



**RISK MANAGEMENT &
SUSTAINABILITY REPORT**

RISK MANAGEMENT

Risk management is the premeditated recognition of risk for ensuring hazardless business operation for making profit smoothly in the future days. It requires informed decisions on the tradeoff between risk and reward, and uses various financial and other tools to maximize risk adjusted returns within pre determined limits. In fact, risk management philosophy is to identify, measure, control/manage and monitor various risks that are related to its business operations. The bank primarily emphasizes on effective risk management to avoid any unwarranted risk. To assure the solvency of the bank in case of any unexpected loss, the bank maintains adequate capital to absorb such risks. Risk taking is inherent element of banking business and indeed, profit is the reward for successful risk taking in business. Apart from that unwarranted and poorly managed risk can lead to losses and thus endanger the safety of a bank's stakeholders.

RISK MANAGEMENT OBJECTIVE

EXIM Bank has comprehensive risk management objectives and a well defined risk management structure to implement the same in a constructive manner through close and constant monitoring towards the activities that affect the risk profile of the bank. The bank's risk management objectives are as follows:

- To ensure good management practice;
- To ensure optimum utilization of financial & non-financial resources;
- To buildup future risk absorbent capacity against uncertain losses;
- To tradeoff risk and reward;
- To minimize risk based capital requirement; etc.

RISK MANAGEMENT SYSTEM

The following are the key elements of risk management system:

1. The Board of Directors of the bank outlines policies. The senior management implements the same;
2. Manuals, guidelines, rules, procedures are developed to manage the risks;
3. Risk are properly identified, measured, monitored and controlled. Appropriate Management Information System (MIS) has in place to support all business operations;
4. Strong internal control and compliance system was established to detect the deficiencies etc.

RISK MANAGEMENT PROCESS

For the most part, risk management process consists of the following elements, performed, more or less, in the following order:

- Identify, characterize, and assess threats;
- Assess the vulnerability of critical assets to specific threats;
- Determine the risk (the expected consequences of specific types of attacks on specific assets);
- Identify the ways to reduce those risks;
- Prioritize risk reduction measures based on a strategy.

RISK PROFILE OF THE BANK

EXIM Bank remains always watchful to pay close and constant attention to both quantifiable and unquantifiable risks based on which the bank's management ensures best risk management practices within the bank. However, overall risk profile of the bank is as follows:

Robust risk governance structure	Core risk management responsibilities are embedded in the Board of Directors and delegated the same to the senior Management, who is responsible for execution. The Board regularly monitors the risk and capital profile of the bank.
Board approved Risk Strategies/Appetite	The bank has a clear statement of risk appetite, which is approved by the Board and determine the parameters within the bank's businesses in which it operate.
Risk management expertise	All Risk Committee, consist of Senior Management and skilled officials which reviews the effectiveness of the risk management systems and controls.
Diversified portfolio	The bank has a diversified investment portfolio which consist of RMG, Textile, Agriculture, Power, Gas, Transport, Storage & Communication, Real Estate, SME, Trading and Other manufacturing; etc.
Stable funding and liquidity strategy	Stable funding and liquidity strategy allowing for the business planning within the liquidity risk appetite and regulatory requirements.

RISK MANAGEMENT FRAMEWORK

Risk Management framework is fundamental to being able to generate profit consistently and sustainably and is thus a central part of the financial and operational management of the bank. The bank's risk management framework has been determined in the light of Bangladesh Bank guidelines, circulars and other applicable laws and regulations. However, the existing risk management framework of the bank is as follows:

EXIM BANK RISK MANAGEMENT FRAMEWORK

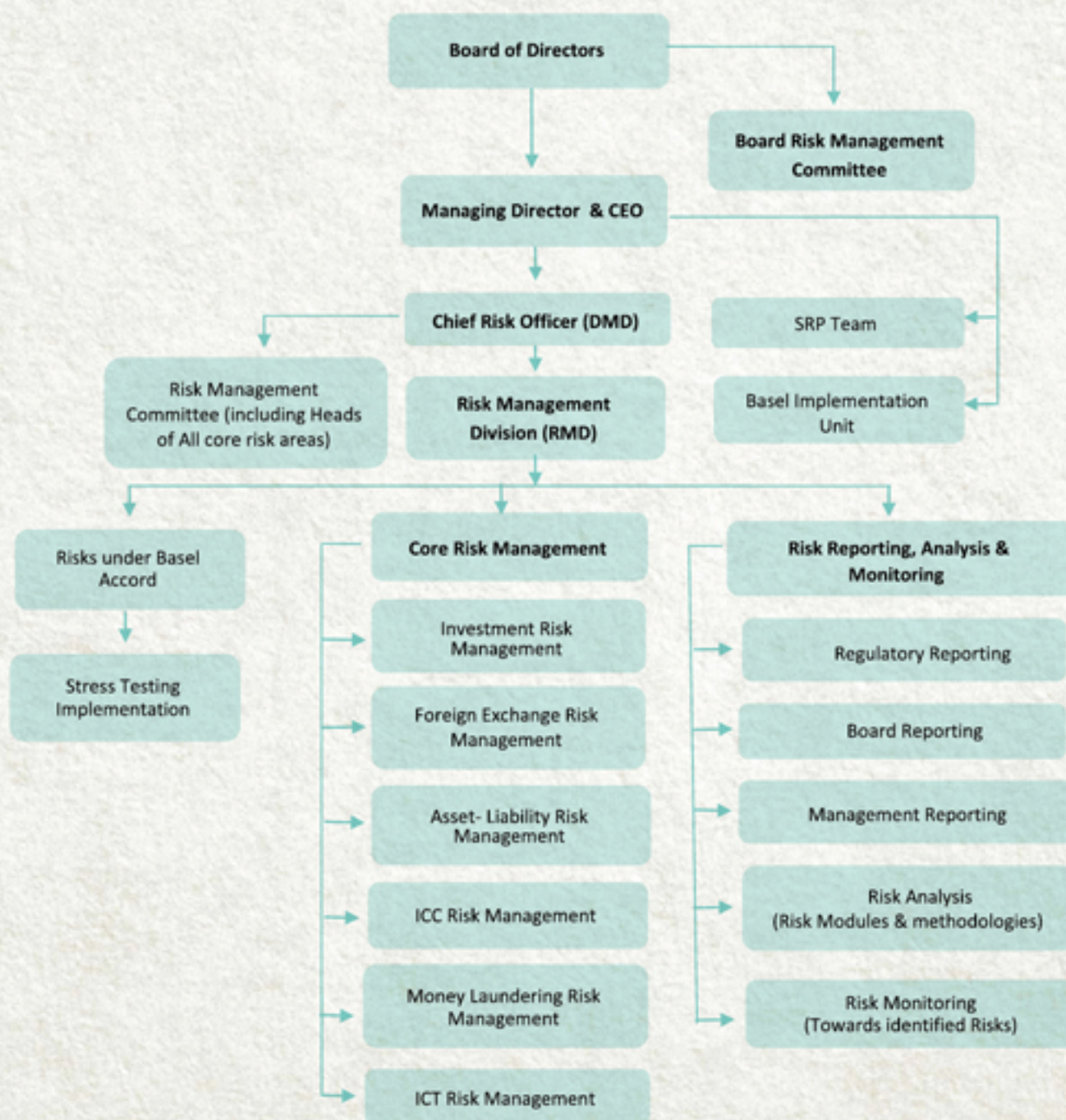


Figure: EXIM Bank Risk Management Framework

Board of Directors (BoD)

Risk Management activities which are being reviewed by the Board Risk Management Committee is being communicated in the form of meeting minutes (including decisions and recommendations) to the Board of Directors on quarterly basis. Disclosure of activities of the Board of Directors is as follows:

Particulars	As on 31 December 2014 (in Number)
Number of Board Meeting held relating to Risk Management	4

Board Risk Management Committee (BRMC)

A Board Risk Management Committee has been formed in the bank to oversee the activities of Management Level Risk Management Committees of the Bank as well as to oversee the implementation status of Investment (Credit) Risk, Foreign Exchange Risk, Internal Control & Compliance Risk, Money Laundering Risk, Information & Communication Technology (ICT) Risk, Operational Risk, Profit (Interest) Rate Risk, Liquidity Risk, Risk Based Capital Requirement, Provisioning (Required & Maintained); etc.

Disclosure of activities of Board Risk Management Committee (BRMC) is as follows:

Particulars	As on 31 December 2014 (in Number)
Number of Board RMC Meetings	4
Risk issues identified	As prescribed by Bangladesh Bank
* Number of Members of Board RMC	7 (Seven)

* Including Managing Director & Company Secretary

Management Level Risk Management Committee (RMC)

A strong Risk Management Committee has been formed in the bank comprising the Heads of all the risk taking organs. Regular meeting of the Committee is being arranged and organized by the Risk Management Division. The committee sits once a month or more when necessary. In the meeting of RMC, all the existing/identified and foreseeable/potential risks issues are discussed and recommendations to the concerned risk taking organs is to address, measure and take the required steps to mitigate the risk factors. Disclosure of activities of Risk Management Committee (RMC) is as follows:

Particulars	As on 31 December 2014 (in Number)
Number of RMC Meeting	12
Number of risk issue identified in RMP	As prescribed by Bangladesh Bank
Number of risk issue presented in RMC	As prescribed by Bangladesh Bank
Number of Members of RMC	16

Risk Management Division (RMD)

Risk Management Division of the bank is responsible for establishing Bank's risk management framework, and to ensure that the procedures for identification, monitoring, mitigating, and managing risks are in place as per Bangladesh Bank risk management guidelines, Core Risk Management Guidelines of each area and Basel accord are also being complied effectively. The bank's risk mitigating technique is not to wait for the risk but to take precautionary measures before incident happens. To supplement the stand of the Bank, RMD is extensively working on robust risk management practices and exchange of ideas about Risk Management for creating an acceptable risk management culture within the bank.

Risk Management Paper is being prepared on monthly basis. Risk management committee reviews the identified risk issues in its monthly meeting and submits the same to Bangladesh Bank on quarterly basis. Apart from that the findings of risk management paper are also being reported to Risk Management Committee of the Board as well as Board of Directors of the bank on quarterly basis for compliance and guidance against the particular risks. Disclosure of activities of Risk Management Division is as follows:

Particulars	As on 31 December 2014 (in Number)
Number of RMP Presented in RMC	12
Number of Risk issue identified RMP	As prescribed by Bangladesh Bank
Number of Manpower in RMD	8

RISK APPETITE AND CAPACITY BUILDING

Risk appetite expresses the level of risk that the bank is willing to assume in order to achieve its business objectives. Risk capacity is defined as the maximum level of risk the bank can assume in both normal and distressed situations before breaching regulatory constraints and its obligations to stakeholders.

Risk appetite is an integral part of bank's business planning processes via its risk and capital plan, with the aim to create a more holistic perspective on capital, funding and risk-return considerations. Risk appetite is set within banks risk capacity in which bank consider its capital, assets and borrowing capacities. Bank hereby leverages the stress testing process to consider stressed market conditions. The Board reviews and approves the risk appetite and capacity on an annual basis with the aim of ensuring that it is consistent with banks strategy, business and regulatory environment and stakeholders' requirements. In the event that banks desired risk appetite is breached under either normal or stressed scenarios, a predefined criteria; **Management Action Triggers (MATs)** is applied for these breaches.

RISK MANAGEMENT REPORTING

As per directives of Bangladesh Bank, Risk Management Division of the Bank performed the following reporting during the year 2014. Detailed are as follows:

Deliverables	Format/Method	Compliance	Remarks
Risk Management Paper	As per BB provided format and own analytical modules	Complied	Monthly reporting to RMC & Quarterly reporting to BB, BRMC & Board of Directors
Stress Testing Report	BB provided formats	Complied	Quarterly reporting to BB, BRMC & Board of Directors
Statement of Capital Adequacy (Pillar-I of Basel-III)	BB provided formats	Complied	Quarterly reporting to BB, BRMC & Board of Directors
Statement of Internal Capital Adequacy Assessment Process (Pillar-II of Basel-II)	As per BB provided format and own analytical modules	Complied	Yearly reporting to BB, BRMC & Board of Directors
Statement of Market Discipline (Pillar-III of Basel-III)	As per BB provided format and own analytical modules	Complied	Yearly reporting to BB & Board of Directors and disclose the same in the Bank's Website
Risk Reporting	Own analytical modules	Complied	Quarterly reporting to BRMC & Board of Directors

KEY RISK AND MITIGATION

Bangladesh Bank identified core risks through issuing industry best practices framework. Those frameworks provide benchmark to be followed by the banks. Currently, Core risk issues are being reviewed by the Management Level Risk Management Committee on monthly basis and the relevant recommendations are conveyed to the respective departments/divisions against the particular risk issues to mitigate the identified issues. Detailed status of core risk management of the bank is as follows:

INVESTMENT RISK MANAGEMENT

Financial institutions have faced difficulties over the years for a multitude of reasons; the major cause of serious banking problems continues to be directly related to negligent investment standards for borrowers and counterparties. Apart, poor portfolio management, lack of attention to the economic changes and other circumstances can lead to deteriorate the investment exposure.

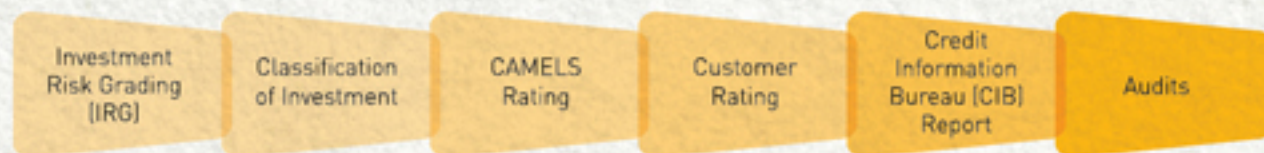
Investment Risk is one of the major risks faced by the bank. This can be described as potential losses arising from the failure of counterparty to perform according to agreement with the Bank. The failure may result from unwillingness of the counterparty or decline in his/her economic condition, market situation; etc. With each and every coin of investment, there is an involvement of risk.

