bank Ltd	5,652,465	4,954,941
Standard Chartered Bank Ltd	4,179,386	5,024,253
Beneficiary Owner (B. O) A/c.	1,206,217	188,993,441
Fixed Deposits	1,250,000,000	6,870,000,000
National Housing Finance	-	20,000,000
Jamuna Bank Ltd.	300,000,000	500,000,000
Southeast Bank Ltd.	100,000,000	400,000,000
International Leasing and Finance Co. Ltd.	150,000,000	150,000,000
Bank Asia Ltd.	-	700,000,000
National Bank of Pakistan	100,000,000	-
BIFC	50,000,000	-
United Commercial Bank Ltd.	-	800,000,000
Lanka Bangla Finance & Investment Ltd.	100,000,000	-
Investment Corp. of Bangladesh	250,000,000	4,300,000,000
National Bank Ltd.	200,000,000	-
	1,410,699,425	7,203,872,949

4.02 Outside Bangladesh

Name of The Foreign Bank / Correspondent	2010				2009
	Currency	Amount In F.C.	Conversion Rate	Amount in Taka	Amount in Taka
J.P. Morgan Chase Bank, New	US\$	1,855,248.14	70.7497	131,258,249.33	164,458,158.82
Citi Bank N.A. New York	US\$	2,541,126.83	70.7497	179,783,960.88	120,869,308.17
HSBC Bank , New York	US\$	2,771,111.59	70.7497	196,055,313.66	280,147,116.47
Standard Chartered Bank, London	US\$	6,768.29	70.7497	478,854.49	2,100,047.90
Masreq Bank PSC, New York	US\$	2,236,417.47	70.7497	158,225,865.08	33,922,350.88
Mashreq Asia Ltd., Hongkong	US\$	84,891.79	70.7497	6,006,068.67	5,713,328.68
Standard Chartered Bank, N.Y.	US\$	206,776.48	70.7497	14,629,373.93	14,153,441.44
Wachovia Bank N.A. New York	US\$	138,210.73	70.7497	9,778,367.68	16,457,383.49
Off-shore Banking (OBU)	US\$	10,782,229.29	70.7497	762,839,487.60	-
HSBC Bank, Mumbai	ACU\$	131,757.55	70.7497	9,321,807.14	(86,086.73)
Standard Chartered Bank, Kolkata	ACU\$	150,982.08	70.7497	10,681,936.87	10,637,406.95

Name of The Foreign Bank / Correspondent	2010				2009
	Currency	Amount In F.C.	Conversion Rate	Amount in Taka	Amount in Taka
A.B. Bank Ltd., Mumbai	ACU\$	489,900.33	70.7497	34,660,301.38	12,523,528.80
NIB Bank Ltd, Karachi, Pakistan	ACU\$	59,568.96	70.7497	4,214,486.05	498,405.77
National Trust Bank Ltd., Colombo	ACU\$	115,675.63	70.7497	8,184,016.12	2,758,300.43
N B B L , Kathmandu, Nepal	ACU\$	5,884.28	70.7497	416,311.04	2,388,369.84
Sonali Bank, Kolkata	ACU\$	202,251.69	70.7497	14,309,246.39	12,319,930.42
State Bank of India, Kolkata	ACU\$	137,909.62	70.7497	9,757,064.24	163,491.58
Bank of Bhutan, Phuentosoling	ACU\$	48,423.65	70.7497	3,425,958.71	5,407,904.09
ICIC Bank Ltd.	ACU\$	303,577.33	70.7497	21,478,005.02	14,340,905.53
HSBC Bank Australia Ltd.	AUD	35,752.77	72.0020	2,574,270.95	4,368,493.08
J.P. Morgan Chase Bank, Sydney' 5	AUD	52,400.37	72.0020	3,772,931.44	2,037,575.02
HSBC Bank Canada, Toronto	CAD	-	70.7037	-	2,243,748.43
The Bank Nova Scotia, Toronto, Can	CAD	97,731.28	70.7037	6,909,963.10	-
UBS, AG. , Zurich	CHF	37,990.44	74.7764	2,840,788.34	1,722,749.25
Habib Bank AG , Zurich	CHF	2,606.15	74.7764	194,878.51	845,970.90
Commerz Bank AG, Frankfurt	EUR	217,562.04	93.5559	20,354,212.46	134,622,565.90
Vereins Bank AG, Germany	EUR	54,065.79	93.5559	5,058,173.64	12,378,620.49
J.P. Morgan Chase Bank AG, Frank	EUR	100,838.14	93.5559	9,434,002.94	75,251,403.10
Standard Chartered Bank, London	GBP	35,660.09	109.6656	3,910,685.17	13,414,726.48
HSBC Bank PLC, London	GBP	37,668.83	109.6656	4,130,974.84	5,403,137.44
Sonali Bank, (UK) Limited	GBP	12,620.00	109.6656	1,383,979.87	-
Bank Of Tokyo- Mitsubishi, Tokyo	JPY	10,384,445.00	0.8663	8,996,044.70	713,522.76
Total		33,338,052.63		1,645,065,580.24	951,775,805.38

Amount in Taka	
31-Dec-10	31-Dec-09

4.03 Maturity grouping of Balance with other banks

On demand	160,699,425	1,285,648,754
Less than three months	1,200,000,000	6,700,000,000
Over three months but less than 1 year	50,000,000	170,000,000
More than one year but less than two years	-	-
	1,410,699,425	8,155,648,754

5.00 Money at call on short notice

Delta Brac Housing Ltd.	-	100,000,000
Lanka Bangla Finance & Investment Ltd.	-	100,000,000
	-	200,000,000

5.01 Maturity grouping of money at call on short notice

On demand	-	200,000,000
Less than three months	-	-
Over three months but less than one year	-	-
	-	200,000,000

**6.00 Investments
In Bangladesh**

Government Securities

	6,896,030,860	7,848,544,488
3 year Bangladesh T & T Board treasury bond	-	-
Investment Corporation of Bangladesh debenture	29,000,000	47,000,000
House Building Finance Corporation debenture	30,000,000	35,000,000
National prize bond	4,747,300	5,019,600
5 years government treasury bill	-	-
364 days government treasury bill	-	129,828,011
5 years government treasury bond	1,939,590,038	2,161,764,213
10 years government treasury bond	3,582,468,902	3,651,239,392
15 years government treasury bond	1,048,629,820	1,004,503,272
20 years government treasury bond	261,594,800	814,190,000

Other Investments

	2,320,638,431	831,389,483
Shares of Karma Sangsthan Bank Limited	20,000,000	20,000,000
Share of National Housing Finance & Investment Limited	23,500,000	23,500,000
Central Depository (BD) Limited	8,000,000	4,000,000
Power Grid Co. BD Ltd.	3,479,733	4,182,331
Delta Life Insurance Co. Ltd.	22,110,000	22,110,000
IFIC Bank 1st Mutual Fund	250,000,000	-
Khulna Power Co. Ltd.	7,840,124	-
R.A.K. Ceramics	25,004,992	-
Ocean Containers Ltd.	27,546,685	-
Summit Power	7,928	-
Summit port Aliance	10,807	-
ICB Employee 1st Mutual Fund	2,734,223	-
National Bank Ltd	-	7,022,247
Meghna Petroleum Ltd.	-	24,347,550
Beximco Textile	208,270,393	-
TITAS Gas	5,827,383	156,337,240
Beximco Ltd.	162,822,114	102,475,007
ACI Formulation Ltd.	-	21,223,698
Agni Systems Ltd.	4,561	13,284,175
Grameen Phone Ltd.	272,682,600	336,084,556
DESCO Ltd.	753,650	753,650
DBH 1st Mutual Fund	1,605,100	-
IDLC Zero Coupon Bond	7,394,120	21,080,030
Dhaka Stock Exchange Ltd	-	74,989,000
Beximco pharma	221,050,017	-
Aftab Automobiles Ltd.	200,000,000	-
BD. Thai Co. Ltd.	50,000,000	-
IFIC Securities Limited (Note -6.04)	799,994,000	-
	9,216,669,291	8,679,933,971

Outside Bangladesh

	418,018,255	403,017,173
Shares of Nepal Bangladesh Bank Ltd. (Note - 6.05)	181,787,850	170,902,350
Shares of Oman International Exchange LLC (Note - 6.06)	33,627,357	29,929,615
Shares of NIB Bank Limited (Note - 6.07)	202,603,048	202,185,209
	9,634,687,546	9,082,951,144

Amount in Taka		
31-Dec-10	31-Dec-09	
Held for trading (HFT)	4,610,453,403	5,445,684,186
Held to maturity (HTM)	2,280,830,157	2,397,840,702
Other securities	4,747,300	5,019,600
6,896,030,860	7,848,544,488	

6.01 Government securities are classified according to Bangladesh Bank Circular

6.02 Cost and Market Value of Investments

Particulars	Quantity	Cost	Market/Present Value	Quoted/Unquoted
In Bangladesh				
Treasury Bills		-	-	-
Treasury Bonds	44	6,838,469,356	6,832,283,560	-
National Prize Bond	47,473	4,747,300	4,747,300	-
		6,843,216,656	6,837,030,860	
Debentures :				
Debentures - ICB	3	29,000,000	29,000,000	-
Debentures - HBFC	1	30,000,000	30,000,000	-
		59,000,000	59,000,000	
In Ordinary Shares :				
Shares of Karma Sangsthan Bank Ltd.	200,000	20,000,000	20,000,000	Unquoted
Share of National Housing Fin. & Inv. Lt	235,000	23,500,000	23,500,000	Unquoted
Central Depository (BD) Limited	800,000	8,000,000	8,000,000	Unquoted
Power Grid Co. BD Ltd	5,000	3,479,733	4,578,750	Quoted
Delta Life Insurance Co. Ltd	5,000	22,110,000	194,496,250	Quoted
IFIC Bank 1st Mutual Fund	25,000,000	250,000,000	402,500,000	Quoted
Khulna Power Co. Ltd.	46,415	7,840,124	5,226,329	Quoted
R.A.K. Ceramics	625,104	25,004,992	107,267,846	Quoted
Ocean Containers Ltd.	112,185	27,546,685	14,718,672	Quoted
Summit Power	70	7,928	9,807	Quoted
Summit port Aliance	50	10,807	8,705	Quoted
ICB Employee 1st Mutual Fund	140,000	2,734,223	2,422,000	Quoted
Beximco Textile	4,021,660	208,270,393	306,852,658	Quoted
TITAS Gas	10,000	5,827,383	9,990,000	Quoted
Beximco Ltd.	507,912	162,822,114	158,214,588	Quoted
Agni Systems Ltd.	62	4,561	3,590	Quoted
Grameen Phone Ltd.	3,684,900	272,682,600	905,748,420	Quoted
DESCO Ltd.	500	753,650	1,015,750	Quoted
DBH 1st Mutual Fund	90,000	1,605,100	1,449,000	Quoted
IDLC Zero Coupon Bond	10	7,394,120	7,394,120	Unquoted
IFIC Securities Limited (Note -6.04)	79,999,400	799,994,000	799,994,000	Unquoted
Beximco pharma	1,927,625	221,050,017	260,422,138	Quoted
Aftab Automobiles Ltd.	1,262,172	200,000,000	569,996,875	Quoted
BD. Thai Co. Ltd.	82,878	50,000,000	103,245,269	Quoted
		2,320,638,431	3,907,054,766	
Outside Bangladesh				
Shares of Nepal Bangladesh Bank Ltd.(Note-6.05)	1,845,000	181,787,850	361,757,822	Quoted
Shares of Oman Int. Exchange LLC (Note-6.06)	1,830	33,627,357	33,627,357	Unquoted
Shares of NIB Bank Limited (Note-6.07)	24,578,800	202,603,048	62,806,945	Quoted
		418,018,255	458,192,123	
Total		9,640,873,342	11,261,277,750	

	Amount in Taka	
	31-Dec-10	31-Dec-09
6.03 Maturity Grouping of Investments		
On demand	4,747,300	5,019,600
Less than Three months	-	917,472,314
Over three months but less than one year	1,482,144,431	28,000,000
Over one year but less than five years	1,985,590,038	2,080,940,363
Over five years	6,162,205,777	6,051,518,867
	<u>9,634,687,546</u>	<u>9,082,951,144</u>

6.04 IFIC Securities Limited

As per Companies Act, 1994 u/s-186, in terms of shareholdings IFIC Securities Limited incorporated on 02 November 2010 became the subsidiary of IFIC Bank Limited. The business activity of the subsidiary company will start from 10 March 2011. Sale / Transfer of membership of Dhaka Stock Exchange Ltd. from IFIC Bank Limited to IFIC Securities Limited (a subsidiary company of IFIC Bank Limited) was made at cost price.