Objectives of Investment Risk management

The objective of investment risk management is to maximize a bank's risk adjusted rate of return by maintaining investment risk exposure within acceptable parameters. The effective management of investment risk is a critical component of a comprehensive approach to risk management and essential to the long-term success of any banking organization. Hence, importance has to be given to identify the areas of concern for investment risk management and mitigate the risk issues with utmost care.

Regulatory tools/techniques for assessing Investment Risk

The bank have been used various regulatory tools and techniques developed and implemented by Bangladesh Bank for addressing investment risk. The tools/ techniques are as follows:

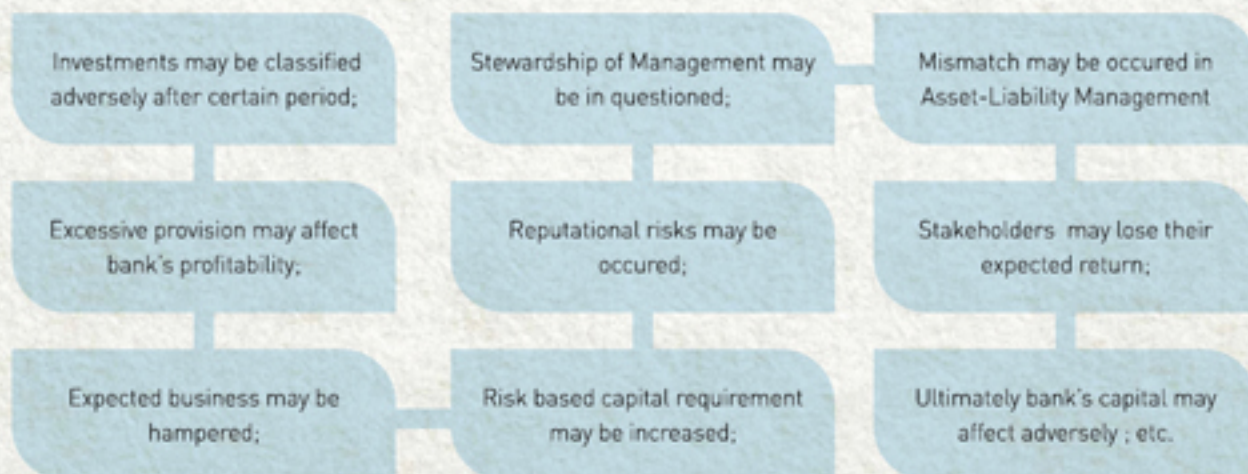


National & Global Investment Risk Issues

Banks are engaged in granting investment nationally and internationally faced various risks arising from the economic, political and social environments of the country and abroad that may have potential consequences on investments. Some of the indicators of National & Global Investment Risk issues are as follows:



Investment Risk Impacts



EXIM Bank Investment Policy

The bank's investment policy is in place and includes the followings:

Policy Guidelines	Investment Policy, Investment Categories, Types of Investment Facilities, Single Borrower/Group Limits, Investment Caps, Discouraged Business Type, Investment Facility Parameters, Pricing Policy of investment, Cross Borders Risk
Investment Assessment & Risk Grading	Investment Assessment, Risk Management, Risk Grading, Visit report, Contract point verification
Approval Authority	Branch Marketing & Investment Committee, Head Office Investment Committee, Head of Investment, Head Office, Managing Director, Executive Committee of the Board and Board of Directors
Documentation	Investment, Overdrafts, Bai-Muazzal, Bill Purchased and Temporary waiver/Deferral of documentation
Organizational Structure & Responsibilities	Head of corporate banking - Relationship Manager (HO and Branches), Business Development/Research (Branch & HO), Head of investment/CRM (Monitoring/ Recovery, Investment Administration/ Documentation & disbursement, Investment approval Department, Others (Internal Audit etc), Managing Executive Committee of the Board and Board of Directors
Procedural Guidelines	Approval Process, Investment Administration (Disbursement ,Custodial Duties, Compliance Requirements), Investment Monitoring (Early Alert Process, Investment Recovery)

Investment Risk Mitigation

The bank has set up an independent Investment Risk Management (IRM) team to establish better control and check for investment risk mitigation. The Head of Investment Risk Management has clear responsibility for management of investment risk. In this connection policies/instructions are approved by the Board of Directors or authorities depending on their delegation. Investment Risk Management Division of the bank is subdivided into 4 (four) departments to manage investment/asset.

Structure of Investment Risk Management Division (IRMD)

IRMD-I (Large, Corporate, RMG)	IRMD-II (SME)	IRMD-III (Agri & Retail)	IRMA&RD
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IRMD-I, IRMD-II & IRMD-III appraise the proposal in terms of customer risk analysis, financial statement analysis, industrial analysis, historical performance of the customers, security of the proposed investment facility and market reputation of the customers; etc. as instructed by Bangladesh Bank. Investment Administration ensures that security documents are prepared in accordance with agreed terms and to be legally enforceable. Standard investment facility documentation that has been reviewed by legal counsel is used in all cases. Exceptions were referred to legal counsel for advice.

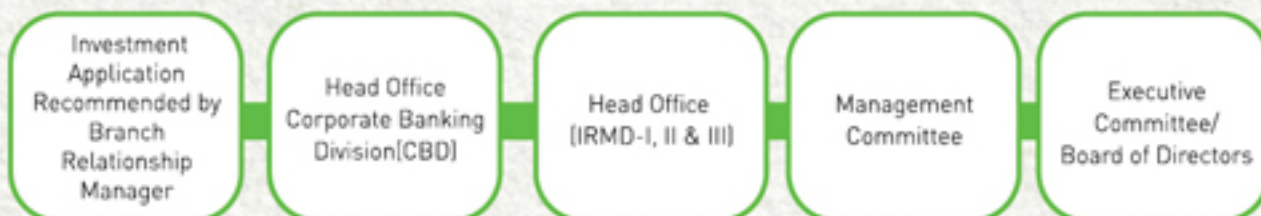


Figure: Investment management structure

Investment Risk Management Administration & Recovery Department (IRMA & RD)

IRMA & RD ensures proper documentation as per sanction stipulations. IRMA & RD also ensures proper management/treatment of delinquent investment with a view to maintain quality of assets. Major functions of the department are investment monitoring and investment recovery:

Investment Monitoring

To minimize Investment losses, monitoring procedures and systems are in place that provides an early indication of the deteriorating financial health of a borrower.

- Past due principal or profit payments, past due in bills purchased & discounted, account excesses, and breach of investment covenants;
- Timely corrective action is taken to address findings of any internal, external or regulator's inspection/audit.

Investment Recovery

- To take all necessary measures inter-alia meeting with the customers, negotiating for restructuring, rescheduling settlement by way of extension of time, waiver of partial profit, serving legal notice, foreclosure and sale of mortgaged/ hypothecated/ pledged property, filing suit, follow up suits and publishing sale notice in the news paper in collaboration with the concerned division.
- Ensure that adequate provision has been maintained against classified investment as per Bangladesh Bank's directives.
- Ensure investment classification in line with Bangladesh Bank's guidelines/circulars.
- Proper compliance to Artha Rin Adalat Ayin.
- Conduct monthly recovery and portfolio review meeting.

The areas of concerns under investment risk management are enumerated below:

Establishing an appropriate investment risk management environment

The Board of Directors is responsible for approving and reviewing the investment risk strategies and policies of the bank periodically. The strategy reflects bank's tolerance for risk and the level of profitability that the bank expects to achieve. Senior management of the bank is responsible for implementing the investment risk management strategy approved by the Board and for developing standard policies and procedures for identifying, measuring, monitoring and controlling investment risk at both the individual investment and portfolio level.

Bank has to ensure that the investment risks inherent in products and activities which are apparently new to the bank are subject to adequate procedures and controls before being introduced or undertaken, and approved in advance by the Board of Directors or its competent authority.

Operating under a sound investment granting process

Investment granting process of the bank operates within the defined risk limit so that the bank can achieve growth target and superior return on capital. Investment facilities allowed in a manner that asset growth can be maintained by

ensuring optimum asset quality and without compromising the bank's standard of excellence. The bank has to set up overall investment limit for sector, individual and groups of legally connected borrowers and for different types of exposures both in the banking and trading book and on and off balance sheet.

Ensuring adequate controls over investment risk

Establishing a system of independent, ongoing assessment of the Bank's investment risk management processes and the results of such reviews are required to be communicated directly to the Senior Management and Board of Directors. The bank has to enforce internal controls and other practices to ensure that exceptions to policies, procedures and limits are reported in a timely manner to the appropriate level of management for ensuring adequate controls over investment risk. All NPIs has been taken with due care by the Recovery Cell at branch level, which is responsible for coordinating and administering. Moreover, Senior Executives of Head Office level (BREs) and Regional Managers are also responsible for supervising recovery of investment of the branches that has been allocated to them individually.

Environmental Risk Management

Environmental Risk Management seeks to offer a structure for addressing the risk to make a certain course of sustainable financial and economic growth. As per instruction of Bangladesh Bank, the bank has implemented Environmental Risk Rating (ERR) and Environmental Due Diligence (EDD) of the eligible customers in the light of ERM Guidelines.

MARKET RISK

Market risk is defined as the possibility of losses in on and off-balance sheet positions arising from movements in market prices. The exposure of the bank to market risk arises principally from customer-driven transactions. The market risk positions subject to this requirement are:

- i) The risks pertaining to profit rate related instruments and equities in the trading book;
- ii) Foreign exchange risk and commodities risk throughout the bank (both in the banking and in the trading book).

Profit Rate Risk

Profit rate risk is the risk, which affects the Bank's financial condition due to changes in the market profit rates. The changes in profit rates may affect both the current earnings [earnings perspective, traditional approach to profit rate risk assessment taken by many banks] as well as the net worth of the Bank [economic value perspective]. The risk from earnings perspective measured as impact on the Net Investment Income (NII). Similarly, the risk from economic value perspective can be measured as it has impact on Economic Value of Equity (EVE) since the value of the bank's assets, liabilities and off-balance-sheet (OBS) instruments changes because of the changes of present value of future cash flows when profit rates changes.

Profit rate risk in the banking book is the burning issue since bank's earning is exposed to risk. To reduce the risk, the following activities are performed by the bank:

- Profit rate is determined considering the expectation of the depositors;
- Gap analysis is considered for fixing the profit rate;
- Profit are associated with the portfolio of the bank, hence maturities and the rate index are used for re-pricing; etc.

Equity Risk Management

Investment in shares & securities are being reviewed based on its risk weight, capital charge and required provisioning. Moreover, regulations of investment limit under solo and consolidated basis are being considered for investment decisions where the deadline for reducing excess exposure is also included. For measuring equity price risk, Value at Risk (VaR) is calculated. Mark to market system is followed for valuation of equity exposure.

Foreign Exchange Risk Management

Foreign Exchange risk is involves in purchase and sale of any national currency against other national currency. The Foreign Exchange risk arises due to unexpected movement of market price of the holding of currencies or the price of the assets denominated in foreign currencies.

International Division oversees foreign exchange risk, treasury, net open position, import & export business, dealing room operations and anti-money laundering aspects in foreign exchange transactions; etc.

For effective and efficient management of Foreign Exchange Risk, the bank has a well developed and well structured Foreign Exchange Risk Manual and an international standard Dealing Room Manual. Further, in order to mitigate the risk, bank follows all kinds of guidelines and directives that Central Bank advises from time to time. The Treasury carries out the activities of Foreign Exchange as per procedures of Dealing Room Manual. The Front Office independently conducts the transactions and the Back Office is responsible for verification of the deals and passing of their entries in the books of accounts. The reporting lines of both the offices to the Managing Director & CEO are also separate. The Mid Office plays a vital role in the process by checking the Foreign Exchange procedure performed by Front and Back Offices and by reporting it directly to the Managing Director & CEO of the Bank. All foreign exchange transactions and its holdings are revaluated daily at Mark to Market rate as determined by inter-bank. All nostro accounts are reconciled on monthly basis and the outstanding entries are reviewed by the management and they take necessary steps to wash out the outstanding entries.

ASSET LIABILITY RISK MANAGEMENT

Asset Liability Management (ALM) defined as a well-planned, well-organized and systematic process of monitoring and maintaining assets and liabilities of the bank which focuses on maximization of profit through minimization of various risks like liquidity risk, market risk, rate of return risk etc. and ultimately leads the bank to a healthy and stable growth. In the above context, Risk Management Committee of the bank reviews and monitors asset-liability risk of the bank regularly in its monthly meeting and the decision taken in the ALCO meeting is also reviewed and discussed. The bank has a dedicated committee, called the Asset Liability Committee (ALCO) comprising of the senior management of the bank headed by the Managing Director & CEO to take important decisions related to the Balance Sheet, Liquidity & Profit Rate risks of the Bank. Treasury & Financial Institutions Division of the bank looks after the asset-liability management risk i.e. liquidity risk, profit rate risk and foreign exchange risk; etc.



The ALCO reviews the issues like- maturity profiles of assets and liabilities, deposit investment trend, deposit investment mix, wholesale borrowing/placement, commitments, medium term funding ratio, investment deposit ratio, maximum cumulative outflow, day to day liquidity management, liquidity contingency plan, liquidity ratios, Value at Risk (VaR), Management Action Trigger (MAT), sensitivity analysis, economic, market status; etc. Apart, as a part of regulatory requirement, the management reviews the ALM Manual and its components regularly. However, the Asset Liability Risk Management Committee of the bank analyzes the issues and take decisions for better asset liability risk management of the bank which are enumerate below:



Liquidity Risk

Liquidity risk is the potential loss to the bank in case of either its inability to meet its obligations as the bank fall due or to fund increases in assets incurring unacceptable cost or losses. Liquidity risk arises when the cushion provided by the

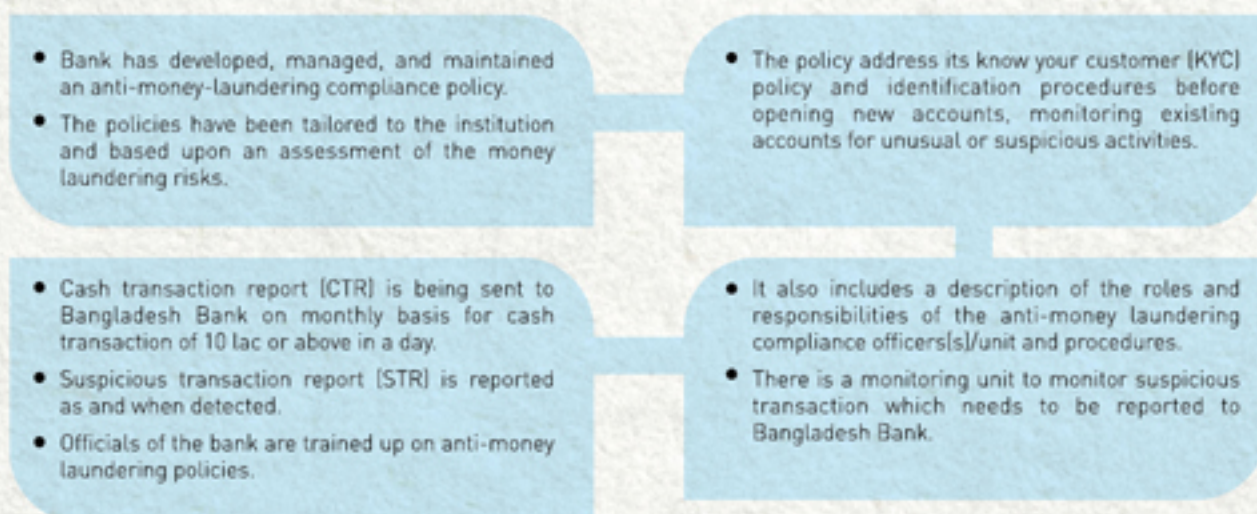
liquid assets is not sufficient to meet maturing obligations. Accordingly, short of liquidity may have to undertake transactions at heavy cost resulting in a loss of earnings or, in a worst case scenario. The liquidity risk could result in liquidation of the bank if it is unable to undertake transactions even at current market prices. Accordingly, Treasury and Financial Institution Division (T&FID) of the bank is managing liquidity risk considering its sources of fund to meet its requirements. Apart from that Asset-Liability Management Committee (ALCO) of the bank oversees and manages the mismatches in its liquidity to minimize the risk.

MONEY LAUNDERING RISK MANAGEMENT

Over the past few years the banking industry, non-bank financial institution and the financial services industry have made significant strides in money laundering detection and prevention. EXIM Bank takes care of the money laundering and terror financing matter as a crucial part of its risk management activities. Bank has formulated its own guidelines for prevention of money laundering approved by the Board of Directors in line with Bangladesh Bank AML/CFT laws, rules and regulations. Risk Management Committee of the bank reviews and monitors the anti money laundering activities i.e. Suspicious Transaction Report (STR), Cash Transaction Report (CTR), number of branch inspected, number of workshop held on AML and number of participants etc.

Anti-money Laundering Policy and Organization

A Bangladesh Bank guideline of Anti- money laundering contains the following major issues that bank has been incorporated in the bank's respective policy:



The above issues were complied to mitigate the money laundering risk; the bank has designated CAMLCO at Central Compliance under Anti Money Laundering Division at Head Office. The Branch relationship manager is usually served as BAMLCO at branch level.



Figure: Anti Money Laundering Risk Management Organization

Training/Awareness

- Training on anti-money laundering is continuously providing to all categories of officials for developing awareness and skill for indentifying suspicious activities and better understanding of money laundering process in the light of relevant rules and regulations.
- More than 10 exclusive training workshops on money laundering has been organized and 601 officials have been trained up during the year 2014. Besides, in every basic and risk management course include separate sessions on anti money laundering. The bank has planned to organize more training programs and train up its officers/ executives in the upcoming year.

Publications

A hand book titled "Prevention of Money Laundering & Combating the Financing of Terrorism" has been published which contains all reference circulars relating to AML issues that has been published by Bangladesh Bank from time to time.

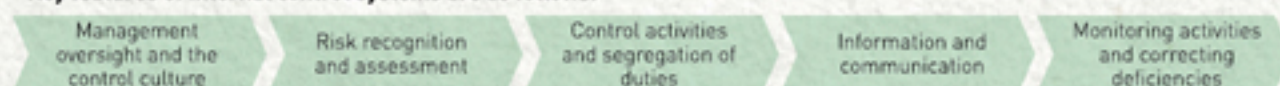
INTERNAL CONTROL AND COMPLIANCE RISK MANAGEMENT

Internal control is the process effected by an organization's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations at all level within the organization. The process includes all the policies and procedures established and implemented to manage and control a particular risk or business activity to which the Bank is exposed to.

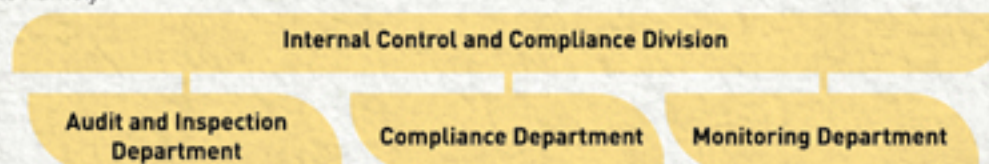
The main objectives of the internal control process can be categorized as follows:

- Efficiency and effectiveness of activities (performance objectives)
- Reliability, completeness and timeliness of financial and management information
- Compliance with applicable laws and regulations (compliance objectives)

Key features of internal control systems are as follows:



Internal Control and Compliance Division plays a vital role in any financial institution. It is a review process of operations & records of an organization. Well devised internal controls can help to ensure that the goals and objectives of a bank are being met and that the bank will achieve long-term profitability targets and maintains reliable financial reporting. This also helps to ensure that the bank is compliant with laws and regulations as well as policies plans internal rules and procedures, which helps to minimize the risk of unexpected loss or damages to the banks reputation. To segregate duties and establish accountabilities in a more vigorous way, ICCD has been further subdivided into three independent Departments namely: "



All those Departments are headed by a senior level Executive for co-ordination from a single platform. As per Core Risk Guidelines of Bangladesh Bank, ICCD is acknowledged as one of the key risk management organ of the bank. To mitigate its operational risks identity various malpractices prevailing in operational activities the division has formulated robust and resourceful policy guideline to be followed which ensure that Bank demonstrates compliance and conformity with relevant regulations of the Central Bank and other regulatory bodies. In addition, they ensure that corrective action plans are implemented within the set dead line as well as ensure proper corporate discipline and awareness. During the year the Audit and Inspection Department successfully conducted comprehensive inspection on some the divisions of Head Office and the branches as its scheduled and submitting findings thereon to the competent authority for discussion, review, suggestion and proper evaluation. Thus the Internal Control and Compliance (ICC) system of the bank always plays active role in mitigating operational risk and contributes in the process of being a well compliant bank in the industry.

INFORMATION AND COMMUNICATION TECHNOLOGY RISK MANAGEMENT

In recent times, the key to survival, growth, success and generating profit for any commercial bank is to develop unique plans for exploiting the modern technology to ensure superior service delivery to its customers and will make way for cost effective banking operations with minimized risks. Such integration of Information and Communication Technologies (ICT) helps the bank to develop and maintain their competitive advantages which bring numerous benefits including faster business transactions, increasing automation, improved customer service and provision for effective and timely decision making by the management. However, the adoption of ICT applications has also brought additional risks to banks related to ICT such as strategic risk, financial risk, operational risk and technological risk. Associated risks with ICT are as follows:

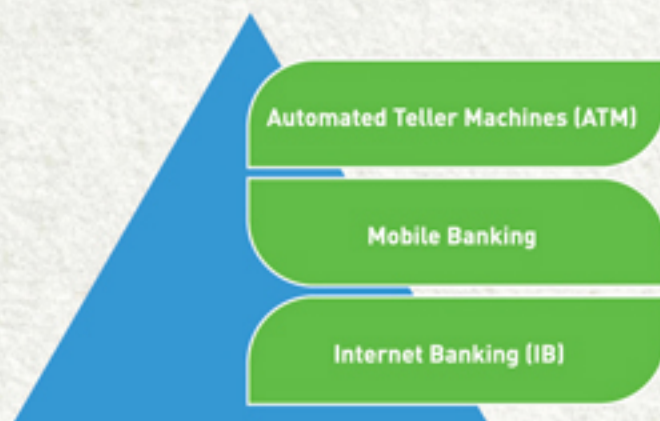


With the aid of an ICT risk management process, risks were identified and possible countermeasures were taken. In general, ICT risk management is based on four steps: risk identification, risk analysis, risk treatment and risk mitigation. In order to minimize and control these risks successfully, ICT risk management policies and strategies have been developed and implemented in EXIM Bank. However, this management control emphasizes both business control and technological control which support business requirements and corporate governance.



In banking, Information is treated as "assets" and this "assets" are critical to the services provided by the Bank to its customers. Protection and maintenance of these assets are vital to its sustainability. In order to guarantee the protection of critical IT system from unauthorized access, modification, disclosure and destruction, the bank has implemented a world renowned core banking software ensuring adequate security. The bank has also successfully incorporated other delivery channel services such as Automated Teller Machines [ATM], Internet Banking [IB] and Mobile Banking which had introduced some level of vulnerability to our Core Banking system. Some threats like unauthorized account access, fraudulent transactions, phishing etc. have concern of the banking industry in the recent years.

Alternative Delivery Channel



Risk Factors

- ▶ Identity Theft
- ▶ Unauthorized Account Access
- ▶ Fraudulent Transactions
- ▶ Phishing

The bank has undertaken the following measures for managing Information and Communication Technology (ICT) Risk.

ICT policies	The Bank has already developed its own ICT policies for various operation and services which are closely in line with the ICT guidelines of Bangladesh Bank.
Information Security Policy	Password Control, User ID Maintenance, Input Control, Network Security, Data Encryption, Virus Protection and Access Control to Internet and e-mailing.
IT Operation	The Bank management has been putting continuous efforts to improve IT Operation Management, Problem Management, Change Management, Assets & Inventory Management and Request Management to maintain maximum uptime of automated banking business.
Core Banking Software	The bank has introduced world renowned t24 system as Core Banking Software
Enterprise Data Warehousing (EDW)	Enterprise Data Warehousing (EDW) is successfully running which facilitates the management with reporting & critical business analysis for improving bank's performance.
Service Level Agreement (SLA)	Maintaining Service Level Agreement (SLA) with the vendors that are providing critical services on behalf of the Bank.
Insurance Coverage for critical ICT Assets	Maintaining separate insurance coverage for its critical ICT assets.
Disaster Recovery Site	To protect sensitive information of core banking software and other software in the event of any disaster, the bank has implemented a disaster recovery site having synchronous mirroring facility of live system.
Business Continuity and contingency Planning	The bank has a very strong ICT Risk Management system in practice which is capable to ensure business continuity at any contingency situation
Internal ICT Audit	The bank is regularly conducting internal ICT audit to all its branches and divisions at Head Office to ensure proper implementation of the ICT policies.

Operational Risk

Operational risk is the risk of unexpected losses due to physical catastrophe, technical failure and human error in the operation of the bank, including fraud, failure of management, internal process errors and unforeseeable external events. Internal Control & Compliance Division of the bank is in place to address and assess all the operational risks exposed to the bank to ensure smooth business operations.

Residual Risk

The bank uses different techniques to reduce their investment (credit) risk. Improper application of these techniques may rise to additional risks that render the overall risk management less effective. Accordingly, these additional risks (e.g. documentation risk, valuation risk) are termed as Residual Risk. In the context, Residual Risk arises mainly out of the following situations:

1. Error in documentation;
2. Error in valuation of collateral.

The following activities are performed by the bank to minimize the above two issues under residual risk:

- Adequate and valid documentations are being ensured for minimizing capital charge under error in documentation;
- Valuations of collaterals are being done properly.

To reduce investment settlement risk at the time of default, Investment Risk Management Division (IRMD) of the bank is accepting reasonable and maximum collaterals before sanctioning the particular investment.

RISK BASED CAPITAL MANAGEMENT

Supervisory Review Process (SRP), the second pillar of Basel-II covers a wide range of risks, including core risks as mentioned above, to ensure adequate capital against all risks. In fact, minimum capital is maintained against investment (credit) risk, market risk and operational risk under pillar-1 of Basel-II and SRP covers all other risks. In bank's point of view, risks are endless. So, Bangladesh Bank (BB) has detected some of the risky areas to measure the risks in a structured way which is known as SRP, which comes under the guideline of Pillar-2 of Basel-II.

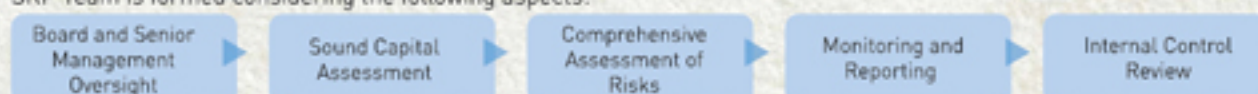
Supervisory Review Process (SRP)

The key principles of the Supervisory Review Process (SRP) are that the banks have a process for assessing overall capital adequacy in relation to its risk profile and a strategy for maintaining its capital at an adequate level. The supervisory review process is planned not only to ensure adequate capital to compensate all the risks in the bank business, but also to be confident that bank has better risk management techniques in monitoring and managing its risks. Adequate capital means enough capital to compensate all the risks in the business, and to develop and practice better risk management techniques in monitoring and managing the risks.

According to Bangladesh Bank guidelines, the SRP of the bank consists of three layers i.e. Strategic Layer, Managerial Layer and Operational Layer.

Strategic Layer	The Board Risk Management Committee of the bank is responsible on behalf of the Board of Directors to implement SRP in the bank. The committee monitors the managerial lapses.
Managerial Layer	The bank has an exclusive body naming SRP team which is constituted by the concerned Departmental/Divisional Heads of the bank and headed by Managing Director & CEO. The bank has a document called Internal Capital Adequacy Assessment Process (ICAAP) for assessing the bank's overall risk profile and a strategy for maintaining adequate capital.
Operational Layer	The Bank has a operational unit which is responsible for collecting information from concerned departments and branches, regularly correspondences, compiling the required calculations of ICAAP reporting and the tasks assigned by the SRP team.