6.05 Shares of Nepal Bangladesh Bank Ltd : Tk. 181,787,850

Shares of Nepal Bangladesh Bank Ltd represents subscription towards 9.92% paid up capital of the Bank located in Nepal. Out of Total number of 18,603,150 share of the Bank, IFIC Bank owns 1,845,000 shares of NRS 100 each. During the year no income has been received from this investment. Market value of the shares as at December 31, 2010 was Tk. 361,757,822.

6.06 Shares of Oman International Exchange LLC: Tk. 33,627,357

Shares of Oman International Exchange LLC represents subscription towards 25% paid up capital of the company located in Muscat in the Sultanate of Oman. Out of total 7,320 shares of the company, IFIC Bank owns 1,830 shares of RO 100 each. During the year an amount of Tk. 11,417,177 has been accounted for as income.

6.07 Shares of NIB Bank Limited: Tk. 202,603,048

Shares of NIB Bank Ltd. represents subscription towards 0.61% paid-up capital of the Bank located in Pakistan. Out of total number of 4,043,727,076 shares of the Bank of PKR 10 each, IFIC Bank owns 24,578,800 Shares. Market value of the above investment as at December 31, 2010 was Tk. 62,806,945.

7.00 Loans and Advances

<u>47,563,427,882</u>	<u>37,793,886,723</u>
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7.01 Maturity grouping of loans and advance

Repayable on demand	10,784,108	3,075,829,854
Not more than 3 months	14,549,496,322	4,742,674,450
Over 3 months but not more than 1 year	16,121,643,427	12,847,998,085
Over 1 year but not more than 5 years	12,166,210,001	9,437,698,195
Over 5 years	4,715,294,024	7,689,686,139
	<u>47,563,427,882</u>	<u>37,793,886,723</u>

		Amount in Taka	
		31-Dec-10	31-Dec-09
7.02 Loans, cash credits, overdrafts, etc. including bills discounted and purchased:			
In Bangladesh			
Loans		27,748,042,741	25,414,376,452
Cash credits		10,228,475,372	7,132,024,694
Secured overdrafts		7,129,391,285	3,439,774,186
Bill purchased and discounted (Note: 8)		2,457,518,485	1,807,711,391
		47,563,427,882	37,793,886,723
Out side Bangladesh			
		-	-
		47,563,427,882	37,793,886,723
7.03 Concentration of Loans & Advances			
Loans and advances to Directors		255,066	278,878
Advance to Managing Director, Executive & others		1,240,575,733	1,118,453,032
Other Loan & advances		46,322,597,083	36,675,154,813
		47,563,427,882	37,793,886,723
7.04 Loans and Advances allowed to each customer exceeding 10% of Bank's total capital			
Number of customers		44	50
Amount of outstanding loans (crore)		3,175.03	2,323.86
Classified amount thereon (crore)		18.61	55.20
(Annexure - A may kindly be seen for details)			
7.05 Industry wise position of loans and advances including bills purchased and discounted			
Agriculture Industries		409,217,356	323,424,215
Jute Industries		557,685,358	220,272,433
Textile Industries		3,089,879,480	2,905,826,613
Garments Industries		7,543,523,485	6,163,420,545
Chemical and Chemical Products		1,656,395,299	1,552,493,720
Cement Industries		56,426,769	98,725,059
Bricks & Ceramic		331,388,736	273,894,788
Glass Industries		-	9,184,252
Food Products & Processing		1,656,033,684	993,877,109
Engineering & Metal		1,216,886,068	1,465,847,420
Drugs & Pharmaceuticals		311,711,840	134,212,204
Hospital & Clinics		1,074,867,475	744,705,353
Paper & Paper Products Industries		466,045,163	229,164,933
Other Small Industries		1,013,534,171	675,127,657
IT Sector		278,434,194	277,309,979
Other Service Industries		331,781,662	373,207,652
Commerce & Trade		12,312,629,666	8,798,220,985
Capital Market Division (CMD)		1,641,103,610	2,099,674,077
Transport		346,791,084	429,790,624
Construction Firms/Companies		4,588,339,790	4,064,448,634
Housing Societies/Companies		528,502,745	328,094,827
Cold Storage		159,627,267	178,268,549
Non-Banking Financial Institutions		1,544,148,028	111,676,130
Consumer Finance		3,935,976,223	3,277,812,483
Energy		560,583,491	310,638,085
Telecommunication		280,239,848	382,241,170
Others		1,671,675,390	1,372,327,227

47,563,427,882	37,793,886,723
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Amount in Taka	
31-Dec-10	31-Dec-09

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

Corporate Finance	30,733,401,883	23,996,492,698
Agricultural Finance	409,217,356	323,424,215
Consumer Finance	3,935,976,223	3,277,812,483
Small & Medium Enterprise (SME) loans	10,841,828,435	8,096,483,250
Capital Market Division (CMD) margin loans	1,641,103,610	2,099,674,077
Women Entrepreneurs' loans	1,900,375	-
	47,563,427,882	37,793,886,723

7.07 Geographical location-wise Loans and Advances

Dhaka Division	35,182,954,454	28,190,234,015
Chittagong Division	7,537,500,383	5,690,085,929
Sylhet Division	508,929,491	540,754,104
Rajshahi Division	2,886,554,091	1,942,155,500
Khulna Division	1,261,176,319	1,303,565,636
Barisal Division	186,313,144	127,091,539
	47,563,427,882	37,793,886,723

7.08 Classification of Loans and Advances

Unclassified :

(i) Standard	43,991,862,882	34,677,835,723
(ii) Special mention account	1,307,282,000	795,744,000

Classified :

(i) Substandard	460,593,000	250,180,000
(ii) Doubtful	189,726,000	356,637,000
(iii) Bad / Loss	1,613,964,000	1,713,490,000
	47,563,427,882	37,793,886,723

7.09 Particulars of loans and advances

i) Debts considered good in respect of which the Bank is fully secured	45,897,095,312	36,885,129,044
ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	538,039,942	135,248,945
iii) Debts considered good being secured by personal security of one or more persons in addition to the personal security of the debtors	1,128,292,628	773,508,734
iv) Debts considered doubtful or bad not provided for	-	-
	47,563,427,882	37,793,886,723

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

jointly with any other person	1,161,719,003	1,056,735,068
	Amount in Taka	
	31-Dec-10	31-Dec-09
vi) Balance of debts due by companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or in the case of private companies as members	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or employees of the Bank or any of them either severally or jointly with any other person	600,805,676	584,098,395
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or in the case of private companies as members	-	-
ix Due from bank companies	-	-
x) Classified loans on which no interest is charged:		
Opening balance	1,713,490,000	1,057,985,000
Increase / Decrease	(99,526,000)	655,505,000
Closing balance	1,613,964,000	1,713,490,000
Amount of provision kept against loan classified as bad/loss on the date of preparing the balance sheet:	1,191,840,000	799,780,000
xi) Amount of written off loan:		
Cumulative amount	8,980,392,796	8,710,159,434
Amount written off during the year	270,233,362	-

Bank had written-off a cumulative total loan of Tk. 898.04 crore during the year 2003 to 2010 of which Tk. 27.2 was written off during the year 2010. Out of this cumulative total of Tk 898.04 crore, suit was filed for recovery of Tk. 893.66 crore and no suit could be filed for recovery of the balance amount of Tk. 4.38 crore for becoming time barred. Written-off advances were recovered for an amount of Tk. 114.66 crore (total due Tk. 150.06 crore less waived Tk. 35.40 crore) in 2010 and Tk. 221.06 crore during 2003 to 2009. The balance of written-off advances stood at Tk. 535.51 crore including interest charge of Tk. 8.59 crore as on 31.12.2010.

	Amount in Taka	
	31-Dec-10	31-Dec-09
7.10 Particulars of required provision for loans and advances		
On unclassified (including OBU)	543,816,000	465,784,000
On special mention accounts	62,576,000	38,935,000
On substandard	48,747,000	30,977,000
On doubtful	69,899,000	111,210,000
On bad / loss	1,191,840,000	799,780,000
Required provision for loans and advances	1,916,878,000	1,446,686,000
Total provision maintained (Note: 13.01 + 13.02)	1,937,458,515	1,463,160,515
Excess or (short) provision as at 31 December 2010	20,580,515	16,474,515

7.11 Gross lease rental receivable

Lease rental receivable within 1 year	296,760,716	305,146,195
Lease rental receivable within 5 years	946,858,566	974,262,686
Total lease rental receivable	1,243,619,282	1,279,408,881
Less: unearned lease rental	275,793,734	293,890,662
Net lease rental receivable	967,825,548	985,518,219

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	45,105,909,397	35,986,175,332
Off-shore Banking Unit	778,246,700	-
	45,884,156,097	35,986,175,332
Cosolidated Bills purchased and discounted		
IFIC Bank Limited	2,457,518,485	1,807,711,391
Off-shore Banking Unit	484,581,675	-
	2,942,100,160	1,807,711,391
	48,826,256,257	37,793,886,723

8.00 Bills purchased and discounted

In Bangladesh	2,048,638,564	1,470,074,163
Outside Bangladesh	408,879,921	337,637,228
	2,457,518,485	1,807,711,391

8.01 Maturity grouping of Bills purchased and discounted

Payable with in 1 month	1,042,895,291	830,710,624
Over 1month but less than 3 months	877,812,995	770,807,163
Over 3 months but less the 6 months	530,689,745	200,968,256
Over 6 months or more	6,120,454	5,225,348
	2,457,518,485	1,807,711,391

8 (a) Cosolidated Bills purchased and discounted

IFIC Bank Limited	2,457,518,485	1,807,711,391
Off-shore Banking Unit	484,581,675	-
	2,942,100,160	1,807,711,391

	Amount in Taka	
	31-Dec-10	31-Dec-09
9.00 Fixed Assets including premises, furniture and fixtures		
Land	339,318,759	-
Building	1,268,228,200	192,305,592
Wooden furniture	41,195,284	36,805,400
Steel furniture	19,020,305	16,609,665
Office equipment	214,355,863	226,166,130
Electrical & gas equipment	91,205,356	70,674,150
Improve & leasehold premises	73,376,165	58,924,886
Motor vehicles	13,128,702	14,053,901
Soft furnishing	957,077	722,348
	2,060,785,711	616,262,074

(Annexure - B may kindly be seen for details)

10.00 Other Assets

Stationery and stamps	21,743,535	24,254,605
Suspense account (<i>Note - 10.01</i>)	189,685,447	213,038,788
Advance, deposit and prepayments (<i>Note - 10.02</i>)	823,054,896	1,508,386,305
Branch adjustment (<i>Note - 10.03</i>)	1,071,827,119	94,288,377
Accrued interest on investment & other income receivable (<i>Note - 10.04</i>)	381,663,275	451,583,870
Revaluation A/C FDBP	1,792,520	2,092,266
Revaluation A/C IDBP	12,553,316	7,570,743
Receivable from Dhaka Stock Exchange	87,358,486	172,050
Receivable from Margin Investment	90,721,460	-
Accounts receivable others	(38,412)	117,749,201
	2,680,361,641	2,419,136,205

10.01 Suspense account

Sundry debtors	6,149,485	16,251,946
Advance against new branches	9,581,250	7,909,270
Advance against postage and telegram	2,565	9,552
Advance against TA / DA	20,400	124,000
Law charges	46,207,444	42,246,792
DD paid by cancellation	-	300
Sanchaya patra paid	63,878,574	100,864,274
Clearing adjustment (Dr)	3,860,443	664,890
Wage earners development bond paid	44,715,340	21,992,322
Investment bond	-	256,688
CIB charge	506,091	558,400
Others	2,808,500	8,349,512
TMT & Money gram services	11,955,357	13,810,845
	189,685,447	213,038,788

10.02 Advance, deposit and prepayments

	Amount in Taka	
	31-Dec-10	31-Dec-09
Advance rent	144,133,283	102,400,762
Advance income tax	485,469,042	204,732,896
Security deposit including demand note	2,602,567	2,686,120
DD paid without advice	440,985	1,057,792
Advance against car purchase	77,726,496	93,306,929
Advance against insurance premium	235,358	167,755
Protested bills	14,572,856	22,199,420
Medical	1,981	10,381
Others	834,041	847,241
Cash remittance	506,415	5,033,330
Advance against IPO, placement, mutual fund etc.	93,737,871	756,278,679
Advance against land building	-	316,200,000
Advance against promotional gift	2,794,000	3,465,000
	823,054,896	1,508,386,305

10.03 Branch Adjustment

Branch adjustment account represents outstanding Inter- branch and Head Office transactions (Net) originated but yet to be responded by the balance sheet date. However, the un-responded entries of 31 December 2010 (position as of 31 January 2011) are given below:

Tenure	No. of Un-responded entries		Un-responded entries Amount in Taka	
	Dr.	Cr.	Dr.	Cr.
Up to 3 months	16	9	7,818,165	8,770,688
Over 3 months but within 6 months	2	-	161,714	-
Over 6 months	-	-	-	-

10.04 Accrued interest on investment & other income receivable

	Amount in Taka	
	31-Dec-10	31-Dec-09
Treasury bills	-	-
Treasury bonds	227,655,600	270,223,060
Debentures/bond	28,100,720	32,077,454
Government for jute finance	41,272,375	41,272,375
Payment against documents (PAD)	23,438,959	33,481,610
Inland documentary bill purchased (IDBP)	4,589,257	5,736,360
Others	31,356,509	18,712,750
FDR	25,249,855	50,080,261
	381,663,275	451,583,870

10.05 Classification of other assets

Unclassified	2,510,695,641	2,289,133,205
Substandard	-	-
Doubtful	-	-
Bad / Loss	169,666,000	130,003,000
	2,680,361,641	2,419,136,205

	Amount in Taka	
	31-Dec-10	31-Dec-09
10.06 Required provision for other assets		
Unclassified	-	-
Substandard	-	-
Doubtful	-	-
Bad / Loss	169,666,000	130,003,000
	169,666,000	130,003,000

An amount of Tk. 8,945,915.54 has been provided for un-reconciled debit entries in NOSTRO Account.