SRP Team is formed considering the following aspects:



Internal Capital Adequacy Assessment Process (ICAAP) is required for assessing overall risk profile and the level of adequate capital to cover those risks under Supervisory Review Process (the Second Pillar of Basel-II). ICAAP cover the risks which are not under the purview of Pillar-1. Under Pillar-1, Investment risk, Market risk and Operational risk are covered. But there are other risks like liquidity risk, environmental and climate change risk, etc. which are not covered under Pillar-1. Moreover, some risks which are not fully covered under Pillar-1 (MCR), in ICAAP (Pillar-2 of Basel-II) have covered those risks. The following risks are considered under ICAAP for assessment of adequate capital:

Risks under Supervisory Review Process (SRP)									
Residual Risk	Concentration Risk	Profit Rate Risk in the Banking Book	Liquidity Risk	Reputation Risk	Strategic Risk	Settlement Risk	Appraisal of Core Risk Management Practice	Environmental and Climate Change Risk	Employee Turnover Risk

EXIM Bank has a five years capital plan to maintain adequate capital. The capital plan commensurate the deposit growth plan, investment growth plan and profit growth plan of the Bank.

BASEL-III IMPLEMENTATION STATUS

Basel Committee on Banking Supervision has transitional arrangements to implement the Basel III standards to ensure that the banking sector can meet the higher capital standards through reasonable earnings retention and capital rising, while still supporting lending to the economy. In line with the Basel framework, Bangladesh Bank has issued transitional arrangements for Basel-III implementation in Bangladesh. The phase-in arrangements for Basel-III implementation in Bangladesh introduced by Bangladesh Bank will be followed by EXIM Bank in under mentioned schedule:

Particulars	2015	2016	2017	2018	2019	2020
Minimum Common Equity Tier-1 (CET-1) Capital Ratio	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Conservation Buffer	-	0.625%	1.25%	1.875%	2.50%	2.50%
Minimum CET-1 plus Capital Conservation Buffer	4.50%	5.125%	5.75%	6.375%	7.00%	7.00%
Minimum T-1 Capital Ratio	5.50%	5.50%	6.00%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Capital Conservation Buffer	10.00%	10.625%	11.25%	11.875%	12.50%	12.50%
Phase-in of deductions from CET1						
Excess Investment over 10% of a bank's equity in the equity of banking, financial and insurance entities.	20%	40%	60%	80%	100%	100%
Phase-in of deductions from Tier 2 Revaluation Reserve (RR)						
RR for Fixed Assets, Securities and Equity Securities	20%	40%	60%	80%	100%	100%
Leverage Ratio	3.00%	3.00%	3% Readjustment	Migration to Pillar1		
Liquidity Coverage Ratio	≥ 100% (From Sep)	≥ 100%	≥ 100%	≥ 100%	≥ 100%	≥ 100%
Net Stable Funding Ratio	≥ 100% (From Sep.)	≥ 100%	≥ 100%	≥ 100%	≥ 100%	≥ 100%

The main focuses on implementation of Basel-III in the bank are as follows:

- Strengthening capital base of the bank;
- Maintaining liquidity standards;
- Improve the bank's ability to deal with financial and economic stress;
- Improved risk management;
- Strengthen the banks' transparency and
- Foster greater resilience.

EXIM Bank's steps towards Basel-III

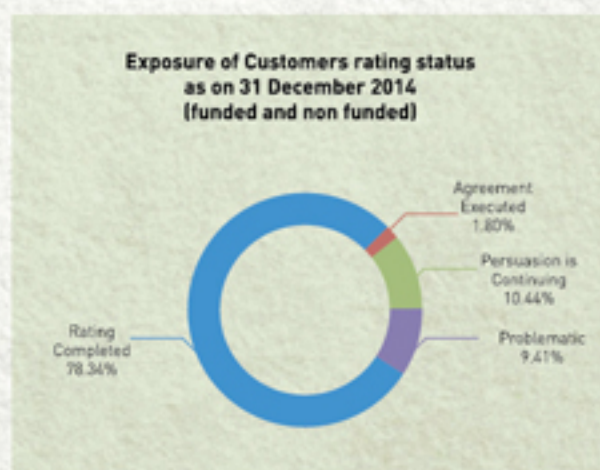
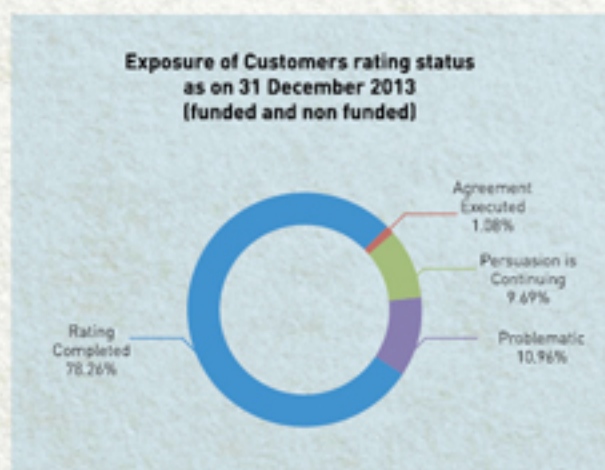
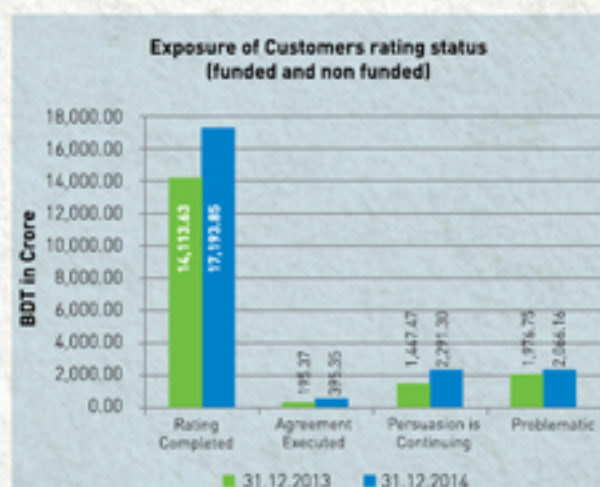
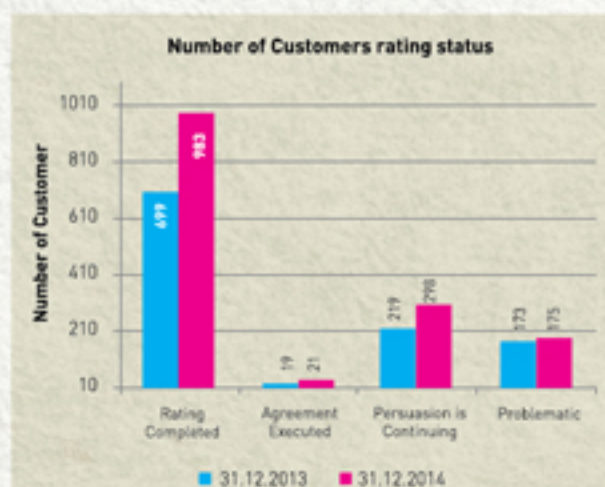
The bank is in the process of implementation of Basel-III accord. The accord contains entirely new liquidity standards i.e. the Net Stable Funding Ratio (NSFR) and the Liquidity Coverage Ratio (LCR).

The following steps are being taken for implementation of Basel-III:

- The bank has outlined a five year capital plan to strengthen the capital base;
- LCR and NSFR have been done as per directives of Bangladesh Bank.

INVESTMENT CUSTOMER RATING

Risk Weighted Asset (RWA) against investment risk is to be computed on the basis of credit rating assessed by External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank as per Guidelines on Risk Based Capital Adequacy (RBCA) for banks. In this context, the bank has made agreement to the external credit rating assessment institutions' (ECAIs) for its investment customer rating for both the corporate and SME clients. Rating is a credit worthiness of the counterparty. A good rated customer may deserve privilege in investment pricing. Rating helps a bank to reduce capital requirement by minimizing RWA. Total 1477 number of customers with BDT 21,946.66 Crore was eligible for rating and out of which 983 numbers of customers with BDT 17,193.85 Crore is rated as on 31 December 2014. The comparative status of customer rating is as follows:



Investment rating status as on 31 December 2014, has been identified that 78.34% of ratable exposure (Funded + Non-Funded) has been rated in total ratable exposure which is 0.08% more than previous year. The rating distribution of the corporate investment customer of EXIM bank is as follows:

BB Rating grade	Risk weight	Exposure (BDT in Crore)	
		As on 31 December 2013	As on 31 December 2014
1	0.20	522.70	604.25
2	0.50	4,962.60	3,261.13
3,4	1.00	3,022.62	4,467.55
5,6	1.50	0.00	2.41
Unrated	1.25	2,608.23	2,359.88

The bank has taken numerous measures to rate all the eligible customers with a view to strengthen the capital base of the bank.

STRESS TESTING

Stress Testing is a risk management technique used to evaluate the potential effects of an institution's financial condition at a specific event and/or movement in a set of financial variables. It is an integral part of the capital adequacy framework. The focus of stress testing relates to exceptional but plausible events. This involves several shocking events. Each shocking event contains Minor, Moderate and Major Level of shocks. The following risks are assessed under stress testing:



Figure: Risks covered under Stress Testing

Stress testing has been carried out quarterly basis as per Bangladesh Bank guidelines. Stress testing framework is being used to assess absorbing capacity of the Bank considering its impact on bank's capital adequacy by using minor, moderate & major level of shocks in terms of Investment Risk, Exchange Rate Risk, Equity Price Risk, Profit Rate Risk and Liquidity Risk.

The Capital Adequacy Ratio of the bank was reasonable in the year 2014; hence after applying minor level of shock under stress testing, the bank was absorbent to the minor level of shock in all categories.

The findings of stress testing are being reviewed in the monthly meeting of the Risk Management Committee and the same also being reported to Bangladesh Bank and Board of Directors of the Bank for their guidance against the particulars risk areas. Findings of stress testing and guidance from Bangladesh Bank and Board are also being taken into account for assessing potential risks of the bank.

Market Discipline

Disclosures on Risk Based Capital (Pillar III of Basel Framework)

For the year ended 31 December 2014

Background: These disclosures under Pillar III of Basel II are made according to revised 'Guidelines on Risk Based Capital Adequacy (RBCA)' for banks issued by Bangladesh Bank (Central Bank of Bangladesh) in December 2010. These quantitative and qualitative disclosures are intended to complement the Minimum Capital Requirement (MCR) under Pillar I and the Supervisory Review Process (SRP) under Pillar II of Basel II.

The purpose of market discipline in the Revised Capital Adequacy Framework is to disclose relevant information on capital adequacy in relation to various risk of the bank so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets, risk exposures, risk assessment processes and capital adequacy to meet probable loss of assets as well as can make the economic decision. The disclosures under Pillar-III of the framework of the bank as on 31 December 2014 are as under:

- A) Scope of Application
- B) Capital Structure
- C) Capital Adequacy
- D) Investment (Credit) Risk
- E) Equities: Disclosures for Banking Book Positions
- F) Profit Rate Risk in the Banking Book (PRRBB)
- G) Market Risk
- H) Operational risk

A) Scope of Application

Qualitative Disclosures:

a) The name of the top corporate entity in the group to which this guidelines applies.	Export Import Bank of Bangladesh Ltd.
b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group	EXIM Bank has 4 (Four) subsidiaries as on the reporting date namely; EXIM Exchange Company (UK) Limited, EXIM Exchange Company (Canada) Limited, EXIM (USA) Inc and EXIM Islami Investment Limited. A brief description of the Bank and its subsidiaries are given below:
(a) that are fully consolidated;	Export Import Bank of Bangladesh Ltd.
(b) that are given a deduction treatment; and	Export Import Bank of Bangladesh Ltd. (EXIM Bank) was incorporated as a public limited company in Bangladesh under Companies Act, 1994. It commenced its banking business on August 03, 1999 under the license issued by Bangladesh Bank. Presently the Bank has 87 (Eighty Seven) branches. The Bank has 2 (Two) Off-shore Banking Units (OBU). The Bank went for Initial Public Offering in 2004 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company for its general class of shares. The principal activities of the Bank are to provide all kinds of commercial banking services to its customers through its branches.
(c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	

Qualitative Disclosures:

	<p>There are 4 [Four] Subsidiaries of EXIM Bank which are as under:</p> <p>i) EXIM Exchange Company (UK) Ltd., a subsidiary company of EXIM Bank, was incorporated in U.K. on February 10, 2009 and commenced its remittance business on June 30, 2009. The Paid up Capital of the company is GBP 0.45 million against Authorized Capital for GBP 1.00 Million. The principal activity of the company is that of the provision of money transfer services and advising on letters of credit.</p> <p>ii) EXIM Exchange Company (Canada) Ltd., a subsidiary company of EXIM Bank, was incorporated in Canada on September 24, 2009 and commenced its remittance business on January 23, 2010. The Paid up capital of the company is CAD 0.60 million against Authorized Capital for CAD 1.00 million. The company is engaged with money transfer business.</p> <p>iii) EXIM (USA) Inc., a subsidiary company of EXIM Bank was incorporated in USA and commenced its remittance business from November 17, 2012. The Paid up Capital of the company is USD 0.86 million and the company is primarily engaged in the business of conducting money transmitter transactions.</p> <p>iv) EXIM Islami Investment Limited is a subsidiary company of EXIM Bank incorporated as a public limited company and started its operation on December 01, 2010. The Paid up Capital of the company is BDT 100.00 Crore against Authorized Capital for BDT 500.00 Crore. The main object of the company is to act as a full-fledged merchant banker. The company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of Company in shares, stocks and other Shariah based securities.</p> <p>All the subsidiaries were consolidated.</p>
c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not applicable

Quantitative Disclosures:

d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries	There is no capital deficiency in the financial year 2014 in solo or consolidated basis.
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B) Capital Structure

Qualitative Disclosures:

<p>a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.</p>	<p>Regulatory capital, as stipulated by the revised RBCA guidelines by Bangladesh Bank, is categorized into three tiers according to the order of quality of capital (Tier I, II & III).</p> <ul style="list-style-type: none"> i) Tier-I capital called 'Core Capital' comprises of highest quality of capital elements and as per the guidelines of Bangladesh Bank, Tier I capital of EXIM bank consists of i) Paid up capital ii) Statutory Reserve iii) Retained Earnings iv) Minority interest in Subsidiaries and v) Dividend Equalization Account. ii) Tier-II capital called 'Supplementary Capital' represents other elements, which fall short of some of the characteristics of the core capital but contribute to the overall strength of a bank and as per the guidelines of Bangladesh Bank, Tier II capital of EXIM bank consists of <ul style="list-style-type: none"> 1) General provision 2) Revaluation reserve for fixed assets. iii) Tier-III capital called 'Additional Supplementary Capital' consists of short-term subordinated debt, which would be solely for the purpose of meeting a proportion of the capital requirements for market risk and EXIM Bank had no Tier III element in its capital structure. <p>The Bank complied with all the required conditions for maintaining regulatory capital as stipulated in the revised RBCA guidelines by Bangladesh Bank as per following details:</p> <ul style="list-style-type: none"> 1) The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital. Status of Compliance: Complied 2) 50% of revaluation reserves for fixed assets and securities eligible for Tier 2 capital. Status of Compliance: Complied 3) 10% of revaluation reserves for equity instruments eligible for Tier 2 capital. Status of Compliance: There was no revaluation reserve from quoted equities as on the reporting date. 4) Subordinated debt shall be limited to a maximum of 30% of the amount of Tier-I capital. Status of Compliance: As on the reporting date there was no subordinated debt in the capital structure of EXIM Bank. 5) Limitation of Tier 3: A minimum of about 28.5% of market risk needs to be supported by Tier-I capital. Supporting of Market Risk from Tier 3 capital shall be limited up to maximum of 250% of a bank's Tier-I capital that is available after meeting credit risk capital requirement. Status of Compliance: As on the reporting date there were no Tier 3 components in the capital structure of EXIM Bank.
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b) Quantitative Disclosures:

As on the reporting date, the Bank had a consolidated capital of BDT 2,338.59 Crore comprising Tier-I capital of BDT 2,052.70 Crore and Tier-II capital of BDT 285.89 Crore [EXIM Bank had no Tier III element in its capital structure]. Following table presents component wise details of capital as on reporting date i.e. 31 December 2014:

		BDT In crore
Sl. No.	Particulars	Consolidated
	Elements of Tier-I Capital	
01	Paid up capital	1,283.86
02	Statutory Reserve	611.83
03	Non-repayable Share premium account	0.00
04	General Reserve	0.00
05	Retained Earnings	188.40
06	Minority interest in Subsidiaries	0.01
07	Non-Cumulative Irredeemable Preferences shares	0.00
08	Dividend Equalization Account	6.28
09	Other (if any item approved by Bangladesh Bank)	0.00
10	Sub Total(1+2+-----+9)	2,090.38
11	Deductions from Tier-1 Capital	37.68
12	Total eligible Tier -1 Capital (Core Capital) (10-11)	2,052.70
13	Total amount of Tier-II Capital	285.89
14	Total amount of Tier-III Capital	-
15	Other deductions from Capital	-
	Total Eligible Capital (12 + 13 + 14 - 15)	2,338.59

C) Capital Adequacy

Qualitative Disclosures:

a) A summary discussion of the bank's approach to assess the adequacy of its capital to support current and future activities.	<p>In terms of RBCA guidelines on Basel-II framework issued by Bangladesh Bank, the bank has adopted</p> <p>a) Standardized Approach for Investment (Credit) Risk; b) Standardized (rule based) approach for Market Risk and c) Basic Indicator Approach for Operational Risk.</p> <p>As per capital adequacy guidelines, the bank is required to maintain a minimum CAR of 10.00% with regards to Investment (Credit) risk, market risk and operational risk.</p> <p>EXIM Bank focuses on strengthening and enhancing its risk management culture and internal control processes rather than increasing capital to cover up weak risk management and control practices. The bank has been generating most of its incremental capital from retained profit (stock dividend, transfer to statutory reserve) to support the incremental growth of Risk Weighted Assets (RWA). In addition to that the Bank is in the final stage of issuance of BDT 250.00 Crore Mudaraba Subordinated Tier II Bond to strengthen its capital base. The Bank's policy is to manage and maintain strong Capital Adequacy Ratio through investing on those who are high grade rated investment customer and those who are low risk weight bearing customer. The bank is able to maintain capital adequacy ratio (CAR) at 11.70% on consolidated basis against the regulatory minimum level of 10.00%. Capital for BDT 339.56 crore well above the regulatory minimum is meant for supporting anticipated future business growth and to serve as a buffer for unexpected shock thereby ensuring that the Bank's CAR does not fall below the regulatory minimum level even in adverse condition and also can be considered as sufficient for Pillar II requirement and ultimately can be treated as adequate capital. The Bank's policy is to manage and maintain its capital with the objective of maintaining strong capital ratio and high rating. The Bank also ensures that the capital levels comply with regulatory requirements and satisfy the external rating agencies and other stakeholders including depositors. The whole objective of the capital management process in the Bank is to ensure that the Bank remains adequately capitalized at all times.</p>
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b) Quantitative Disclosures:

Sl. No.	Particulars	BDT In crore	
		Solo	Consolidated
1	Capital Requirement for Credit Risk	1,747.32	1,746.61
2	Capital Requirement for Market Risk	111.13	116.61
3	Capital Requirement for Operational Risk	135.32	135.81
4	Tier 1 Capital To Total Capital Ratio:	87.88%	87.78%
5	Minimum Capital Requirement	1,993.77	1,999.03
6	Total Risk Weighted Assets (RWA)	19,937.65	19,990.27
7	Total CAR	11.80%	11.70%
8	Tier-I CAR	10.37%	10.27%
9	Tier-II CAR	1.43%	1.43%

D) Investment (Credit) Risk

Qualitative Disclosures:

a) The general qualitative disclosures:

* Definitions of past due and impaired:

An investment payment that has not been made as of its due date is called past due/overdue. Failure to repay an investment on time could have negative implications for the customer's credit worthiness or cause the investment terms to be permanently adjusted. In case of past due investment, the bank may charge compensation which does not come under bank's income rather the charges use for benevolent purpose.

An investment is impaired when it is not likely the bank will collect the full value of the investment because the creditworthiness of a customer has fallen. The bank will pursue either restructuring or foreclosure as a result of the impaired status of the investment. Further, the bank must report the investment as impaired on any of its financial statements and CIB of Bangladesh bank.

With a view to strengthening investment discipline and bring classification and provisioning regulation in the line with international standard, a phase wise program for classification and provisioning was undertaken by the Bank as per Bangladesh Bank circulars issued from time to time. In this regard, all the investments are grouped into four categories for the purpose of classification, namely (i) Continuous Investment, (ii) Demand Investment, (iii) Fixed Term Investment and (iv) Short-term Agricultural and Micro Investment. The above investments are classified as follows:

Continuous & Demand Investment are classified as under:

- **Sub-standard-** if it is past due/overdue for 3 months or beyond but less than 6 months;
- **Doubtful-** if it is past due/overdue for 6 months or beyond but less than 9 months;
- **Bad/Loss-** if it is past due/overdue for 9 months or beyond.

Fixed Term Investment (More than Tk. 10.00 Lac) is classified as:

- **Sub-standard-** if the defaulted installment is equal to or more than the amount of installment (s) due within 3 (three) months, the entire investments are classified as "Sub-standard".

	<ul style="list-style-type: none">• Doubtful- if the defaulted installment is equal to or more than the amount of installment [s] due within 6 [six] months, the entire investments are classified as "Doubtful".• Bad/Loss- if the defaulted installment is equal to or more than the amount of installment [s] due within 9 [nine] months, the entire investments are classified as "Bad/Loss". <p>Fixed Term Investment (Up to BDT 10.00 Lac) is classified as</p> <ul style="list-style-type: none">• Sub-standard if the defaulted installment is equal to or more than the amount of installment [s] due within 6 [six] months, the entire investments are classified as "Sub-standard".• Doubtful- if the defaulted installment is equal to or more than the amount of installment [s] due within 9 [nine] months, the entire investments are classified as "Doubtful".• Bad/Loss- if the defaulted installment is equal to or more than the amount of installment [s] due within 12 [twelve] months, the entire investments are classified as "Bad/Loss". <p>Short-term Agricultural and Micro Credit are classified as</p> <ul style="list-style-type: none">• Sub-standard- - if the irregular status continue after a period of 12 [twelve] months, the investments are classified as "Sub-standard".• Doubtful- if the irregular status continue after a period of 36 [thirty six] months, the investment are classified as "Doubtful".• Bad/Loss- if the irregular status continue after a period of 60 [sixty] months, the investment are classified as "Bad/Loss". <p>** A Continuous, Demand or Term Investment which will remain over due for a period of 60 days or more, are treated as "Special Mention Account (SMA)".</p> <p>We follow the following approach for specific and general allowances and statistical method:</p>																																																						
<p>**Description of approaches followed for specific and general allowances and statistical methods:</p>	<table><tr><th rowspan="2">Particulars</th><th rowspan="2"></th><th rowspan="2">Short Term Agriculture credit and micro credit</th><th colspan="3">Consumer Financing</th><th rowspan="2">Small Enterprise Financing</th><th rowspan="2">Investments to BFs/MBS/SDs</th><th rowspan="2">All Other Investment</th></tr><tr><th>Other than HF & LP</th><th>HF</th><th>LP</th></tr><tr><td rowspan="2">Unclassified</td><td>STD</td><td>2.5%</td><td>5%</td><td>2%</td><td>2%</td><td>0.25%</td><td>2%</td><td>1%</td></tr><tr><td>SMA</td><td>n/a</td><td>5%</td><td>2%</td><td>2%</td><td>0.25%</td><td>2%</td><td>1%</td></tr><tr><td rowspan="3">Classified</td><td>SS</td><td>5%</td><td>20%</td><td>20%</td><td>20%</td><td>20%</td><td>20%</td><td>20%</td></tr><tr><td>DF</td><td>5%</td><td>50%</td><td>50%</td><td>50%</td><td>50%</td><td>50%</td><td>50%</td></tr><tr><td>B/L</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td></tr></table> <p>Base for provision = Outstanding- (eligible security+ profit suspense) or 15% of outstanding whichever is higher.</p>	Particulars		Short Term Agriculture credit and micro credit	Consumer Financing			Small Enterprise Financing	Investments to BFs/MBS/SDs	All Other Investment	Other than HF & LP	HF	LP	Unclassified	STD	2.5%	5%	2%	2%	0.25%	2%	1%	SMA	n/a	5%	2%	2%	0.25%	2%	1%	Classified	SS	5%	20%	20%	20%	20%	20%	20%	DF	5%	50%	50%	50%	50%	50%	50%	B/L	100%	100%	100%	100%	100%	100%	100%
Particulars					Short Term Agriculture credit and micro credit	Consumer Financing					Small Enterprise Financing	Investments to BFs/MBS/SDs	All Other Investment																																										
		Other than HF & LP	HF	LP																																																			
Unclassified	STD	2.5%	5%	2%	2%	0.25%	2%	1%																																															
	SMA	n/a	5%	2%	2%	0.25%	2%	1%																																															
Classified	SS	5%	20%	20%	20%	20%	20%	20%																																															
	DF	5%	50%	50%	50%	50%	50%	50%																																															
	B/L	100%	100%	100%	100%	100%	100%	100%																																															
<p>**Discussion of the bank's investment [credit] risk management policy.</p>	<p>Risk is inherent in all aspects of a commercial operation; however for Banks and financial institutions, investment [credit] risk is an essential factor that needs to be managed. Investment [credit] risk is the possibility that a borrower or counter party will fail to meet its obligations in accordance with agreed terms. Investment [Credit] risk, therefore, arises from the bank's dealings with or lending to corporate, individuals, and other banks or financial institutions. To manage investment [credit] risk EXIM bank follows "Bangladesh bank's Circulated CREDIT RISK MANAGEMENT guidelines".</p>																																																						

Quantitative Disclosures:

b) Total Gross credit risk exposures broken down by major types of credit exposures:

BDT in crore

1) Exposure Type (Funded)	Exposure	RWA
Claims on Banks and NBFIs	680.33	166.98
Claims on Corporate	10,695.22	9,172.43
Claims under Credit Risk Mitigation	1,033.60	496.56
Claims categorized as retail portfolio & SME(excluding consumer loan)	4,015.79	3,374.14
Consumer finance	37.98	37.98
Claims fully secured by residential property	190.59	95.30
Claims fully secured by commercial real estate	713.80	713.80
Past Due Claims (Net of Specific Provision, when applicable)	377.15	486.54
Capital Market Exposures	122.87	153.59
Investments in premises, plant and equipment and all other fixed assets	331.17	331.17
Staff loan/Investment	191.23	38.25
Others	3978.36	133.28
Total	22368.09	15200.02

BDT in crore

2) Exposure Type (Non-Funded)	Exposure	RWA
Claims on Public Sector Entities	0.47	0.24
Claims on Banks and other NBFIs:	5.86	1.17
Claims on Corporate	2752.53	1949.36
Claims against retail portfolio & SME (excluding consumer loan)	396.24	315.27
Total	3155.10	2266.04