10.07 Non-Income generating other assets

Stationery and stamps	21,743,535	24,254,605
Sundry debtors	6,149,485	16,251,946
Advance against new branches	9,581,250	7,909,270
Advance against postage and telegram	2,565	9,552
Advance against TA / DA	20,400	124,000
Law charge	46,207,444	42,246,792
Advance insurance premium	235,358	167,755
Clearing adjustment	3,860,443	664,890
Investment bond	-	256,688
Advance against IPO, placement, mutual fund etc.	93,737,871	756,278,679
Advance against rent	144,133,283	102,400,762
Advance income tax	485,469,042	204,732,896
Security deposit (including demand note)	2,602,567	2,686,120
Advance against car purchase	77,726,496	93,306,929
Advance against lease property	-	-
Protested bills	14,572,856	22,199,420
Branch adjustment	1,071,827,119	94,288,377
Accrued interest and other interest receivable	381,663,275	451,583,870
FDBP - EPZ (Agrabad Branch)	-	-
Medical	1,981	10,381
CIB charge	506,091	558,400
Others	3,642,541	9,196,753
Cash remittance	506,415	5,033,330
Revaluation A/c FDBP	1,792,520	2,092,266
Revaluation A/c IDBP	12,553,316	7,570,743
TMT & Moneygram	11,955,357	13,810,845
Advance against land building	-	316,200,000
Advance against promotional gift	2,794,000	3,465,000
Accounts receivable others	(38,412)	117,749,201
	2,393,246,797	2,295,049,468

10 (a) Consolidated Other Assets

IFIC Bank Limited	2,680,361,641	2,419,136,205
Off-shore Banking Unit	12,233,773	-
	2,692,595,414	2,419,136,205

		Amount in Taka	
		31-Dec-10	31-Dec-09
11.00 Borrowing from other Banks, Financial Institutions and Agents			
In Bangladesh			
The Trust Bank Ltd.	-	250,000,000	
Pubali Bank Ltd	-	600,000,000	
Agrani Bank Ltd	-	300,000,000	
National Bank Ltd	-	100,000,000	
	-	1,250,000,000	
Outside Bangladesh			
	-	-	
	-	1,250,000,000	
11.01 Secured and unsecured of borrowing from other banks, Financial Institutions and Agents			
Secured	-	-	
Unsecured	-	1,250,000,000	
	-	1,250,000,000	
* No borrowing has been made for which assets kept under pledge.			
11.02 Maturity grouping of borrowing from other banks, Financial Institutions and agents			
Payable on demand	-	1,250,000,000	
Others (maturity)	-	-	
	-	1,250,000,000	
12.00 Deposits and other accounts			
From Banks	124,683,000	55,706,000	
Other than Banks		54,535,727,064	49,962,254,808
Payable on demand	20,157,382,588	15,963,317,473	
Term deposits	34,378,344,476	33,998,937,335	
	54,660,410,064	50,017,960,808	
Current deposits and other accounts		9,538,325,223	6,569,331,019
Current deposit	7,352,423,208	4,117,768,080	
Sundry deposit	1,567,031,294	1,965,574,648	
Foreign currency deposit	489,124,589	436,381,836	
Resident FC deposit	14,945,666	38,942,985	
Cheque card	71,349	161,308	
Investors' account (Cr. balance)	297,773	298,556	
Customer trading BO A/c.	113,534,187	9,456,790	
Q-Cash Card A/c.	897,156	746,815	
Bills Payable		1,209,103,518	1,279,279,322
In Bangladesh		1,193,569,470	1,203,691,097
Payment order	1,193,569,470	1,203,691,097	
Demand draft	15,534,048	75,588,225	
TT Payable	-	-	

	Amount in Taka	
	31-Dec-10	31-Dec-09
Savings bank deposit	9,534,636,847	8,170,413,132
Term deposits	34,378,344,476	33,998,937,336
Short term deposit	9,877,375,145	11,051,054,009
Fixed deposit	21,974,214,726	20,126,783,915
Non resident FC deposit	53,679,255	198,554,085
Pension savings scheme	1,711,462,633	1,909,656,449
Monthly income scheme	114,250,000	118,750,000
Double return deposit scheme	599,030,516	543,184,175
Three years plus	48,332,200	50,954,702
	54,660,410,064	50,017,960,808

12.01 Maturity grouping of deposits and other accounts

Particulars	Bank	Other than Bank	2010 Taka	2009 Taka
Repayable on demand	124,683,000	9,923,926,290	10,048,609,290	10,885,493,002
Repayable on 1 month	-	8,610,383,759	8,610,383,759	7,467,985,275
Over 1 month but within 6 months	-	14,964,683,407	14,964,683,407	16,440,086,232
Over 6 months but within 1 year	-	9,658,717,401	9,658,717,401	9,187,222,628
Over 1 year but within 5 years	-	7,891,059,733	7,891,059,733	4,155,176,872
Over 5 years but within 10 years	-	3,482,589,247	3,482,589,247	1,877,181,666
Unclaimed deposit for 10 years or more	-	4,367,228	4,367,228	4,815,133
Total	124,683,000	54,535,727,064	54,660,410,064	50,017,960,808

	Amount in Taka	
	31-Dec-10	31-Dec-09
12 (a) Consolidated deposits and other accounts		
current deposits and other accounts		
IFIC Bank Limited	9,538,325,223	6,569,331,019
Off-shore Banking Unit	1,258,087,388	-
	10,796,412,611	6,569,331,019
Bills payable		
IFIC Bank Limited	1,209,103,518	1,279,279,322
Off-shore Banking Unit	-	-
	1,209,103,518	1,279,279,322
Savings bank deposit		
IFIC Bank Limited	9,534,636,847	8,170,413,132
Off-shore Banking Unit	-	-
	9,534,636,847	8,170,413,132
Term deposits		
IFIC Bank Limited	34,378,344,476	33,998,937,336
Off-shore Banking Unit	-	-
	34,378,344,476	33,998,937,336
	55,918,497,452	50,017,960,808

	Amount in Taka	
	31-Dec-10	31-Dec-09
13.00 Other liabilities		
Exporters F.C account	1,549,877,472	1,448,513,749
Accrued expenses	35,298,747	11,107,018
Provision for classified loans & advance (<i>Note - 13.01</i>)	1,323,150,515	951,852,515
Provision for unclassified advances (<i>Note - 13.02</i>)	614,308,000	511,308,000
Provision for other assets & contingencies (<i>Note - 13.03</i>)	173,357,848	131,857,848
Interest suspense account (<i>Note - 13.04</i>)	2,095,590,111	2,309,538,064
Foreign demand draft (FDD)	21,371,795	24,470,210
Dividend payable	2,814,447	2,814,447
Provision for taxation (<i>Note - 13.05</i>)	2,062,554,342	1,143,962,932
Provision for deferred taxation (<i>Note - 13.06</i>)	73,084,220	26,931,926
Export development fund	619,176,375	431,365,292
Bonus payable	135,000,000	96,000,000
Gratuity Payable	50,000,000	-
Revaluation of investment abroad (50%)	8,752,000	-
Exporter's cash assistance	27,690,001	68,000
Revaluation on Govt. Securities (50%)	19,284,800	121,633,607
Loan Pool	1,152,577	152,281
Provision for Off balance sheet (<i>Note - 13.08</i>)	334,000,000	220,000,000
Oman International Exchange (LLC)	9,348,471	1,892,477
Foreign Trade Exchange Settlement A/c	509,716	2,979,568
	9,156,321,438	7,436,447,933
13.01 Provision for classified loans & Advance		
Provision held at the beginning of the year	951,852,515	651,852,515
Fully provided debts written off / waiver	(30,202,000)	-
Reschedule/re-intendment from previously written off	-	-
Provision transferred to provision for Unclassified loans & Advance	-	-
Specific provision for the year	401,500,000	300,000,000
	1,323,150,515	951,852,515
13.02 Provision for Un-classified advances		
Provision held at the beginning of the year	511,308,000	416,308,000
Provision transferred from provision for other assets	-	85,000,000
Specific provision for the year	90,000,000	10,000,000
	601,308,000	511,308,000
Add: provision for Off-shore Banking Unit (OBU)	13,000,000	-
	614,308,000	511,308,000
13.03 Provision for other assets & contingencies		
Provision held at the beginning of the year	131,857,848	256,857,848
Provision transferred to provision for unclassified loans & advance & off balance sheet	-	(125,000,000)
Specific provision for the year	41,500,000	-
	173,357,848	131,857,848

	Amount in Taka	
	31-Dec-10	31-Dec-09
13.04 Interest suspense account		
Balance at the beginning of the year	2,309,538,064	2,271,557,170
Amount transferred during the year	309,548,020	421,466,989
Amount recovered during the year	(414,675,132)	(383,486,095)
Amount written off during the year	(108,820,841)	-
	<u>2,095,590,111</u>	<u>2,309,538,064</u>
13.05 Provision for taxation		
Current tax :		
Provision for earlier year	18,992,711	42,709,151
Provision for current year	1,454,854,995	693,045,319
	<u>1,473,847,706</u>	<u>735,754,470</u>
Balance for Tax provision for earlier years	588,706,636	408,208,462
	<u>2,062,554,342</u>	<u>1,143,962,932</u>
13.06 Provision for deferred taxation		
Balances as on 01 January	26,931,926	12,686,396
Addition during the year	46,152,294	14,245,530
	<u>73,084,220</u>	<u>26,931,926</u>
13.07 Provision for taxation during the year		
Current tax provision	1,473,847,706	735,754,470
Deferred tax provision	46,152,294	14,245,530
	<u>1,520,000,000</u>	<u>750,000,000</u>
13.08 Provision for Off balance sheet		
Provision held at the beginning of the year	220,000,000	180,000,000
Provision transferred from provision for other assets	-	40,000,000
Specific provision for the year	114,000,000	-
	<u>334,000,000</u>	<u>220,000,000</u>
14.00 Paid Up Capital		
14.01 Authorized		
53,500,000 ordinary shares of Tk. 100 each	<u>5,350,000,000</u>	<u>5,350,000,000</u>
14.02 Issued, subscribed and paid up		
14,659,644 A class ordinary shares of Tk. 100 each fully paid	1,465,964,400	1,172,771,500
7,138,616 B class ordinary shares of Tk. 100 each fully paid	713,861,600	571,089,300
	<u>2,179,826,000</u>	<u>1,743,860,800</u>
14.03 Issued, subscribed and paid up		
1,240,000 ordinary shares of Tk. 100 each issued for cash	124,000,000	124,000,000
20,558,260 ordinary shares of Tk. 100 each issued for bonus share	2,055,826,000	1,619,860,800
	<u>2,179,826,000</u>	<u>1,743,860,800</u>

14.04 The issued, subscribed and paid up shares capital are as follows:

Particulars	A' Class Ordinary Shares	B' Class Ordinary Shares	Total
As on 31 December 2010	14,659,644	7,138,616	21,798,260

14.05 Distribution of paid up capital

Holding of share	2010			2009		
	No. of holder	Total shares	Percentage (%)	No. of holder	Total shares	Percentage (%)
Less than 500 shares	36,867	1,553,440	7.12	33,359	1,543,737	8.85
501 to 5000 shares	746	1,039,430	4.77	641	800,145	4.59
5,001 to 10,000 shares	55	381,613	1.75	50	356,572	2.04
10,001 to 20,000 shares	44	605,654	2.78	23	335,977	1.93
20,001 to 30,000 shares	10	240,003	1.10	22	544,089	3.12
30,001 to 40,000 shares	7	246,447	1.13	16	545,664	3.13
40,001 to 50,000 shares	3	143,417	0.66	9	426,666	2.45
50,001 to 100,000 shares	16	1,043,386	4.79	10	687,936	3.94
100,001 to 1,000,000 shares	21	5,494,721	25.21	19	5,220,545	29.94
More than 1,000,000 shares	4	11,050,149	50.69	3	6,977,277	40.01
Total	37,773	21,798,260	100.00	34,152	17,438,608	100.00