BDT in crore

3) Mode-wise Investment	Exposure
Bai Muazzal	7124.01
Bai Murabaha	2236.59
Bai Salam	456.83
Istisna	0.00
Izara Bil Baia (Com)	7056.46
Izara Bil Baia (Staff)	191.28
Hire Purchase Under Shirkatul Melk	0.00
Quard	34.51
LDBP	1.35
Bai As Sarf	46.30
Musharaka	197.06
Exim Islami Investment Card	22.55
Murabaha Import Bill	86.65
Total	17453.59

c) Geographical distribution of credit Exposures

BDT in crore

SL	Division-wise investment	Exposure
01	Dhaka	12088.57
02	Chittagong	4304.99
03	Khulna	205.00
04	Rajshahi	544.92
05	Barisal	29.71
06	Sylhet	164.01
07	Rangpur	116.39
	Total	17453.59

d) Industry or counter party distribution of credit Exposures

BDT in crore

SL	Industry-wise investment	Exposure
01	Garments	1661.62
02	Textile	1064.89
03	Agro-based Industry	1263.88
04	Other Industry	1642.01
05	Trading and Others	11821.19
	Total	17453.59

e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure

BDT in crore

SL	Item	Exposure
01	On demand	867.92
02	Less than 3 months	1327.68
03	More than 3 months but less than 1 year	8269.65
04	More than 1 year but less than 5 year	4364.46
05	More than 5 years	2623.88
	Total	17453.59

f) By major industry or counterparty type (Amount of impaired investment and if available, Past due investment, provided separately)

BDT in crore

Economic Sector	Total Investment	Past Due/Impaired Investment
Agriculture	271.13	4.35
a) Crop financing	54.88	0.31
b) Plantation	4.84	0.01
c) Fishing/Pisciculture	46.29	0.84
d) Others	165.12	3.19
Industry(Other than working capital)	3915.11	168.38
a) Large & Medium scale Industries	3631.14	140.42
b) Small Scale & Cottage Industries	283.97	27.96
c) Others	0.00	0.00
Working Capital	1717.29	110.58
a) Jute Industries	44.63	0.00
b) Garments	503.59	19.84
c) Leather Industries	6.47	0.00
d) Others	1162.60	90.74

BDT in crore		
Economic Sector	Total Investment	Past Due/Impaired Investment
Export Financing	936.55	78.89
a) Readymade Garments	823.93	53.71
b) Jute	3.06	0.00
c) Jute Goods	0.11	0.00
d) Leather	2.31	0.00
e) Others	107.14	25.18
Import Financing	2077.49	219.77
a) Food Stuffs	1089.45	104.24
b) Textile & Textile Products	236.29	12.04
c) Chemical (Except Medicine)	161.34	55.99
d) Others	590.41	47.50
Transport and Communications	311.86	10.88
a) Transport & Communication	278.11	6.41
b) Others	33.75	4.47
Internal Trade Financing	5135.57	354.40
a) Whole sale Trading	4537.74	334.57
b) Retail Trading	357.11	19.04
c) Others	240.72	0.79
Housing	2237.69	25.97
a) Housing Companies/Societies	1195.82	5.99
b) Urban	295.16	5.86
c) Rural	22.10	1.83
d) Others	724.61	12.29
Special Programme	0.00	0.00
a) Small & Cottage	0.00	0.00
b) Others *	0.00	0.00
Others	850.90	5.66
Others	850.90	5.66
Total	17453.59	978.88

• Specific and general provisions

BDT in crore	
Provision required:	Provisions as on 31.12.2014
Unclassified Investments	176.46
Special mention accounts (SMA)	5.75
Sub total	182.21
Substandard	8.50
Doubtful	7.74
Bad/Loss	209.50
Sub total	225.74
Excess Provision held (as per requirement of Bangladesh Bank)	2.94
Total	410.89

Provision for off-balance sheet item-

BDT 65.62 crore

Provision for Offshore Banking Unit (OBU)-

BDT 3.40 crore

• Charges for specific allowances and charges-offs during the period:

Charges for specific allowances-BDT 225.74 crore

Charge-offs on investments during the period BDT (43.18) crore

g) NPAs

***Gross Non Performing Assets (NPAs) as on 31.12.2014	653.32
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***Non Performing Assets (NPAs) to Outstanding Investment as on 31.12.2014	3.74%
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*** Movement of Non- Performing Assets (NPAs)

BDT in crore

Particulars	As on December 31,2014
Opening Balance	528.00
Additions	1101.10
Reductions	975.78
Closing Balance as on 31.12.2014	653.32

*** Movement of specific provisions for NPAs

BDT in crore

Particulars	As on December 31,2014
Opening Balance	275.54
Provisions made during the period	47.39
Write-Off	97.19
Write-Back of excess provisions	0.00
Closing Balance 31.12.2014	225.74

E) Equities: Disclosures for Banking Book Positions

Qualitative Disclosures:

a) The general qualitative disclosures requirement with respect to equity risk, including

Differentiation between Holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;

Investment of EXIM Bank in equities is divided into two categories: quoted equities (which are traded in the secondary market) and unquoted equities (which are not traded in the secondary market). Since the intent of holding unquoted equities is not trading, the same are considered as banking book equity exposure.

Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices

The banking book equity exposure is mainly held for strategic purpose. EXIM Bank has 04 (Four) subsidiary companies namely: i) EXIM Exchange Company (UK) Limited, ii) EXIM Exchange Company (Canada) Limited, iii) EXIM (USA) Inc iv) EXIM Islami Investment Limited, which are held for strategic business reason.

The banking book securities are shown at cost price and market value determined by netting off the impairment loss and no revaluation reserve has been created against these equities.

BDT in crore

Quantitative Disclosures:

b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	See: Table 1
c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting (31 December 2014) period.	One of the subsidiaries of the bank named EXIM Exchange (Australia) PTY Ltd. has closed its operation during the year 2014. Cumulative realized loss against which is Tk. 1.90 Crore
d)	<ul style="list-style-type: none"> o Total unrealized gains (losses) o Total latent revaluation gains (losses) o Any amounts of the above included in Tier 2 capital. 	<p>There are no unrealized gains (losses) against banking book equities.</p> <p>-</p> <p>-</p>
e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements	Capital charge on banking book equities has been BDT 13.63 crore, calculated by giving 125% risk weight

Table 1: The list of banking book equities held by the Bank is given below:

Fig. in BDT

Sl	Equities in Banking Book	Purchase Price	Market Value at 31 Dec'2014	Remarks
1.	Central Depository Bangladesh Limited	14,051,038	14,051,038	Unquoted
2.	EXIM Exchange Company (UK) Limited	52,098,416	52,098,416	Unquoted
3.	EXIM Exchange Company (Canada) Limited	40,053,870	40,053,870	Unquoted
4.	EXIM (USA) Inc.	75,382,117	75,382,117	Unquoted
5.	EXIM Islami Investment Limited (EIIL)	906,822,375	906,822,375	Unquoted
6.	SWIFT	2,259,065	2,259,065	Unquoted
	Total	1,090,666,881	1,090,666,881	

F) Profit Rate Risk in Banking Book (PRRBB)

Qualitative Disclosures:

a)	<p>The general qualitative disclosure requirement including the nature of PRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of PRRBB measurement.</p>	<p>Profit rate risk is the exposure of a bank's financial condition to adverse movements in profit rates. The process of profit rate risk management by the bank involves determination of the business objectives, expectation about future macro variables and understanding the money markets and debt market in which it operates. Profit rate risk is the risk, which affects the Bank's financial condition due to changes in the market profit rates. Changes in profit rates affect both the current earnings (earnings perspective, traditional approach to profit rate risk assessment taken by many banks) as well as the net worth of the Bank (economic value perspective). The risk from earnings perspective measured as impact on the Net Investment Income (NII). Similarly, the risk from economic value perspective can be measured as impact on Economic Value of Equity (EVE) since the underlying value of the bank's assets, liabilities, and off-balance-sheet (OBS) instruments changes because the present value of future cash flows (and in some cases, the cash flows themselves) change when profit rates change. An effective risk management process that maintains profit rate risk within prudent levels is essential to the safety and soundness of banks. The Bank adopted traditional Gap analysis for assessing impact on profit perspective (earnings perspective) and Duration Analysis for assessing the impact on the Economic Value of Equity (Economic Value Perspective) by applying a notional Profit rate shock up from 100 bps to 300 bps under stress test practice at the bank.</p>
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Quantitative Disclosures:

The risk from earnings perspective can be measured as impact in the Net Investment Income (NII) due to changes in Profit rate.

CAR before-shock (%) 11.90*

BDT in crore (Where Applicable)

Profit Rate Stress	Minor	Moderate	Major
Assumed change in Profit Rate (%)	1	2	3
Net investment income impact	-	-	-
<12 months	-48.87	-97.74	-146.60
Capital after-shock	2324.54	2275.67	2226.81
CAR after-shock (%)	11.66	11.41	11.17
Change in CAR after-shock (%)	-0.25	-0.49	-0.74

Impact of fluctuation in the profit rates on economic value of a financial institution is tested in the stress test. Economic value is affected both by changes in future cash flows and discount rate used for determining present value. To determine the impact of increase in profit rate risk 3 scenarios are tested, in minor level of shock of 1% increase in profit rate cause CAR decline to 11.22% from 11.90% and 2% increase in profit rate cause CAR fall to 10.48%, finally a major shock of 3% increase in profit rate cause CAR fall to 9.74%.

Profit Rate Risk- Increase in Profit Rate	BDT in crore (Where Applicable)		
	Minor Level of Shock	Moderate Level of Shock	Major Level of Shock
Magnitude of Shock (%)	1	2	3
Weighted Average Yield on Asset (%)	9.42	9.42	9.42
Total Assets (market value)	23415.72	23415.72	23415.72
Duration GAP (year)	0.69	0.69	0.69
Changes in Market Value of Equity (on-balance sheet)	-147.48	-294.95	-442.43
Regulatory Capital (after shock)	2225.93	2078.46	1930.98
Risk Weighted Asset (after shock)	19830.80	19830.80	19830.80
CAR (after shock) (%)	11.22	10.48	9.74

*The stress testing was conducted considering CAR of 11.90% (Solo basis) before finalizing the Financial Statement 2014.

G) Market Risk

a) Qualitative Disclosures:

Views of Board of Directors on trading/ investment activities:	<p>Market risk is defined as the possibility of losses in on and off-balance sheet positions arising from movements in market prices. The exposure of the bank to market risk arises principally from customer-driven transactions. The market risk positions subject to this requirement are:</p> <p>i) The risks pertaining to profit rate related instruments and equities in the trading book.</p> <p>ii) Foreign exchange risk and commodities risk throughout the bank (both in the banking and in the trading book).</p> <p>Trading book comprises position in financial instruments held with trading intent or in order to hedge other element of the trading book. The portfolio of investment of EXIM Bank includes Bangladesh Government Islami Investment Bond (BGIIIB), Share of listed public limited companies etc. The bank has always put impetus on investment of funds in high yield areas and also has ensured maintenance of statutory liquidity requirement as set by Bangladesh Bank. The Board of Director approves all necessary policies related to market risk and review them on regular basis.</p>
Methods used to measure Market risk:	There are several methods use to measure market risk and the bank uses those methods which deem fit for a particular scenario. For measuring profit risk from earnings perspective, the bank uses maturity gap analysis, Duration Gap analysis, and mark to market method and for measuring foreign exchange risk, the bank uses VaR analysis. The Bank uses standardized method for calculating capital charge against market risks for minimum capital requirement of the Bank under Basel-II.
Market Risk Management system:	The Treasury & Financial Institution Division manage market risk covering Liquidity, profit rate and foreign exchange risk with oversight from Assets Liability Management Committee (ALCO) comprising Senior Executives of the Bank. ALCO is chaired by the Managing Director & CEO of the Bank. ALCO meets at least once in a month.

Policies and processes for mitigating market risk:	<p>The bank has put its Asset Liability Management policy by setting various risk limits for effective management of market risk and ensuring that the operations are in line with bank's expectation of return to market risk through proper Asset Liability Management. The policies also deal with the reporting framework for effective monitoring of market risk.</p> <p>The ALM Policy specifically deals with liquidity risk management and profit rate risk management framework. Liquidity risk is managed through Gap & Duration analysis, based on residual maturity/behavioral pattern of assets and liabilities, as prescribed by the Bangladesh Bank. The Bank has put in place mechanism of Liquidity Contingency Plan. Prudential (Tolerance) limits are prescribed for different residual maturity time buckets for efficient Asset Liability Management. Liquidity profile of the Bank is evaluated through various liquidity ratios/indicators.</p> <p>Foreign Exchange risk is the risk or chance of loss due to unexpected movement of market price of the currencies of different countries or the price of the assets denominated by foreign currencies. For effective and efficient management of Foreign Exchange Risk, the Bank has a well-developed and well-structured Foreign Exchange Risk Manual and an international standard Dealing Room Manual. Various limits are set to monitor and mitigate the Foreign Exchange risk such as, Net Open Position (NOP) limits (Day limit / Overnight limit), deal-wise cut-loss limits, Stop-loss limit, Profit / Loss in respect of cross currency trading etc. and exception reporting is regularly carried out.</p> <p>The Treasury of the Bank is mainly divided into three departments namely Front Office, Mid Office and Back Office. The Front Office independently conducts the transactions and the Back Office is responsible for settlement of those transactions after verifying of the deals and passing for those entries in the books of account. The Mid Office plays a vital role in the process by checking the Foreign Exchange procedure perform by Front and Back Office and by reporting it directly to the Managing Director & CEO of the Bank.</p> <p>All foreign exchange transactions are revaluated at Mark to Market rate as determined by inter-bank. All nostro accounts are reconciled on monthly basis and outstanding entries are reviewed by the management for their settlement.</p>
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b) Quantitative Disclosures:

	BDT in crore
The Capital Requirements for:	Total Capital Charge
Interest Rate Related Instruments	-
Equities <ul style="list-style-type: none"> a) Specific Risk - Market value of investment in equities BDT 446.38 Crore. Capital Charge at 10% of market value amounting BDT 44.64 Crore. b) General Market Risk - Market value of investment in equities BDT 446.38 Crore. Capital Charge at 10% of market value amounting BDT 44.64 Crore. 	89.28
Foreign Exchange Position (Sum of Net Long Position BDT 273.34 Crore. Capital Charge at 10% amounting BDT 27.33 Crore)	27.33
Total	116.61

H) Operational Risk

a) Qualitative Disclosures

Views of Board of Directors on system to reduce Operational Risk:	Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It is inherent in all of the Bank's activities. Operational risks are monitored and, to the extent possible, controlled and mitigated. The Bank's approach to operational risk is not designed to eliminate risk altogether but rather, to contain risks within levels deemed acceptable by senior management. All functions, whether business, control or logistics functions, must manage the operational risks that arise from their activities. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risks events, which ensure that the group stays in line with industry best practice and takes account of lessons from publicized operational failures within the financial services industry.
Performance gap of executives and staffs:	The difference between the standard/intended and the actual/current performance is known as the performance gap. EXIM Bank always tries to minimize the performance gap of its employees through need based training by assessing the various needs of the employees. Bank maintains a decent work environment where employees can work with dignity, can participate in the decision making process, and receive equal treatment and opportunity that affect their performance. The bank is relentlessly pursuing its vision to transform the human resources into human capital. The bank also encourages practicing ethical behavior by following standard code of conduct. To reduce knowledge gap and assist in the development of our personnel, user friendly Operations Manual have been developed and enclosed with functional processes for all employees who are the end users of these processes. The bank ensures timely compensation claims of the employee; preserve the employee health and safety rules and avoid the discriminatory activities. Strong brand image of the bank plays an important role in employees' motivation. During the year 2014, the bank significantly reviewed few existing policies for providing more benefit to employees with a view to introducing superior level of job satisfaction. Earlier the bank formed "Female Employees' Interest Protection Cell" to ensure Equal Employment Opportunity. Competitive compensation also ensures best workplace safety for the banks' employees to keep away from incompatible employment practices and unhealthy employee turnover. It is the policy of the bank that various cash and non-cash benefits for the employees are reviewed time to time based on bank's performance and rationality. Bank introduces 'Employee Turnover Risk' as a requirement of the Supervisory Review Process (SRP) under Pillar II of Basel II which becomes a constant monitoring tool to measure the employee turnover of the bank.
Potential external events:	<p>The potential external events that may pose the bank into operational risks are as follows.</p> <ol style="list-style-type: none"> 1. External Fraud: Acts by a third party, of a type intended to defraud, misappropriate property or circumvent the law. Examples include robbery, forgery, and damage from computer hacking. 2. Taxation Risk: Sudden changes in tax laws and regulation that hamper the profitability of a bank. 3. Legal Risk: Legal risk is the risk of the Bank's losses in cases of i) non-compliance of the Bank with the requirements of the legal regulations ii) making legal mistakes in carrying out activities iii) Imperfection of the legal system iv) Violation of legal regulations, terms and conditions of concluded agreements by the counterparties. 4. Damage of physical asset: Loss or damage to physical assets from natural disaster or other events. Example includes terrorism, vandalism, earthquakes, fires, floods etc. 5. Business disruption and system failures: Disruption of business or system failures. Examples include telecommunication problems, utility outages etc. 6. Execution, delivery and process management: Failed transaction processing or process management, and relations with trade counterparties and vendors. Examples include, non-client counterparty mis-performance, vendor disputes etc.

Policies and processes for mitigating operational risk:	<p>The Bank has taken the following policies and processes for mitigating operational risk:</p> <ol style="list-style-type: none"> 1. Loss prevention: We focus on employee development through training and development programs and review the performance of employees to prevent loss. 2. Loss control: We have in detail planning and defined process in place like back up of computer system controlling the loss. <p>The Bank has formed 'Risk Management Division' under 'Chief Risk Officer' to review and update operational risks along with all other core risks on systematic basis as essential ensuring that adequate controls exist and that the related returns reflect these risks and the capital allocated to support them. The bank already developed the information systems/MIS inflow and data management capabilities to support the risk management functions of the bank. The Bank has taken initiatives for protecting the information from unauthorized access, modification, disclosure and destruction to protect its' customers' interest. The Bank has already developed its own ICT policies for various operation and services, which are closely in line with the ICT Guidelines of Bangladesh Bank. Training is a key component of operational risk management. The Bank has been continuously conducting training sessions (i.e. Operational Procedure, Business Continuity Planning, Disaster Recovery Planning etc.) for relevant employees. The Bank has been maintaining separate insurance coverage for its critical assets. The bank conducts routine audit (both internal and external) and internal ICT audit to all its' branches and Head Office divisions.</p>
Approach for calculating capital charge for operational risk:	<p>The Banks operating in Bangladesh have been computing the capital requirements for operational risk under the Basic Indicator Approach (BIA). Under BIA, the capital charge for operational risk is a fixed percentage, denoted by ? (alpha) of average positive annual gross income of the bank over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average. The capital charge may be expressed as follows:</p> $K = [(GI_1 + GI_2 + GI_3) \times ?] / n$ <p>Where-</p> <p>K = the capital charge under the Basic Indicator Approach</p> <p>GI = only positive annual gross income over the previous three years (i.e., negative or zero gross income if any shall be excluded)</p> <p>? = 15 percent</p> <p>n = number of the previous three years for which gross income is positive.</p> <p>Gross Income (GI) is defined as "Net Investment Income" plus "Net non- Investment Income". It is intended that this measure should:</p> <ol style="list-style-type: none"> be gross of any provisions; be gross of operating expenses, including fees paid to outsourcing service providers exclude realized profits/losses from the sale of securities held to maturity in the banking book; exclude extraordinary or irregular items; exclude income derived from insurance.

b) Quantitative Disclosures:

BDT in crore			
The capital requirements for operational risk			135.81
Capital Charge for Operational Risk- Basic Indicator Approach			
BDT in crore			
Year	Gross Income (GI)	Average Gross Income (AGI)	Capital Charge = 15% of AGI
2012	816.73	905.39	135.81
2013	836.24		
2014	1063.21		

Report of the Board Audit Committee

In accordance with the BRPD Circular No. 12, dated 23 December 2002, the formal Audit Committee of this Bank started functioning duly appointed by the Bank's Board of Directors with a view to ensuring the achievement of objectives of the Bank, efficiency of operations, and compliance with the applicable laws, regulations and internal policies to make the Bank a unique, strong and dependable organization for all stakeholders specifically shareholders, depositors and the society as a whole. In this context, the present Audit Committee comprising of 5(five) members has been appointed by the Bank's Board of Directors for 03(three) years.

Composition of the Audit Committee

The composition of the present Audit Committee of the Bank :

Name	Status
Mr. Mohammad Omar Farooque Bhuiyan	Chairman
Mrs. Nasreen Islam	Member
Mr. Md. Nurul Amin	Member
Mr. Ranjan Chowdhury	Member
Mr. Muhammad Sekandar Khan	Member

As per regulatory guidelines, the Company Secretary of the bank is the Secretary of the Audit Committee.

Statement of the Audit Committee

The Audit Committee during its review stated that the internal controls of the bank are well conceived, properly administered and satisfactorily monitored. The committee also stated that during its involvement in the review of the external audit functions: ensured effective co-ordination of external audit function, ensured independence of external auditors, reviewed the external auditors' findings in order to be satisfied that appropriate action has been taken.

Meeting of the Audit Committee

During the year 2014, the Audit Committee of the bank held 09 meetings. Proceedings of the Audit Committee meetings were reported timely and regularly to the Board of Directors. During the period, the Committee performed, amongst others, the following key functions:

1. Carefully evaluated the level of compliance of the Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission, dated 07.08. 2012.
2. Evaluated the compliance culture across the Bank.
3. Reviewed the existing risk management procedures for ensuring an effective internal check and control system of the Bank.
4. Pursued the Audit Calendar for the period under review and advised to follow the audit program meticulously.
5. Reviewed the risk grading of the Branches prepared on the basis of audit and inspection reports.
6. Discussed the internal and external audit reports and advised the management to rectify all lapses revealed in the reports. Additionally from time to time the concerned Head of Wings/Divisions/Branches and other Offices of the Bank were invited to attend the meeting of the Audit Committee in order to augment the process of regularization of lapses and irregularities.
7. Discussed the Bangladesh Bank inspection reports on the Branches and Head office and advised the management to rectify all lapses.
8. Advised the management to complete all the documentation formalities carefully and retain each and every document accurately.
9. Reviewed the reports on overdue, classified, rescheduled, written off investments and other non-performing assets and directed to exert all-out efforts to reduce non-performing assets.
10. Suggested to take up the matters with concerned lawyers for early disposal of the suits for recovery of the Bank's dues.
11. Advised the management to ensure full compliance of regulatory issues meticulously.
12. Advised the management to ensure full Shariah compliance in all areas of business.
13. Suggested some measures for capacity building of the internal auditors and to further strengthen the internal audit function.

Statutory Auditors Appointment

The Audit Committee duly recommends to the Board for appointing Statutory Auditors in the Annual General Meeting.

Selection of Accounting Policy

The Audit Committee reviewed the accounting policies adopted by the bank and ensured that the policies were properly applied in preparation of the Financial Statements of the Bank.

Interim Financial Reports

The Audit Committee reviewed and recommended the quarterly and the half yearly Financial Statements to the Board and ensured that authentic and reliable Financial Information have been incorporated in preparing those Financial Statements and in other interim reports.

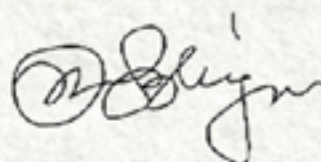
Review of Financial Statements

The Audit Committee reviewed and examined the Financial Statements 2014 of the Bank to confirm whether all the disclosures and information have been incorporated in the Financial Statements and whether the Bank followed International Accounting Standards(IAS) and International Financial Reporting Standards (IFRS) adopted as Bangladesh Accounting Standards(BAS) and Bangladesh Financial Reporting Standards (BFRS) by the Institute of Chartered Accountants of Bangladesh, Bank Company Act 1991, Bangladesh Bank Guidelines, the Companies Act 1994, the Bangladesh Securities and Exchange Commission Rules and other laws and rules applicable in

Bangladesh and also Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain, etc. The Committee recommended the Financial Statements for consideration of the Board.

Meeting with the Statutory Auditors

The Committee met with the Statutory Auditors for finalization of financial statements. It properly addresses the issues mentioned in the Management Letter for taking appropriate action by the management.

**Mohammad Omar Farooque Bhuiyan**

Chairman

Board Audit Committee

Annual Report of the Shariah Supervisory Committee-2014

All praise due to the Almighty Allah Subhanahu wa Ta'ala the Most Gracious, the Most Merciful and blessings of Allah be upon the best & great prophet Muhammad Sallallahu Alai-he-wa-Sallam who is the unique model for whole mankind and his all other companions and descendants.

We take opportunity to express our appreciation and gratitude to the Board of Directors and all Member of the Management Team whose continuous favour help and support inspired us to complete our whole activities in time. We are also grateful to our honorable Clients and Share holders for their trusted confidence reposed on us which is the source of our strength, without which we could not be reached in our position today.

In 2014, the EXIM Bank Shariah Supervisory Committee conducted various inspections and reviewed different operational activities including the issues referred by the Board of Directors & the Management of the Bank as well as provided due opinions and guidelines according to the Shariah principles.

It is the responsibility of the Management to run the banking business in accordance with the Islamic principles, rules and regulations. The Shariah Supervisory Committee is solely entrusted to analyze and prescribe opinion as per Islamic Shariah and keep constant eye on practice of Shariah Principles in different banking operations.

It appears from the record that the Shariah Supervisory Committee of EXIM Bank performed the following activities in the year 2014:

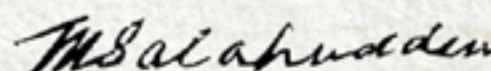
1. Perused the Shariah Inspection Reports on different branches conducted by the Muraquibs. As a result, the Muraquibs have strengthened the continuous inspection schedule on branches and meticulous compliance of Shariah principles.
2. Organized necessary Shariah meetings.
3. Provided deliberate decisions, necessary instructions, proper guidelines as per Shariah norms on different issues.
4. Opined and gave decision for payment of yearly Zakat on total zakatable assets of the Bank after proper calculation and distribution of the same to the applicable sector as per Shariah principles. It is mentionable here that no Zakat is paid on Depositors & Share holders account.

5. Developed intense awareness among the employees of the bank about the compliance of Shariah rules in comparison to the preceding years.
6. Arranged various training and workshop on Islamic Banking and Finance for the bank officials.
7. Ensured calculation and distribution of profit on Mudaraba deposits to the depositors properly as per Shariah principles. In this regard Bank considered excess amount of profit paid to the Mudaraba depositors as EHSAN.

Considering the current status, Shariah Supervisory Committee prescribes the following suggestions:

- i. To arrange more training and workshop for the executives and officers of the bank on different aspects of Shariah principles to execute the same meticulously.
- ii. To increase comprehensive and competitive knowledge among the clients about the benefits and procedures of Islamic Banking by conducting workshops, meetings, seminars, symposiums, get-togethers, Iftar party etc.
- iii. To strengthen Shariah Inspection and increase the number of Muraquibs gradually.
- iv. To create more awareness among the branch officials to ensure Shariah compliance.
- v. Furthermore, EXIM Bank has been playing a praiseworthy role in performing mainstream Corporate Social Responsibility (CSR) activities like poverty alleviation, patronizing sports, ensuring sustainable development in education sector and confirming modern health care facilities for all, resulting of which allocation of adequate fund in this regard may be increased.

May Allah accept us to achieve His satisfaction by establishing Shariah based banking in full. Amin.