14.06 Share holding by category

Particular	2010			2009		
	No. of Share	%	Taka	No. of Share	%	Taka
Directors "A" class shareholders	632,460	2.90	63,246,000	517,309	2.97	51,730,900
Govt. "B" class shareholder	7,138,616	32.75	713,861,600	5,710,893	32.75	571,089,300
Sponsors 'A' class shareholder	1,193,154	5.47	119,315,400	986,190	5.65	98,619,000
General public 'A' class shareholder	12,834,030	58.88	1,283,403,000	10,224,216	58.63	1,022,421,600
Total	21,798,260	100.00	2,179,826,000	17,438,608	100.00	1,743,860,800

	Amount in Taka	
	31-Dec-10	31-Dec-09
14.07 Capital Adequacy Ratio (2010: Basel-II & 2009: Basel-I)		
Total assets (including off-balance sheet items)	102,677,399,533	84,268,599,076
Total risk-weighted Assets	68,627,400,000	36,521,634,500
Required capital (2010: 9% & 2009: 10% of risk-weighted assets)	6,176,466,000	3,652,163,450
Actual capital held	6,713,749,789	4,928,764,238
Core - capital (Tier I)	5,737,404,990	4,044,760,465
(a) Paid-up capital	2,179,826,000	1,743,860,800
(b) Statutory reserve	2,182,225,215	1,545,408,159
(c) General reserve	55,771,397	27,212,149
(d) Retained earnings	1,319,582,378	728,279,357
Supplementary Capital (Tier II)	976,344,800	884,003,773
(a) Exchange equalization reserve	-	31,062,166
(b) General provision on unclassified loans and advance	614,308,000	511,308,000
(c) General provision on off balance sheet item	334,000,000	220,000,000
(d) Revaluation of investment abroad (50%)	8,752,000	-
(e) Revaluation of Govt. Securities (50%)	19,284,800	121,633,607
Total Capital surplus/(deficit)	537,283,789	1,276,600,788
Capital adequacy ratio	9.78%	13.50%
Core capital	8.36%	11.07%
Supplementary capital	1.42%	2.42%
14.08 Computation of risk-weighted assets		
(Annexure - C may kindly be seen for details)		
15.00 Statutory reserve		
Balance brought forward	1,545,408,159	1,215,504,476
Transferred during the year	633,422,103	329,903,683
	2,178,830,263	1,545,408,159
15 (a) Consolidated Statutory reserve		
Balance brought forward	1,545,408,159	1,215,504,476
Transferred during the year	636,817,055	329,903,683
	2,182,225,215	1,545,408,159
16.00 Other reserve		
General reserve (Note-16.01)	55,771,397	27,212,149
Exchange equalization fund	-	31,062,166
Revaluation of investment abroad (50%)	8,752,000	-
Revaluation of Govt. Securities (50%)	19,284,800	121,633,607
	83,808,197	179,907,922
16.01 General reserve		
Opening balance	27,212,149	27,212,149
Extra ordinary gain	28,559,248	-
	55,771,397	27,212,149

	Amount in Taka	
	31-Dec-10	31-Dec-09
17.00 Surplus in Profit and Loss Account		
Balance brought forward	728,279,357	561,094,024
Bonus share issued (2009)	(435,965,200)	(402,429,400)
Net profit after Tax	1,647,110,517	899,518,416
Extra Ordinary Gain	28,559,248	-
Appropriation made during the year	(661,981,352)	(329,903,683)
Balance carried forward	1,306,002,570	728,279,357
17.01 Surplus in Profit and Loss Account		
Profit before provision	3,827,110,517	1,959,518,416
Less: Provision for loans and advances	(660,000,000)	(310,000,000)
Less: Provision for Income Tax	(1,520,000,000)	(750,000,000)
Less: Statutory reserve	(633,422,103)	(329,903,683)
Retained earning	1,013,688,413	569,614,733
Retained profit brought forward	292,314,157	158,664,624
	1,306,002,570	728,279,357
17 (a) Consolidated Surplus in Profit and Loss Account		
Balance brought forward	728,279,357	561,094,024
Bonus share issued (2009)	(435,965,200)	(402,429,400)
Net profit after Tax	1,664,085,277	899,518,416
Extra Ordinary Gain	28,559,248	-
Appropriation made during the year	(665,376,304)	(329,903,683)
Balance carried forward	1,319,582,378	728,279,357
18.00 Letter of guarantee		
Directors	-	-
Government	2,152,989,580	2,962,649,226
Banks and other financial institutions	64,204,382	104,282,030
Others	1,385,747,450	119,667,408
	3,602,941,412	3,186,598,664
19.00 Letter of credit		
Letter of credit (cash)	5,224,501,372	3,676,647,527
Letter of credit (others)	257,727,697	90,802,567
Letter of credit (back to back)	8,448,946,167	3,825,701,492
Letter of credit (inland)	-	594,872
	13,931,175,236	7,593,746,458
20.00 Bills for collection		
Inland bills collection	47,610,500	60,098,764
Foreign bills collection	3,609,247	17,070,430
Foreign documentary bills for collection	3,093,028,084	3,015,468,369
Inland documentary bills for collection	1,387,804,903	730,883,386
	4,532,052,734	3,823,520,949

	Amount in Taka	
	31-Dec-10	31-Dec-09
21.00 Income statement		
Income		
Interest, discount and similar income	5,869,831,075	4,922,947,377
Dividend income	83,641,889	10,709,159
Fees commission and brokerage	1,298,249,422	887,032,769
Gains less losses arising from investment securities	-	-
Gain less losses arising from dealing in foreign currencies	-	-
Other operating income	1,669,446,208	673,637,271
	8,921,168,594	6,494,326,577
Expenses		
Interest fee and commission	2,565,132,506	2,769,970,423
Losses on loan and advances	131,210,521	20,148,300
Administrative expenses	1,714,996,559	1,284,545,585
Other operating expenses	555,045,728	364,525,608
Depreciation on banking assets	127,672,763	95,618,245
	5,094,058,076	4,534,808,161
Profit before tax and provision	3,827,110,517	1,959,518,416

22.00 Interest income

Term loan (industrial)	568,967,746	583,992,231
Term loan (others)	628,977,123	489,578,848
House building loan	133,356,234	94,026,996
Staff house building loan	38,323,199	34,493,334
Staff loan against PF	22,686,978	19,066,559
Transport loan	101,086,437	54,816,289
Loan general	44,472,261	48,834,312
Secured overdraft	607,206,340	427,189,377
Cash credit	1,020,530,546	810,750,231
Inland documentary bill purchased (IDBP)	180,139,723	226,680,020
Foreign documentary bill purchased (FDBP)	31,546	-
Payment against document (cash)	27,141,014	56,538,226
Payment against document (forced)	39,530,262	51,783,522
Payment against document (EDF)	40,475,259	34,542,405
Payment against document (INLAND)	7,393,896	7,450,691
Payment against document (others)	13,543,660	8,961,669
Loan against imported merchandise	25,096,613	36,479,142
Loan against trust receipt	422,652,127	533,698,131
Export cash credit	50,612,099	42,560,153
Credit card	31,579,010	23,671,495
Money at call on short notice	94,860,722	35,717,030
Balance held outside Bangladesh	11,381,897	426,135
Others	43,145,580	60,711,280
Balance held inside Bangladesh	2,885,552	2,896,391
Demand loan	395,592	547,107
Margin loan on CMD	345,539,725	66,413,247
	4,502,011,136	3,751,824,822
Rental income from lease	138,903,455	120,324,182
	4,640,914,591	3,872,149,004

	Amount in Taka	
	31-Dec-10	31-Dec-09
22 (a) Consolidated Interest income		
IFIC Bank Limited	4,640,914,591	3,872,149,004
Off-shore Banking Unit	26,364,926	-
	4,667,279,517	3,872,149,004
23.00 Interest paid on deposits, borrowings, etc.		
Saving bank deposit	345,799,216	305,721,163
Short term deposit	230,399,362	254,534,025
Fixed deposit	1,778,958,400	1,991,473,505
Non resident FC deposit	1,369,489	4,004,126
Resident FC deposit	75,560	568,944
Pension savings scheme	159,248,587	182,388,434
Monthly income scheme	11,847,399	9,395,158
Call deposit	33,046,417	9,094,644
Others	2,579,736	8,649,385
Discount paid	1,549,516	1,451,859
FCAD	258,824	2,689,179
	2,565,132,506	2,769,970,423
23 (a) Interest paid on deposits, borrowings, etc.		
IFIC Bank Limited	2,565,132,506	2,769,970,423
Off-shore Banking Unit	9,390,166	-
	2,574,522,672	2,769,970,423
24.00 Income from investment		
Gain from sale of shares	278,573,031	151,639,246
Dividend on share	83,641,889	10,709,159
Prize bond	1,000	15,000
Debenture/bond	6,304,356	5,291,650
Treasury bill/bond (Note-24.01)	736,058,965	636,184,058
Dividend & Magt. Fees (OIE) LLC	11,417,177	10,993,840
FDR	196,561,955	246,674,579
	1,312,558,373	1,061,507,533
24.01 Treasury bill/bond		
Interest on treasury bill/bond	1,066,323,398	636,184,058
Less: Holding period intt. On HFT/HTM	330,264,433	-
	736,058,965	636,184,058
25.00 Commission, Exchange and Brokerage		
Commission (Note - 25.01)	497,515,198	390,261,922
Exchange (Note - 25.02)	466,535,280	455,804,155
Brokerage (Note - 25.03)	334,198,944	40,966,692
	1,298,249,422	887,032,768

	Amount in Taka	
	31-Dec-10	31-Dec-09
25.01 Commission		
Bills purchased	4,293,666	3,124,578
Remittances (inland)	40,473,682	40,914,662
Remittances (foreign)	6,973,841	10,473,005
Letter of guarantee (LG)	33,904,223	26,489,777
Letter of credit (cash, barter/BB, WES)	211,935,515	164,175,234
IFDBC, FDDB & LDDB	133,406,304	98,923,296
Loan against imported merchandise (LIM)	111,313	116,156
Shares (subscription)	1,438,891	426,672
Letter of credit (others)	5,758,640	6,855,754
Others (commission)	52,339,924	33,766,827
Com. on sanchaya patra, reimbursement etc.	6,879,199	4,995,962
	497,515,198	390,261,922
25.02 Exchange		
Rebate from foreign correspondent	35,606,209	30,350,990
Exchange gain from revaluation, FC & others	430,929,071	425,453,165
	466,535,280	455,804,155
25.03 Brokerage		
Brokerage	59,460	1,617,206
Brokerage commission of CMD	334,139,484	39,301,419
Others	-	48,067
	334,198,944	40,966,692
26.00 Other operating income		
Locker rent	5,949,823	5,912,405
Godown rent & others	2,705,202	3,092,536
Postage charge recovery	24,221,707	24,806,995
Telex charge recovery	395,205	1,191,289
SWIFT recovery	45,667,097	54,796,202
Incidental charge recovery	1,110	11,556,680
Legal charge recovery	7,800	300
Godown insurance recovery	830,003	894,424
Stationery expenses recovery	2,891,690	2,699,310
Gain on sales of fixed assets (Note-35.01)	856,647	-
ATM recovery	69,785	3,892,349
Recovery on written off advance	1,146,597,629	73,755,906
Miscellaneous earning	61,385,825	54,636,900
Processing fee, annual fee, cash adv. fee, etc.	16,354,632	6,066,480
Capital market division	3,302,957	6,750,401
Service charge & Others	130,550,402	94,998,676
	1,441,787,514	345,050,855
27.00 Capital gain		
Government treasury bond	227,658,694	327,451,166
Government treasury bills	-	1,135,250
	227,658,694	328,586,416

	Amount in Taka	
	31-Dec-10	31-Dec-09
28.00 Salaries and allowances		
Basic pay	493,969,597	385,022,059
House rent	221,957,735	158,947,892
Conveyance allowance	26,428,614	24,129,570
Medical	47,718,097	37,105,062
Entertainment	47,771,797	38,820,029
Bonus	222,474,009	157,555,610
PF (Bank's contribution)	44,164,073	35,103,065
Gratuity	207,352,023	139,446,585
Others	29,145,515	23,365,103
	1,340,981,459	999,494,974

Number of employees for the year 2010 who were paid remuneration less than Tk. 36,000 was nil. Number of employees employed in the Bank at the end of the year 2010 were 2,315.

29.00 Rent, taxes, insurance, lighting and travelling

Rent	174,695,554	120,124,025
Rates, taxes and utilities	31,649,018	20,957,668
Insurance	43,200,187	35,846,891
Lighting	26,087,907	21,424,873
Travelling and conveyance	32,310,042	28,676,331
	307,942,708	227,029,788

30.00 Postage, stamp, telecommunication etc.

Postage	17,457,079	15,332,194
Telegram	1,547	2,848
Telex	7,831	18,810
Telephone (office)	8,475,810	8,751,229
Telephone (residence)	10,702,153	7,504,783
Reuter	4,725,975	4,906,066
Commiunication facilities (VAST,radio etc.)	3,800,162	2,685,054
SWIFT charges	10,184,686	8,879,054
	55,355,243	48,080,038

31.00 Stationery, printing, advertisement, etc.

Printing and stationery	12,325,935	6,655,295
Security stationery	6,691,088	4,358,431
Petty stationery	10,784,392	9,160,245
Computer stationery	8,145,109	6,155,495
Advertisement and publicity	21,070,129	21,693,924
	59,016,653	48,023,390

	Amount in Taka	
	31-Dec-10	31-Dec-09
32.00 Managing director's salary		
Basic	2,500,000	2,400,000
House rent	1,200,000	1,200,000
House maintenance	625,000	600,000
PF (Bank's contribution)	250,000	240,000
Entertainment	900,000	900,000
Festival bonus	400,000	400,000
	5,875,000	5,740,000

33.00 Director's fee

Meeting fees	1,289,000	1,012,000
Other benefits	-	-
	1,289,000	1,012,000

Each Director is paid Tk. 5,000 per meeting per attendance effective from 18 January 2010.

34.00 Repair, Maintenance and Depreciation of Assets

Depreciation	127,672,763	95,618,245
Property maintenance and repairs	76,771,882	41,232,961
Vehicles maintenance and repairs	37,479,611	32,828,885
	241,924,255	169,680,091

35.00 Other expenses

Library expenses	124,319	102,959
Crockeries	516,650	292,435
Entertainment	13,456,547	10,809,561
Newspapers and periodicals	966,312	814,999
Petrol, oil and lubricants	57,606,529	49,225,074
Subscription and donation	16,083,911	7,643,330
Uniforms and liveries	1,314,453	1,274,895
AGM expenses	12,516,525	14,920,897
Business development	16,578,848	6,832,718
Miscellaneous	20,610,328	10,216,966
Loss on sales of fixed assets (Note-35.01)	-	179,055
Loss on sales of shares	-	31,591,798
Laga & Howla	23,089,576	-
Brokerage	23,237,634	-
Revaluation loss - HFT	158,306,544	91,698,811
Others	37,369,406	16,836,875
	381,777,582	242,440,373

	Amount in Taka	
	31-Dec-10	31-Dec-09
35.01 This represents gain/ (loss) on sales of the following fixed assets		
Cost of	19,797,452	2,870,802
Motor vehicle	8,714,800	-
Furniture and fixture	1,999,226	836,202
Office appliances	4,200,945	1,532,700
Electrical appliances	4,882,480	501,900
Less : Accumulated depreciation	17,006,688	2,408,636
Motor vehicle	8,491,776	-
Furniture and fixture	1,335,555	657,765
Office appliances	3,245,967	1,414,345
Electrical appliances	3,933,389	336,526
Written down value	2,790,764	462,166
Sale proceeds of above fixed assets	3,647,411	283,111
Total sales of above fixed assets	3,647,411	283,111
Total gain / (loss) on sales of fixed assets	856,647	(179,055)
36.00 Provision for advance, other assets & off balance sheet items		
Provision for classified advances	401,500,000	300,000,000
Provision for unclassified advances (including OBU)	103,000,000	10,000,000
Provision for other assets	41,500,000	-
Provision for off-balance sheet items	114,000,000	-
	660,000,000	310,000,000
37.00 Cash received from other operating activities		
Brokerage	334,198,944	40,966,692
Rent	8,655,025	9,004,941
Income from investment	1,228,916,483	1,050,798,373
Other receipts	295,189,885	262,290,008
Capital gain	227,658,694	328,586,416
	2,094,619,031	1,691,646,431
38.00 Cash paid for other operating activities		
Postage, telegram & telephone	55,355,243	48,080,038
Rent paid	174,695,554	120,124,025
Rates, taxes & utilities	31,649,018	20,957,668
Insurance premium paid	43,200,187	35,846,891
Lighting	26,087,907	21,424,873
Stationery, printing, advertisement, etc.	59,016,653	48,023,390
Travelling expenses	32,310,042	28,676,331
Auditors fee	500,000	500,000
Directors fee	1,289,000	1,012,000
Legal expense	3,053,149	2,688,785
Other expenses	339,011,531	316,445,888
	766,168,284	643,779,889

	Amount in Taka	
	31-Dec-10	31-Dec-09
39.00 Cash and cash equivalents		
Cash in hand	988,681,208	670,698,497
Balance with Bangladesh Bank & Sonali Bank	3,581,489,539	3,963,281,583
Balance with other banks and financial Institutions	3,055,765,005	8,155,648,754
Money at call and short notice	-	200,000,000
Govt. Securities	6,832,283,560	7,761,524,888
Prize Bonds	4,747,300	5,019,600
	14,462,966,613	20,756,173,322
40.00 Other assets		
Opening other assets	2,419,136,205	1,671,901,710
Less : Closing other assets	(2,680,361,641)	(2,419,136,205)
Add : Tax paid during the year	835,992,442	535,435,085
	574,767,007	(211,799,410)
40(a) Consolidated other assets		
IFIC Bank Limited	574,767,007	(211,799,410)
Off-shore Banking Unit	(12,233,772)	-
	562,533,235	(211,799,410)
41.00 Other liabilities		
Closing other liabilities		
Exporter's F.C. account	1,549,877,472	1,448,513,749
Accrued expenses	35,298,747	11,107,018
Interest suspense	2,095,590,111	2,309,538,064
Others	3,407,223,236	3,576,981,723
	7,087,989,567	7,346,140,554
Written-off	139,022,841	-
	7,227,012,408	7,346,140,554
Less : Opening other liabilities		
Exporter's F.C. account	1,448,513,749	1,101,165,259
Accrued expenses	11,107,018	20,882,879
Interest suspense	2,309,538,064	2,279,259,070
Others	4,828,599,968	3,386,589,795
	8,597,758,799	6,787,897,003
Written-off	-	(438,077,765)
	(8,597,758,799)	(7,225,974,768)
Increase/(decrease) for the year	(1,370,746,391)	120,165,786
42.00 Gratuity		

The company has a gratuity scheme which has been approved on October 2007 by the National Board of Revenue as per the provision of first schedule (Part - C) of the Income Tax Ordinance, 1984. Total fund against the gratuity upto 31 December 2010 stands at Tk. 662,397,413 against required amount of Tk. 665,327,385.

Amount in Taka	
31-Dec-10	31-Dec-09

43.00 Earning Per Share (EPS)

Net profit after tax	1,647,110,517	899,518,416
Number of ordinary shares outstanding (2009 : Adjusted for bonus share)	21,798,260	21,798,260
Earning Per Share(EPS)	75.56	41.27

43(a) Consolidated Earning Per Share (EPS)

Net profit after tax	1,664,085,277	899,518,416
Number of ordinary shares outstanding (2009 : Adjusted for bonus share)	21,798,260	21,798,260
Earning Per Share(EPS)	76.34	41.27

44.00 Reconciliation of books of accounts

A provision of Taka 8,945,915.54 has been made against un-reconciled debit entries in NOSTRO Accounts. Other books of accounts related to inter Bank (in Bangladesh and outside Bangladesh) and inter-branch entries are reconciled and there is no material difference which may affect the financial statements significantly.

45.00 Auditors' work hour


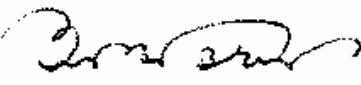

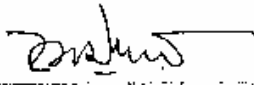



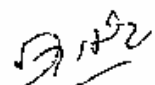
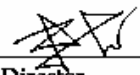
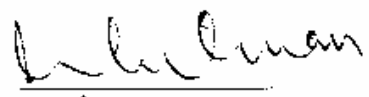
The external auditor of the Bank, M/s. M. J. Abedin & Co, Chartered Accountants worked more than 4,200 man-hour at the Bank's Head Office and different branches. During their audit, they audited above 80% of the Bank's risk weighted assets as on the reporting date.

46.00 Related party disclosure

Please see annexure - D for details.

47.00 Audit committee

Please see annexure - E for details.

 Mohammad Abdullah Managing Director	 Director	Director	Director
 Director	 Director	Director	 Director
 Director	 Director	Director	Director
 Director	 Director	 Chairman	

Annexure - A

POSITION OF LARGE LOANS (MORE THAN 10% OF THE TOTAL CAPITAL)

As on 31 December 2010

(Taka in Crore)

Sl. No.	Name of the Client	Outstanding Balance as on 31 December 2010			Amount Classified
		Funded	Non-Funded	Total	
1	ACE-SWEE HONG JOINT VENTURE	14.78	-	14.78	-
	SOILTECH INTERNATIONAL LTD	158.01	0.10	158.11	-
	WAHIDUNNABI	4.78	-	4.78	-
	SOILTECH INTERNATIONAL LTD. AND IJM	6.13	12.86	18.99	-
2	ISLAM BROTHERS PROPERTIES LTD.	118.81	-	118.81	-
3	STYLO APPARELS INDS.LTD.	2.86	8.83	11.69	-
	STYLO KNITWEAR (PVT) LTD.	0.20	-	0.20	-
	STYLO FASHION GARMENTS LIMITED	23.36	32.15	55.51	-
4	NEW AGE FASHIONWEAR LTD.	0.01	34.25	34.26	-
	NEW AGE GARMENTS LTD.	1.43	16.04	17.47	-
	NEWAGE APPARELS LTD.	0.12	25.70	25.82	-
5	DEKKO KNITWEAR LTD.	8.60	59.30	67.90	-
	EPYLLION KNITEX LTD.	20.49	35.14	55.63	-
6	TIFFINY'S WEAR LTD.	3.03	14.04	17.07	-
	CONSUMER PRODUCTS LTD.	2.35	9.92	12.27	-
	FOUR WINGS LTD.	1.54	12.20	13.74	-
	SAVILLE ROW LTD.	1.18	3.71	4.89	-
7	ISLAM GARMENTS LTD.	55.27	264.36	319.63	-
8	ZENITH PACKAGES LTD.	0.78	-	0.78	-
	AEGIS COTTON MILLS LTD.	54.73	24.29	79.02	-
9	SHAGORE GARMENTS LTD.	15.87	26.40	42.27	-
	MINIMEX LTD.	3.13	-	3.13	-
	OPTIMUM LTD.	6.52	14.05	20.57	-
	THE ACCESSORIES LTD.	4.00	1.95	5.95	-
	STYRAX FASHIONS LTD.	2.86	8.23	11.09	-
10	ORNATE KNIT GARMENTS IND'S LTD.	0.83	1.25	2.08	-
	TITANIK PRODUCTS LTD.	0.88	0.81	1.69	-
	TEX TOWN LTD.	24.78	48.64	73.42	-
11	MISWAR HOSIERY MILLS(P) LIMITED	4.90	9.99	14.89	-
	ABDUS SATTER.	9.49	-	9.49	9.49
	INTERNATIONAL DYASTUFF CORPORATION	6.58	-	6.58	-
	V-TEAC GARMENTS (PVT.) LTD.	-	1.91	1.91	-
	SHAMEEM ENTERPRISE	2.15	-	2.15	2.15
12	KNIT CONCERN LTD.	39.64	80.55	120.19	-
13	WISDOM ATTIRE LTD.	23.72	66.30	90.02	-
14	PHP CONTINUOUS GALVANIZING MILLS LTD.	2.42	-	2.42	-
15	ABUL KHAIR STEEL PRODUCTS LTD.	-	0.15	0.15	-

Sl. No.	Name of the Client	Outstanding Balance as on 31 December 2010			Amount Classified
		Funded	Non-Funded	Total	
	SHAH DAIRY FOODS LTD.	-	0.98	0.98	-
	ABUL KHAIR CONDENSED MILK & BEVERAGE LTD	-	0.45	0.45	-
	ABUL KHAIR LIMITED	-	1.06	1.06	-
	SHAH CEMENT IND. LTD.	12.39	26.78	39.17	-
	ABUL KHAIR CONSUMAR PRODUCTS LTD.	20.20	-	20.20	-
	ABUL KHAIR MILK PRODUCTS LTD.	11.38	5.69	17.07	-
16	BENGAL SACK CORPORATION LTD.	20.02	0.91	20.93	-
	T.K. GAS & GAS CYLINDER LTD.	1.69	-	1.69	-
	PROGRESSIVE CONTAINERS LTD.	2.58	-	2.58	-
	CHITTAGONG BAGS LIMITED	6.29	0.44	6.73	-
17	HOPE PACKAGING LTD.	0.23	-	0.23	-
	SONIA & SWEATERS LTD.	9.69	31.19	40.88	-
	SONIA FINE KNIT LTD.	1.25	0.32	1.57	-
	NABA KNIT COMPOSITE LTD.	5.63	28.85	34.48	-
18	SHIRT MAKERS LIMITED	4.79	35.50	40.29	-
	SECTION SEVEN LIMITED	29.32	68.25	97.57	-
19	ISLAM KNIT DESIGNS LTD.	19.11	69.77	88.88	-
20	MARIUM TEXTILE MILLS LTD.	4.96	-	4.96	-
	ZABER & ZUBVAIR FABRIES LTD.	20.15	-	20.15	-
	TALHA SPINNING MILLS LIMITED	23.37	20.06	43.43	-
21	SAMANNAZ CONDENSED MILK LTD.	19.53	13.01	32.54	-
	SUNRISE TRADERS	1.77	15.55	17.32	-
22	CONSUMER KNITEX LTD.	68.11	3.48	71.59	6.97
23	K.C. APPARELS LTD.	29.03	67.01	96.04	-
24	CITY SUGAR INDUSTRIES LTD.	16.62	-	16.62	-
	SHAMPA FLOUR MILLS LTD.	7.82	-	7.82	-
25	UNITED FIBRE INDUSTRIES LTD.	-	2.90	2.90	-
	TANVEER OILS LTD.	-	11.36	11.36	-
	UNIQUE CEMENT INDUSTRIES LTD.	-	17.36	17.36	-
	TANVEER DIL MILL & FLOUR MILLS LTD.	0.04	-	0.04	-
26	CHITTAGONG ISPAT	31.32	-	31.32	-
27	CELLULAR MOBILE (PTE) LIMITED	18.22	15.22	33.44	-
28	BSRM STEELS LTD.	6.35	-	6.35	-
	BSRM STEELS LTD.	13.13	54.69	67.82	-
29	ABDUL MONEM LIMITED	28.40	10.35	38.75	-
30	KHAWJA AJMEER STEEL INDUSTRIES	35.20	-	35.20	-
31	TECHNO ELECTRICALS LTD.	4.80	1.85	6.65	-
32	RFL PLASTICS LIMITED	2.55	-	2.55	-
	BANGA BUILDING MATERIALS LIMITED	7.96	0.50	8.46	-
	DURABLE PLASTIC LIMITED	12.92	17.95	30.87	-
	AGRICULTURAL MARKETING CO.LTD.	4.56	-	4.56	-
	BANGA BUILDING MATERIALS LIMITED	1.92	-	1.92	-
	PRAN EXPORTS LTD.	-	15.44	15.44	-
33	RADIAL INTERNATIONAL LTD.	35.90	55.14	91.04	-

Sl. No.	Name of the Client	Outstanding Balance as on 31 December 2010			Amount Classified
		Funded	Non-Funded	Total	
34	PARTEX DENIM LIMITED	-	41.95	41.95	-
	PARTEX DENIM LIMITED	6.59	-	6.59	-
35	MAK CORPORATION	30.98	-	30.98	-
36	BANGLADESH GAS FIELD CO.LTD.	-	29.33	29.33	-
	BANGLADESH GAS FIELD CO.LTD.	-	9.85	9.85	-
37	POPULAR DIAGNOSTIC CENTRE LTD.	14.95	0.23	15.18	-
	POPULAR SPECIALISED HOSPITAL LTD.	33.20	0.47	33.67	-
38	APPAREL GALLERY LIMITED	6.47	0.02	6.49	-
	THAT'S IT GARMENTS LIMITED	5.16	-	5.16	-
	ARTISTIC DESIGN LTD.	10.31	-	10.31	-
39	UNIQUE GROUP OF COMPANIES LTD.	61.87	-	61.87	-
40	BASHUNDHARA PAPER MILLS LIMITED	32.84	-	32.84	-
41	UTTARA JUTE FIRBRES & INDUSTRIES LTD.	27.12	0.49	27.61	-
	UTTARA TRADERS (PVT.) LIMITED	10.98	-	10.98	-
	UTTARA ACRYLIC MILLS LIMITED	19.70	2.31	22.01	-
	UTTARA SPINNING MILLS LTD.	2.89	2.08	4.97	-
42	RAHIM AFROOZ DISTRIBUTION LTD.	18.95	9.95	28.90	-
43	SILVER LINE COMPOSIT TEXTILE MILLS LTD.	72.07	67.94	140.01	-
44	CASSIOPIA APPARELS LTD	4.66	72.96	77.62	-
	CASSIOPIA FASHION LTD	-	8.10	8.10	-
Total		1,524.17	1,650.86	3,175.03	18.61

FIXED ASSETS SCHEDULE
As at 31 December 2010

Sl. No.	Particulars	Cost				Rate %	Depreciation				Written down value as at 31 Dec. 2010
		As at 01 Jan. 2010	Addition during the year	Sale/Adjust. during the year	As at 31 Dec. 2010		As at 01 Jan. 2010	Charged during the year	Adjustment during the year	As at 31 Dec. 2010	
01	Land	-	339,318,759	-	339,318,759		-	-	-	-	339,318,759
02	Building	199,964,014	1,108,441,279	-	1,308,405,293	2.50	7,658,422	32,518,672	-	40,177,093	1,268,228,200
03	Wooden Furniture	82,310,914	9,378,951	1,259,339	90,430,526	10	45,505,513	4,577,257	847,529	49,235,242	41,195,284
04	Steel Furniture	36,499,428	4,750,962	544,162	40,706,228	10	19,889,763	2,113,368	317,208	21,685,923	19,020,305
05	Office Equipment	531,190,760	42,120,261	2,257,863	571,053,158	20	305,024,630	53,588,966	1,916,301	356,697,295	214,355,863
06	Electrical & Gas Equipment	173,302,997	44,281,660	4,882,480	212,702,177	20	102,628,846	22,801,364	3,933,389	121,496,821	91,205,356
07	Improve & Leasehold Premises	116,623,577	23,217,606	1,943,082	137,898,101	10	57,698,691	8,152,911	1,329,666	64,521,936	73,376,165
08	Motor Vehicles	58,409,251	2,580,000	8,714,800	52,274,451	20	44,355,350	3,282,176	8,491,776	39,145,749	13,128,702
09	Soft Furnishing	8,907,006	897,685	195,725	9,608,966	40	8,184,658	638,049	170,818	8,651,890	957,077
Total As at 31 Dec. 2010		1,207,207,947	1,574,987,164	19,797,452	2,762,397,659		590,945,873	127,672,763	17,006,688	701,611,948	2,060,785,711
Total As at 31 Dec. 2009		1,011,022,162	201,867,200	5,681,415	1,207,207,947		499,588,087	95,618,245	4,260,459	590,945,873	616,262,074

Annexure -C

COMPUTATION OF RISK -WEIGHTED ASSETS
As at 31 December 2010

1.00 Risk Weighted Assets for Credit Risk Balance Sheet Exposures

(Figs. in crore Tk.)

Sl. No.	Exposure Type	BB's Rating Grade*	Exposure	Risk Weight	Risk Weighted Asset
1	2	3	4	5	6 = (5x4)
a)	Cash		99.47	-	-
b)	Claims on Bangladesh Government and Bangladesh Bank		539.24	-	-
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	7.90	0.50	3.95
g)	Claims on Banks and NBFIs				
	i) Maturity over 3 months	1	0.74	0.20	0.15
		2,3	97.26	0.50	48.63
		4,5	-	1.00	-
		6	-	1.50	-
		Unrated	128.97	1.00	128.97
	ii) Maturity less than 3 months		451.43	0.20	90.29
h)	Claims on Corporate (excluding equity exposure)	1	-	0.20	-
		2	-	0.50	-
		3,4	-	1.00	-
		5,6	-	1.50	-
		Unrated	1,690.43	1.25	2,113.04
i)	Claims under Credit Risk Mitigation [From Work Sheet - 1 (a)]	PSE	-	N/A	-
		Banks & NBFIs	-	N/A	-
		Corporate	100.89	N/A	7.96
		Retail & SME	88.13	N/A	5.01
		Consumer finance	65.12	N/A	2.33
		Residential property	-	N/A	-
		Commercial real estate	-	N/A	-

Sl. No.	Exposure Type	BB's Rating Grade*	Exposure	Risk Weight	Risk Weighted Asset
1	2	3	4	5	6 = (5x4)
Fixed Risk Weight Groups					
j)	Claims categorized as retail portfolio & SME (excluding consumer loan).		557.00	0.75	417.75
k)	Consumer Loan		67.89	1.00	67.89
l)	Claims fully secured by residential property		581.50	0.50	290.75
m)	Claims fully secured by Commercial real estate		582.49	1.00	582.49
n)	Past Due Claims (Risk weights are to be assigned net of specific provision):				
1	The claim (other than claims secured by eligible residential property) that is past due for more than 90 days and/or impaired will attract risk weight as follows:				
i)	Where specific provisions are less than 20 percent of the outstanding amount of the past due claim;		144.14	1.50	216.21
ii)	Where specific provisions are not less than 20 percent of the outstanding amount of the past due claim;		10.93	1.00	10.93
iii)	Where specific provisions are more than 50 percent of the outstanding amount of the past due claim;		32.71	0.50	16.36
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		35.01	1.00	35.01
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.		2.89	0.75	2.17
o)	Capital Market Exposure		164.11	1.25	205.14
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			1.25	-
r)	Investments in premises, plant and equipment and all other fixed assets		206.08	1.00	206.08
s)	Claims on all fixed assets under operating lease		96.78	1.00	96.78

Sl. No.	Exposure Type	BB's Rating Grade*	Exposure	Risk Weight	Risk Weighted Asset 6 = (5x4)
1	2	3	4	5	6 = (5x4)
t)	All other assets				-
	i) Claims on GoB & BB (eg. advanced income tax, reimbursement of patirakkha/shadharon shanchay patra, etc.)		54.94	0.00	-
	ii) Staff loan/Investment		123.75	0.20	24.75
	iii) Cash items in Process of Collection			0.20	-
	iv) Claims on Off-shore Banking Units (OBU)		126.28	1.00	126.28
	v) Other assets (net off specific provision, if any)		75.50	1.00	75.50
	Sub-Total		6,131.59		4,774.42

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

a)	Claims on Bangladesh Government and			0	
b)	Claims on other Sovereigns & Central				
c)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank			0	
	Claims on Multilateral Development Banks (MDBs):				
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB			0	
	ii) Others MDBs	1		0.20	
		2,3		0.50	
		4,5		1.00	
		6		1.50	
		Unrated		0.50	
d)	Claims on Public Sector Entities (other than Government) in Bangladesh	1		0.20	
		2,3		0.50	
		4,5		1.00	
		6		1.50	
		Unrated		0.50	
e)	Claims on Banks & NBFIs				
	i) Maturity over 3 months	1		0.20	
		2,3		0.50	
		4,5		1.00	
		6		1.50	
		Unrated		0.50	
	ii) Maturity less than 3 months			0.20	
f)	Claims on Corporate (excluding equity exposure)	1		0.20	
		2		0.50	
		3,4		1.00	
		5,6		1.50	
		Unrated	315.09	1.25	393.86
g)	Against retail portfolio & SME (excluding		142.14	0.75	106.61
h)	Consumer Loan			1.00	
i)	Claims fully secured by residential			0.50	
j)	Claims fully secured by commercial real			1.00	
k.)	Investments in venture capital			1.50	
l)	All other assets			1.00	
	Sub-Total		457.23		500.47

3.00 Capital Charge for Market Risk (Balance Sheet Exposures)

(Figs. in crore Tk.)

Sl. No.	Market Risk		Capital Charge	Risk Weight	Total Capital Charge
a	Interest Rate Related Instruments		15.24	11.11	169.32
b	Equities		54.87	11.11	609.61
c	Foreign Exchange Position		0.17	11.11	1.89
d	Commodities		0.00	11.11	0.00
Sub-Total			70.28		780.82

4.00 Capital Charge for Operational Risk (Basic Indicator Approach)

(Figs. in crore Tk.)

Sl. No.	Operational Risk		Capital Charge	Risk Weight	Total Capital Charge
a	Gross Income		72.64	11.11	807.03
Sub-Total			72.64		807.03
Grand Total Risk Weighted Assets					6862.74

Related Party Disclosures
Particulars of Directors as on 31 December 2010

i) Name of the Directors and their interest in Bank

Sl. No.	Name of the Directors	Designation	% of interest i.e. shareholding in Bank as on 31 Dec. 2010	% of interest i.e. shareholding in Bank as on 31 Dec. 2009
01.	Mr. Salman F Rahman	Chairman	0.0046	N/A
02.	Mr. Mohammad Lutfar Rahman	Director	2.83	2.83
03.	Mr. Abu Tahir Mohammad Golam Maruf	Director	0.0625	0.13
04.	Mr. Aminur Rahman	Director	0.0024	0.0024
05.	Mr. Syed Anisul Huq (Representing M/s. Art International Ltd.)	Director	0.0006	0.0006
06.	Mr. Mohammed Nayem Syed (Representing M/s. Red-Sea International Ltd.)	Director	0.0006	0.0006
07.	Mr. Anwaruzzaman Chowdhury	Director	0.0005	N/A
08.	Mr. Monirul Islam	Director	0.0005	N/A
09.	Mr. Tanim Noman Sattar	Independent Director	Nil	Nil
10.	Mr. Mahmudul Huq Bhuiyan	Govt. nominated Director	32.75	32.75
11.	Mr. Arastoo Khan	Govt. nominated Director		
12.	Mr. Syed Monjurul Islam	Govt. nominated Director		
13.	Mr. Mohammad Ali Khan, ndc	Govt. nominated Director		
14.	Mr. Mohammad Abdullah	Managing Director	Nil	N/A

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

Sl. No.	Name of the Directors	Entities where they have interest	Position
01.	Mr. Salman F Rahman, Chairman	Bangladesh Export Import Co. Ltd. Beximco Pharmaceuticals Ltd Bextex Ltd. Beximco Synthetics Ltd. Shinepukur Ceramics Ltd. Bangladesh Online Ltd. Beximco Holdings Ltd. Beximco Engineering Ltd. Beximco Computers Ltd. New Dacca Industries Ltd. Sonali Ansh Ltd. Esses Exporters Ltd. Beximco Apparels Ltd. Beximco Property Development and Management Ltd. International Knitwear & Apparels Ltd. Beximco Fashions Ltd.	Vice Chairman " " " " " " " " " " " " " " " "
02	Mr. Mohammad Lutfar Rahman, Director	Dhaka - Shanghai Ceramics Ltd. Diaper Limited Latif Securities Ltd. Union Insurance Ltd. National Television Ltd - RTV New England Equity Ltd. Business Capital Shares & Securities Ltd.	Managing Director Managing Director Managing Director Director Director
03.	Mr. Abu Tahir Mohammad Golam Maruf, Director	Zayeem Agro Ind. Ltd Zayeem Impex Ltd. Z-Stone Ind. Ltd. Zayeem Impex	Chairman Managing Director Managing Director Managing Director
04.	Mr. Aminur Rahman, Director	IMS Health Bangladesh Limited	Managing Director
05.	Mr. Syed Anisul Huq (Representing M/s. Art International Ltd.) Director	--	--
06.	Mr. Mohammed Nayem Syed (Representing M/s. Red-Sea International Ltd.) Director	Karnaphuly Printers Ltd. Xpeed Communication	-- -
07.	Mr. Anwaruzzaman Chowdhury, Director	-	-
08.	Mr. Monirul Islam, Director	Cosmo Sizing & Weaving Mills Ltd. Ramna Chinese & Thai Food Ltd.	Managing Director Director
09.	Mr. Tanim Noman Sattar, Independent Director	-	-
10.	Mr. Mahmudul Huq Bhuiyan, Govt. nominated Director	Director General, Directorate of Jute, Motijheel, Dhaka	Additional Secretary
11.	Mr. Arastoo Khan, Govt. nominated Director	Economic Relations Division, Ministry of Finance, Sher-E-Bangla Nagar, Dhaka.	Additional Secretary
12.	Mr. Syed Monjurul Islam , Govt. nominated Director	Finance Division, Ministry of Finance, Bangladesh Secretariat, Dhaka	Additional Secretary
13.	Mr. Mohammad Ali Khan, ndc Govt. nominated Director	Ministry of Land, Bangladesh Secretariat, Dhaka.	Joint Secretary
14.	Mr. Mohammad Abdullah Managing Director	-	-

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

Sl. No.	Name of Party	Related by	Amount in lac	
			Direct Loan	Indirect Loan
1	Mr. Syed Monjurul Islam	Director	0.84	-
2	Dr. Humaira Islam Khan	Director	0.97	-
3	Mr. Lutfar Rahman	Director	0.74	-
4	M/S Bextex Ltd.	Director	-	34.00
Total			2.55	34.00

- (vi) Lending policies to related parties

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

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

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

AUDIT COMMITTEE**a) Particulars about the members of the Audit Committee**

Sl. No.	Name	Status held in the Bank	Status held in the Audit Committee	Educational Qualification
01	Mr. Mahmudul Huq Bhuiyan	Director	Convenor	B.A (Hons.), M.A. in Public Administration
02	Mr. Syed Monjurul Islam	Director	Member	B.Com (Hons.), M.B.A.
03	Mr. Tanim Noman Sattar	Independent Director	Member	M.B.A.

B) No. of meetings held by the Committee during the year 2010 : 10 (Ten) Meetings.

Sl. No.	Meeting Particulars	Meeting held on
01	45 th Audit Committee Meeting	06.01.2010
02	46 th Audit Committee Meeting	11.02.2010
03	47 th Audit Committee Meeting	14.03.2010
04	48 th Audit Committee Meeting	18.04.2010
05	49 th Audit Committee Meeting	17.05.2010
06	50 th Audit Committee Meeting	06.06.2010
07	51 st Audit Committee Meeting	11.07.2010
08	52 nd Audit Committee Meeting	24.08.2010
09	53 rd Audit Committee Meeting	06.10.2010
10	54 th Audit Committee Meeting	20.12.2010

C) The Audit Committee, in the above 10 (Ten) Meetings, held during the year 2010, discussed many issues, some of which are:

- Compliance Report on observations, recommendations and decisions of the Audit Committee Meetings.
- Highlights from Bangladesh Bank Comprehensive Inspection Reports on the Branches as well as various Divisions of Head Office of the Bank.
- Bangladesh Bank Inspection Report on i) Small Enterprise Financing, ii) Asset Liability Management, iii) Foreign Exchange Risk Management and iv) Internal Control and Compliance.

- Audit & Inspection Reports on the Branches as well as various Divisions of Head Office conducted by Internal Control & Compliance Division during the year 2010.
- Surprise Inspection of the Branches conducted by Internal Control & Compliance Division of the Bank during the year 2010.
- Status of Compliance on irregularities and lapses/errors and omissions observed in Internal Audit & Inspection Reports of various Branches conducted for the quarters ended as on 30 September 2009 & 31 December 2009.
- Branch-wise Recovery Position of Non-Performing Loans (NPL) upto November 2009.
- Proposed Agenda for Meetings of the Audit Committee to be held during the month from January to December 2010.
- 2nd Comprehensive Bangladesh Bank Inspection Report on Foreign Exchange Business & Transaction on the Bank as on the position of 31 May 2009.
- Action plan for quick disposal of the new and pending court cases.
- Up to date position of the Pending Court cases filed against the defaulting borrowers on quarterly basis.
- Branch-wise Recovery Position of Non-Performing Loans (NPL) upto December, 2009.
- Brief Highlights on Audit & Inspection Report of our Head Office Divisions conducted by Internal Control & Compliance Division.
- Compliance memo for strengthening of Internal Control & Compliance Division.
- Bangladesh Bank Inspection Report on i) Credit Risk Management & ii) Consumer Financing.
- Branch-wise Recovery Position of Non-performing Loans (NPL) for January 2010.
- Summary of Accounts for the year ended 31 December 2009.
- Management Report on the Financial Statements of the Bank for the year 2009.
- Directors' Report 2009.
- Comparative position of Bangladesh Bank Special Inspection Reports on CRM Division for last 3 (three) years.
- Annual report on the Health/Overall status of IFIC Bank Ltd. for the year 2009.

- Summary report on findings of Audit & Inspection of the Branches of the Bank conducted by Audit & Inspection Department of ICC during the year 2009.
- Branch-wise Recovery Position of Non-performing Loans (NPL) upto March 2010.
- Un-audited Accounts for the first half year ending on 30 June 2010.
- Action plan for quick disposal of the pending court cases (old cases).
- 3rd Comprehensive Bangladesh Bank Inspection Report on Foreign Exchange Business & Transaction on our Bank as on the position of 28 February 2010.
- Branch-wise Recovery Position of Non-Performing Loans (NPL) upto July 2010.
- Status of Compliance on irregularities and lapses/errors and omissions observed in Internal Audit & Inspection Reports of 22 (Twenty two) Branches of the Bank conducted for the Quarter ended on 30 June 2010.
- Un-audited Accounts for the Quarter ended on 30 September 2010.
- Status of Compliance on irregularities and lapses/errors and omissions observed in Internal Audit & Inspection Reports of 19 (Nineteen) Branches of the Bank conducted for the Quarter ended on 30 September 2010.
- Branch-wise Recovery Position of Non-Performing Loans (NPL) upto October 2010.

FINANCIAL HIGHLIGHTS OF THE BANK

As at 31 December 2010

Sl. No.	Particulars	Taka in Million				
		2010	2009	2008	2007	2006
01	Paid up Capital	2,179.83	1,743.86	1,314.43	670.72	406.39
02	Total Capital	6,713.75	4,928.76	3,793.04	3,045.09	2,028.39
03	Capital Surplus	537.28	1,276.60	733.30	644.64	172.33
04	Total Assets	69,565.20	62,901.86	45,729.47	39,914.15	36,080.48
05	Total Deposits	54,660.41	50,017.96	36,092.17	29,900.05	28,620.91
06	Total Loan & Advances	47,563.43	37,793.89	33,018.39	28,361.46	25,490.66
07	Total Contingent Liabilities & Commitments	33,112.20	21,366.73	20,536.26	19,422.59	16,521.41
08	Credit Deposit Ratio	87.02%	75.56%	91.48%	94.85%	89.06%
09	Percentage of Classified Loan Against Total Loans & Advances	4.76%	6.14%	5.92%	8.11%	5.64%
10	Profit after Tax & Provision	1,647.11	899.52	657.31	964.93	253.83
11	Amount of Classified Loans during the year	2,264.28	2,320.31	1,953.07	2,299.90	1,437.39
12	Provision Kept Against Classified Loans	1,323.15	951.85	651.85	984.02	970.77
13	Provision Surplus/Deficit	20.58	16.47	30.20	15.94	678.03
14	Cost of Fund	4.14%	5.45%	6.12%	6.58%	6.35%
15	Interest Earning Assets	58,895.93	54,404.63	39,766.63	35,520.23	30,940.57
16	Non-interest Earning Assets	10,669.27	8,497.23	5,962.84	4,393.92	5,139.91
17	Return on Investment (ROI)	16.33%	13.96%	13.59%	13.56%	9.11%
18	Return on Assets (ROA)	2.37%	1.43%	1.44%	2.42%	0.70%
19	Income from Investment	1,312.56	1,061.51	691.44	569.53	301.93
20	Earning per Share	75.56	41.27	37.69	71.93	37.84
21	Income per Share	409.26	372.41	411.98	774.77	149.56
22	Net Asset Value (NAV)	5,748.47	4,197.46	3,196.73	2,613.78	1,635.08
23	Net Asset Value (NAV) Per Share	263.71	240.70	238.31	389.70	402.35
24	Net Operating Cash Flow Per Share (NOCFPS)	(163.88)	673.48	70.23	97.00	579.86
25	Price Earning Ratio (Times)	18.81	17.84	24.26	16.13	15.23


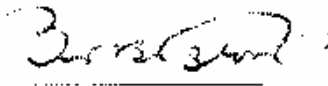
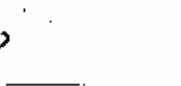

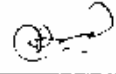
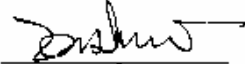
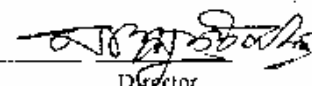
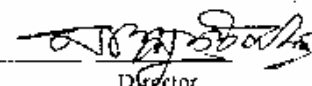


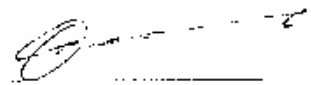
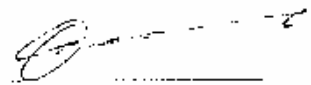

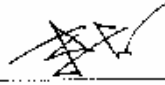


INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Off-shore Banking Units
Balance Sheet
As at 31 December 2010

	Note	31-Dec-10		31-Dec-09
		USD	Taka	Taka
<u>PROPERTY AND ASSETS</u>				
Cash		-	-	-
Cash in hand (including foreign currency)		-	-	-
Balance with Bangladesh Bank and its Agents Bank (including foreign currency)		-	-	-
Balance with other Banks and financial institutions	3.00	-	-	-
In Bangladesh		-	-	-
Outside Bangladesh		-	-	-
Money at call on short notice		-	-	-
Investments		-	-	-
Government securities		-	-	-
Other investments		-	-	-
Outside Bangladesh		-	-	-
Loans and advances	4.00	17,849,240	1,262,828,375	-
Loans, cash credits, overdrafts, etc.		11,000,000	778,246,700	-
Bills purchased and discounted	5.00	6,849,240	484,581,675	-
Fixed assets including premises, furniture and fixtures	6.00	-	-	-
Other assets	7.00	172,916	12,233,772	-
Non Banking Assets		-	-	-
Total assets		<u>18,022,156</u>	<u>1,275,062,147</u>	<u>-</u>
<u>LIABILITIES AND CAPITAL</u>				
Liabilities				
Borrowing from other banks, financial Institutions and		-	-	-
In Bangladesh		-	-	-
Outside Bangladesh		-	-	-
Deposit and other accounts	8.00	17,782,229	1,258,087,388	-
Current deposits and other accounts		17,782,229	1,258,087,388	-
Bills payable		-	-	-
Savings bank deposits		-	-	-
Term deposits		-	-	-
Other liabilities	9.00	-	-	-
Total liabilities		<u>17,782,229</u>	<u>1,258,087,388</u>	<u>-</u>
Capital/ Shareholders' equity				
Paid up capital		-	-	-
Statutory reserve		-	-	-
Other reserve		-	-	-
Surplus in Profit and Loss Account	10.00	239,927	16,974,760	-
Total shareholders' equity		<u>239,927</u>	<u>16,974,760</u>	<u>-</u>
Total liabilities and shareholders' equity		<u>18,022,156</u>	<u>1,275,062,147</u>	<u>-</u>

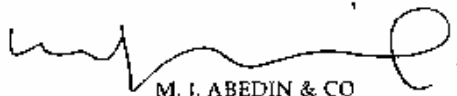
OFF BALANCE SHEET ITEMS

Note	31 Dec. 2010		31 Dec. 2009
	USD	Taka	Taka
Contingent liabilities			
Acceptances and endorsements			
Letters of guarantee			
Irrevocable letters of credit			
Bills for collection			
Other Commitments:			
Documents credit and short term trade -related transactions			
Forward assets purchased and forward deposits placed			
Undrawn note issuance and revolving underwriting facilities			
Undrawn formal standby facilities, credit lines and other commitments			

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

			
Mohammad Abdullah Managing Director	Director	Director	Director
			
Director	Director	Director	Director
			
Director	Director	Director	Director
			
Director	Director	Chairman	Chairman

As per our separate report of even date annexed.


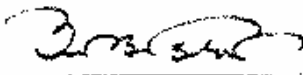



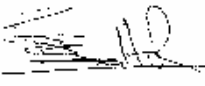
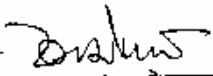

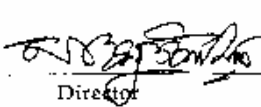

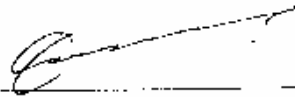
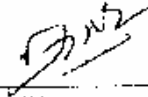
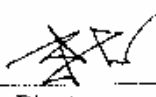
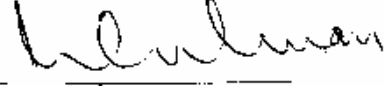

M. J. ABEDIN & CO
Chartered Accountants

Date : April 27, 2011
Place : Dhaka

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Off-shore Banking Units
Profit and Loss Account
For the year ended 31 December 2010

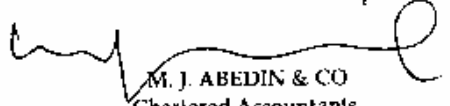
Note	2010		2009
	USD	Taka	Taka
INCOME			
Interest income	12.00	372,651	26,364,926
Less: Interest paid on deposits, borrowings, etc.	13.00	132,724	9,390,166
Net Interest income		239,927	16,974,760
Income from investment		-	-
Commission, exchange and brokerage		-	-
Other operating income		-	-
Total operating income		<u>239,927</u>	<u>16,974,760</u>
Salaries and allowances		-	-
Rent, taxes, insurance, lighting and traveling		-	-
Legal expenses		-	-
Postage, stamp, telegram and telephone		-	-
Auditors' fee		-	-
Stationery, printing and advertisement		-	-
Charges on loan loss		-	-
Managing Director's salary		-	-
Directors' meeting fee		-	-
Repair, maintenance and depreciation of assets		-	-
Other expenses		-	-
Total operating expenses		<u>-</u>	<u>-</u>
Profit before provision		<u>239,927</u>	<u>16,974,760</u>
Provision for loans & advance, other assets & off BS items		-	-
Profit before taxation		<u>239,927</u>	<u>16,974,760</u>

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

 Muhammad Abdullah Managing Director	 Director	 Director	 Director	 Director
 Director	 Director	 Director	 Director	 Director
 Director	 Director	 Director	 Chairman	

As per our separate report of even date annexed.

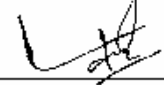
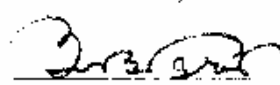




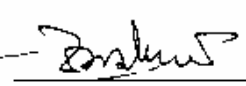

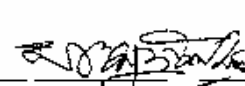

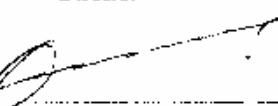
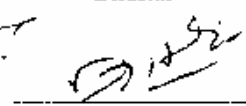
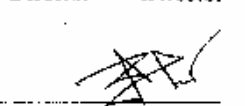
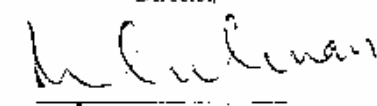
Date: April 27, 2011
Place: Dhaka


M. J. ABEDIN & CO
Chartered Accountants

INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LIMITED
Off-shore Banking Units
Cash Flow Statement
For the year ended 31 December 2010

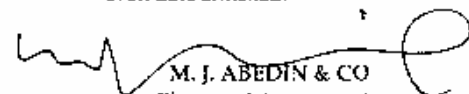
Note	2010		2009
	USD	Taka	Taka
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received in cash	372,651	26,364,926	-
Interest payments	(132,724)	(9,390,166)	-
Dividend received	-	-	-
Fees and commission received in cash	-	-	-
Recovery of loans and advances in cash previously written-off	-	-	-
Cash paid to employees	-	-	-
Income tax paid	-	-	-
Cash received from other operating activities	-	-	-
Cash paid for other operating activities	-	-	-
Cash flows before charges in operating assets and liabilities	239,927	16,974,760	-
Increase / Decrease in operating assets and liabilities			
Loans and advances to customers	(17,849,240)	(1,262,828,375)	-
Other assets	(172,916)	(12,233,772)	-
Deposits from other Banks	17,782,229	1,258,087,388	-
Deposit from customers	-	-	-
Other Liabilities	-	-	-
Net cash from operating activities	(239,927)	(16,974,760)	-
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.

 Mohammad Abdullah Managing Director	 Director	 Director	 Director	 Director
 Director	 Director	 Director	 Director	 Director
 Director	 Director	 Director	 Chairman	

As per our separate report of even date annexed.

Date : April 27, 2011
Place : Dhaka


M. J. ABEDIN & CO
Chartered Accountants

OFF-SHORE BANKING UNITS
Notes to the Financial Statements
For the year ended 31 December 2010

1.01 Status of the units

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

1.01.1 Principal activities

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

1.02 Significant accounting policies and basis of preparation of financial statements

1.02.1 Basis of accounting

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

1.02.2 Use of estimates and judgments

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

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

1.02.3 Foreign currency transaction

a) Foreign currencies transaction

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

(b) Commitments

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

(c) Transaction gains and losses

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

1.02.4 Cash flow statement

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

1.02.5 Reporting period

These financial statements cover from January 01 to December 31.

1.03 Assets and basis of their valuation

1.03.1 Cash and cash equivalents

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

1.03.2 Loans and advances / investments

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

1.03.3 Fixed assets and depreciation

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

- (b) Depreciation is charged for the year at the following rates on reducing balance method on all fixed assets.

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

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

1.04 Basis for valuation of liabilities and provisions

1.04.1 Benefits to the employees

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

1.04.2 Provision for liabilities

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

1.05 Revenue recognition

1.05.1 Interest income

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

1.05.2 Fees and commission income

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

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

1.05.3 Interest paid and other expenses

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

2.00 General

- (a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- (b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 70.7497 (closing weighted average rate as at 31 December 2010) represents the year end.

	31-Dec-10		31-Dec-09
	USD	Taka	Taka
3.00 Balance with other Banks and Financial Institutions			
In Bangladesh (<i>Note -3.01</i>)	-		-
Outside Bangladesh (<i>Note -3.02</i>)	-		-
	<u>-</u>	<u>-</u>	<u>-</u>
3.01 In Bangladesh	-		-
	<u>-</u>	<u>-</u>	<u>-</u>
3.02 Outside Bangladesh			
Current Account	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
4.00 Loans and advances			
i) Loans, cash credits, overdrafts, etc			
Term Loan	11,000,000	778246700	-
Lease Finance	-		-
T.R. Loan	-		-
	<u>11,000,000</u>	<u>778,246,700</u>	<u>-</u>
ii) Bills purchased and discounted (note-5)			
Inside Bangladesh			
Inland bills purchased and discounted	6,849,240	484,581,675	-
Outside Bangladesh			
Foreign bills purchased and discounted	-	-	-
	<u>6,849,240</u>	<u>484,581,675</u>	<u>-</u>
	<u>17,849,240</u>	<u>1,262,828,375</u>	<u>-</u>
4.01 Geographical location-wise Loans and Advances			
Dhaka	17,849,240	1,262,828,375	-
Chittagong Division	-	-	-
Sylhet	-	-	-
Rajshahi Division	-	-	-
Khulna	-	-	-
Barisal	-	-	-
	<u>17,849,240</u>	<u>1,262,828,375</u>	<u>-</u>
4.02 Classification of Loans and Advances			
Unclassified :			
(i) Standard	17,849,240	1,262,828,375	-
(ii) Special mention account	-	-	-
Classified :			
(i) Substandard	-	-	-
(ii) Doubtful	-	-	-
(iii) Bad / Loss	-	-	-
	<u>17,849,240</u>	<u>1,262,828,375</u>	<u>-</u>
5.00 Bills purchased and discounted			
In Bangladesh	6,849,240	484,581,675	-
Outside Bangladesh	-	-	-
	<u>6,849,240</u>	<u>484,581,675</u>	<u>-</u>

	31-Dec-10		31-Dec-09
	USD	Taka	Taka
6.00 Fixed assets including premises, furniture and fixtures			
Cost			
Furniture and fixtures	-	-	-
Office equipment and machinery	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
7.00 Other assets			
Advance deposits and advance rent	-	-	-
Interest receivable on Term loan	124,591	8,814,757	-
Interest receivable on Bills discount	48,326	3,419,015	-
	<u>172,916</u>	<u>12,233,772</u>	<u>-</u>
8.00 Deposits and other accounts			
Current deposits and other accounts (note- 8.01)	17,782,229	1,258,087,388	-
Customer deposits and other accounts	-	-	-
	<u>17,782,229</u>	<u>1,258,087,388</u>	<u>-</u>
8.01 Current deposits and other accounts			
IFIC Bank Limited	10,782,229	762,839,488	-
Bangladesh Bank	7,000,000	495,247,900	-
	<u>17,782,229</u>	<u>1,258,087,388</u>	<u>-</u>
9.00 Other liabilities			
Interest on bills discount	-	-	-
Due to Head Office	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
10.00 Surplus in Profit and Loss Account			
Opening balance	-	-	-
Add: Addition during the year	239,927	16,974,760	-
	<u>239,927</u>	<u>16,974,760</u>	<u>-</u>
11.00 Contingent liabilities			
11.01 Acceptance & endorsement			
Back to Back bills	-	-	-
Less: Margin	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
11.02 Letters of credits			
Letters of credits	-	-	-
Back to Back letter of credit	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Less: Margin	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

	31-Dec-10		31-Dec-09
	USD	Taka	Taka
11.03 Letters of guarantee			
Letters of guarantee (Local)	-	-	-
Letters of guarantee (Foreign)	-	-	-
Foreign counter guarantees	-	-	-
Less: Margin	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
11.04 Bills for collection			
Outward local bills for collection	-	-	-
Inward foreign bills for collection	-	-	-
Less: Margin	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
12.00 Interest income			
Term Loan	324,325	22,945,911	-
LTR loan	-	-	-
Bills discount	48,326	3,419,015	-
Others	-	-	-
Interest on loans and advances	372,651	26,364,926	-
Interest on balance with other banks and financial institut	-	-	-
Interest received from foreign banks	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Interest income	<u>372,651</u>	<u>26,364,926</u>	<u>-</u>
13.00 Interest paid on deposits, borrowings, etc.			
Interest paid on IFIC Bank Limited	57,608	4,075,766	-
Interest paid on Bangladesh Bank	75,116	5,314,401	-
	<u>132,724</u>	<u>9,390,166</u>	<u>-</u>
14.00 Other Assets			
Closing other assets	172,916	12,233,772	-
Less : Opening other assets	-	-	-
	<u>172,916</u>	<u>12,233,772</u>	<u>-</u>