Professor Maulana Mohammad Salah Uddin
Chairman
Shariah Supervisory Committee

শরী'আহ সুপারভাইজরি কমিটির বার্ষিক প্রতিবেদন-২০১৪

সকল প্রশংসা মহান আল্লাহ রাক্বুল 'আলামীনের যিনি অসীম দয়াময় ও পরম ক্ষমাশীল এবং তাঁর রহমত বর্ষিত হোক বিশ্বমানবতার সর্বোত্তম আদর্শ মহানবী হযরত মুহাম্মদ (সাঃ) এবং তাঁর সকল সাহাবী ও অনুসারীদের উপর।

আমরা শরী'আহ সুপারভাইজরি কমিটির পক্ষ থেকে এগ্রিম ব্যাংকের পরিচালনা পর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষের সকল সদস্যকে আন্তরিক ধন্যবাদ জানাচ্ছি যাদের নিরবিচ্ছিন্ন সহযোগিতা ও সমর্থন আমাদের সার্বিক কার্যক্রম সম্পাদনে গুরুত্ব যুগিয়েছে। কৃতজ্ঞতা প্রকাশ করছি ব্যাংকের সকল গ্রাহক ও শেয়ার হোল্ডারগণের প্রতি যাদের অকুট্রিম আস্থা ও অনুকূল্যের বদৌলতে আমরা উত্তরোত্তর সমৃদ্ধির এ অবস্থানে আসতে পেরেছি।

২০১৪ সালে শরী'আহ সুপারভাইজরি কমিটি ব্যাংকের বিভিন্ন শাখা পরিদর্শন ও পরিচালনাগত বিষয়াদি পর্যালোচনা করেন, যার মধ্যে ব্যাংকের পরিচালনা পর্ষদ এবং ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রেরিত বিষয়াবলীও অন্তর্ভুক্ত ছিল এবং পাশাপাশি এ সমস্ত বিষয়াদি পর্যালোচনাতে শরী'আহ মূলনীতির ভিত্তিতে প্রয়োজনীয় পরামর্শ ও দিক নির্দেশনা ও সিদ্ধান্ত প্রদান করেন।

মূলত শরী'আহ নীতিমালায় আলোকে ব্যাংক পরিচালনার দায়-দায়িত্ব ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষের উপরই বর্তায়। শরী'আহ সুপারভাইজরি কমিটি কেবল শরী'আহ নীতিমালা সম্পর্কিত বিষয়সমূহের নিরপেক্ষ বিশ্লেষণ ও সুচিন্তিত মতামত প্রদান করেছেন এবং ব্যাংকের বিভিন্ন কার্যক্রমে শরী'আহ বিধি-বিধান অনুশীলনের ব্যাপারে সর্বদা সজাগ দৃষ্টি রেখেছেন।

২০১৪ সমাপ্ত বছরে এগ্রিম ব্যাংকের শরী'আহ সুপারভাইজরি কমিটি নিম্নোক্ত কার্যাবলী সম্পাদন করেছেন :

- ১। মুরাক্বিবগণ কর্তৃক ব্যাংকের যে সকল শাখা পরিদর্শন করা হয়েছে শরী'আহ সুপারভাইজরি কমিটি সেসব শাখাসমূহের পরিদর্শন প্রতিবেদন পর্যালোচনা করেছেন। ফলে শরী'আহ সুপারভাইজরি কমিটির নির্দেশনা অনুযায়ী শাখাসমূহের উপর (শরী'আহ পরিপূর্ণভাবে পরিপালনার্থে) উর্দ্বতন কর্তৃপক্ষের তদারকি এবং শাখা সমূহের পরিপালন কার্যক্রম জোরদার করা হয়েছে।
- ২। শরী'আহ সুপারভাইজরি কমিটির প্রয়োজনীয় সভাসমূহ অনুষ্ঠিত হয়েছে।
- ৩। ব্যাংকের দৈনন্দিন কার্যক্রম পরিচালনার ক্ষেত্রে শরী'আহ নীতিমালা সংক্রান্ত বিভিন্ন বিষয়ে শরী'আহ সুপারভাইজরি কমিটি সুচিন্তিত মতামত ও প্রয়োজনীয় দিক নির্দেশনা প্রদান করেছেন।
- ৪। ব্যাংকের যাকাতযোগ্য সম্পদের উপর শরী'আহ নীতিমালায় আলোকে যথাযথভাবে হিসাবান্তে বাৎসরিক যাকাত প্রদানের জন্য মতামত প্রদান পূর্বক সিদ্ধান্ত দেয়া হয়েছে এবং তা বাস্তবায়ন করা হয়েছে। উল্লেখ্য যে, আমানতকারী ও শেয়ার হোল্ডারদের হিসাব এর উপর কোনো যাকাত প্রদান করা হয়নি।

৫। শরী'আহ পরিপালনের ব্যাপারে ব্যাংকের কর্মকর্তাদের মাঝে সার্বিক সচেতনতা তুলনামূলকভাবে বৃদ্ধির ব্যাপারে অধিকতর গুরুত্বারোপ করা হয়েছে।

৬। ইসলামী ব্যাংকিং-এর উপর ব্যাংক কর্মকর্তাদের জ্ঞানকে আরো সমৃদ্ধ করার নিমিত্তে শরী'আহ বিষয়ক প্রশিক্ষণের ব্যবস্থা করা হয়েছে।

৭। শরী'আহ নীতিমালা অনুসারে মুরাযা'আ আমানতের উপর যথাযথভাবে মুনাকা নির্ধারণপূর্বক আমানতকারীগণকে যথাসময়ে তা প্রদান করা হয়েছে। এক্ষেত্রে চূড়ান্ত হিসাবান্তে ব্যাংক কর্তৃক গ্রাহকগণকে তাদের প্রাপ্য মুনাকার চেয়ে প্রদত্ত অতিরিক্ত মুনাকা ইহসান হিসেবে বিবেচনা করা হয়েছে।

বর্তমান অবস্থার আলোকে ভবিষ্যতের জন্য শরী'আহ সুপারভাইজরি কমিটি নিম্নোক্ত সুপারিশসমূহ প্রদান করেছেন :

- ১। শরী'আহ মূলনীতিসমূহের উপর ব্যাংকের সকল নির্বাহী ও কর্মকর্তাদেরকে আরও প্রশিক্ষিত করা প্রয়োজন।
- ২। ইসলামী অর্থনীতি ও ব্যাংকিং সংক্রান্ত কর্মশালা, সভা, সেমিনার ও সিম্পোজিয়াম আয়োজনের মাধ্যমে গ্রাহকদের মাঝে ইসলামী অর্থনীতি ও ব্যাংকিং-এর জ্ঞান বৃদ্ধি বিষয়ক কর্মসূচী বাড়াণো প্রয়োজন।
- ৩। শরী'আহ পরিদর্শন ও তদারকি জোরদার করার জন্য মুরাক্বিব-এর সংখ্যা ক্রমাগত বৃদ্ধি করা প্রয়োজন।
- ৪। ব্যাংকের সার্বিক কার্যক্রমে শরী'আহ নীতিমালা পরিপালন নিশ্চিত করার ক্ষেত্রে শাখা পর্যায়ে কর্মকর্তাদেরকে আরও সচেতন ও সজাগ হতে হবে।
- ৫। দেশের দারিদ্র্য বিমোচন, চিকিৎসা, খেলাধুলা ও শিক্ষার উন্নয়ন তথা কর্পোরেট সামাজিক দায়বদ্ধতামূলক (সি এস আর) কর্মকাণ্ডে পুঁহিত ব্যাংকের পদক্ষেপসমূহ প্রশংসনীয় বিধায় এ সকল কর্মকাণ্ডে যৌক্তিকভাবে অর্থ বরাদ্দ করা যেতে পারে।

মহান আল্লাহ তা'আলা পরিপূর্ণভাবে ইসলামী শরী'আহ ভিত্তিক ব্যাংকিং ব্যবস্থা প্রতিষ্ঠা করার মাধ্যমে আমাদেরকে তাঁর সন্তুষ্টি অর্জনের তাওফীক দিন। آمীন।

M. Saifur Rahman

অধ্যাপক মাওলানা মোহাম্মদ সালাহ উদ্দিন

চেয়ারম্যান

শরী'আহ সুপারভাইজরি কমিটি



[FINANCIAL STATEMENTS]

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EXPORT IMPORT BANK OF BANGLADESH LIMITED

We have audited the accompanying consolidated financial statements of Export Import Bank of Bangladesh Limited and its subsidiaries (the "Group") as well as the separate financial statements of Export Import Bank of Bangladesh Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2014, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and the separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also the separate financial statements of the Bank.

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

Opinion

In our opinion, the consolidated financial statements of the Group and also the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2014, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1.

Other Matter

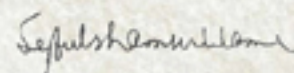
The financial statements of Export Import Bank of Bangladesh Limited for the year ended 31 December 2013 were audited by Pinaki & Company, Chartered Accountants who expressed an unqualified opinion on those statements on 16 April 2014.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Companies Act, 1991 as amended up to 2013 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - i) internal audit (note 2.22.8), internal control (note 2.22.5) and risk management (Note 2.22) arrangements of the Group and the Bank as disclosed in notes appeared to be adequate with immaterial control deficiencies as identified in management report.
 - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in note 2.22.7.
- (c) Financial statements of subsidiary companies of the Bank namely EXIM Islami Investment Limited (EIIL) has been audited by Hoda Vasi Chowdhury & Co. Chartered Accountants, EXIM Exchange Company (UK) Ltd., has been audited by Green & Peter (UK) Ltd. Chartered Accountants, EXIM (USA) Inc. has been audited by CIRILLO FRANCIS & CIRILLO, Certified Public Accountants, EXIM Exchange (Australia) PTY Ltd. has been audited by Ahmed Zaman & Co. Public Accountants and the Financial Statements of EXIM Exchange Company (Canada) Ltd. has been compiled in accordance with Canadian Generally Accepted Accounting Principles (GAAP) by Omnibus Tax & Accounting Services Inc., These accounts have been properly reflected in the consolidated financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from 76 branches not visited by us;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in note 2.1 as well as with related guidance, circulars issued by Bangladesh Bank and decision taken in tripartite meeting amongst Inspection Team of Bangladesh Bank, External Auditors and the Management of Export Import Bank of Bangladesh Limited held on March 25, 2015.
- (h) adequate provisions have been made for the investments, other assets and off-Balance Sheet items which are, in our opinion, doubtful of recovery in compliance with the Bangladesh Bank letter no. ডিবিআই-৪/৪২(৬)/২০১৫-৭৭১ তারিখ ১২-০৪-২০১৫ ইং;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory; and
- (k) We have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 4,500 person hours for the audit of the books and accounts of the Bank.

Date: April 26, 2015
Place: Dhaka


Syful Shamsul Alam & Co.
Chartered Accountants

Consolidated Balance Sheet

as at 31 December 2014

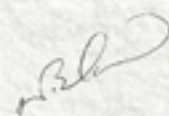
	Notes	Taka	
		2014	2013
PROPERTY AND ASSETS			
Cash in Hand	3 (a)	28,512,605,848	22,112,781,790
Cash in Hand (including foreign currency)	3 (a.1)	1,377,323,285	1,569,959,322
Balance with Bangladesh Bank & it's Agent Bank (including foreign currency)	3 (a.2)	27,135,282,563	20,542,822,468
Balance with other banks and financial institutions	4 (a)	3,553,925,630	11,946,793,522
In Bangladesh		1,676,129,886	8,793,193,247
Outside Bangladesh		1,877,795,744	3,153,600,277
Placement with banks & other financial institutions	5	500,000,000	-
Investments in shares and securities	6 (a)	15,571,547,409	11,443,558,480
Government		8,550,051,038	4,264,051,038
Others		7,021,496,371	7,179,507,442
Investments	7 (a)	179,165,567,945	145,001,997,795
General investments etc.		172,432,868,853	138,976,619,519
Bills purchased and discounted		6,732,699,092	6,025,378,276
Fixed assets including premises	8 (a)	3,311,712,168	3,190,361,100
Other assets	9 (a)	2,218,594,858	1,846,754,836
Non-banking assets	10	-	-
Total Property And Assets		232,833,953,858	195,542,247,525
LIABILITIES AND CAPITAL			
Liabilities			
Placement from banks & other financial institutions	11 (a)	452,825,605	1,550,000,000
Deposits and Other Accounts	12 (a)	200,009,004,503	165,391,576,655
Mudaraba savings deposits	12.1 (a)	9,904,099,863	7,413,430,150
Mudaraba term deposits	12.2 (a)	122,987,801,586	92,425,042,708
Other Mudaraba deposits	12.3 (a)	44,166,429,008	46,171,484,516
Al wadeeah current and other deposit accounts	12.4 (a)	21,346,501,289	18,476,651,522
Bills payable	12.5 (a)	1,604,172,757	904,967,759
Other liabilities	13 (a)	9,395,063,443	8,101,527,618
Total liabilities		209,856,893,551	175,043,104,273
Capital/shareholders' equity			
Paid up capital	14.2	12,838,646,080	11,566,347,820
Statutory reserve	15	6,118,314,064	5,236,931,055
Other reserves	16	2,130,546,666	2,130,546,666
Foreign currency translation adjustment	17 (a)	5,415,789	9,224,261
Retained earnings	18 (a)	1,884,047,017	1,555,994,379
EXIM Bank shareholders' equity		22,976,969,616	20,499,044,181
Minority Interest	19	90,691	99,071
Total shareholders' equity		22,977,060,307	20,499,143,252
Total liabilities and shareholders' equity		232,833,953,858	195,542,247,525

Consolidated Balance Sheet

as at 31 December 2014

	Notes	Taka	
		2014	2013
Off balance sheet items			
Contingent liabilities:	20	65,616,800,909	60,119,383,811
Acceptance & endorsements		-	-
Letters of guarantee	20.1	4,238,337,604	3,750,989,566
Irrevocable letters of credit (Including Back to Back Bills)	20.2	21,034,770,856	18,083,871,566
Bills for collection	20.3	5,479,716,930	4,604,117,568
Other contingent liabilities	20.4	34,863,975,519	33,680,405,111
Other commitments:		-	-
Documentary credits 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		-	-
Total off balance sheet items including contingent liabilities		65,616,800,909	60,119,383,811

The annexed notes 1 to 49 and annexures A-D form an integral part of these financial statements.



Chairman

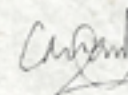
See annexed Auditor's Report to the shareholders of date



Director

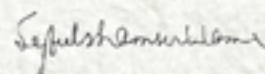


Director



Managing Director & CEO

Signed in terms of our separate report of even date



Syful Shamsul Alam & Co.
Chartered Accountants

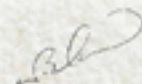
Dhaka, Dated: 26 April 2015


Consolidated Profit and Loss Account

for the year ended 31 December 2014

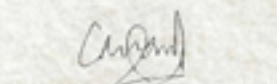
Particulars	Notes	Taka	
		2014	2013
Investment income	23(a)	22,528,535,941	20,476,318,100
Profit paid on deposits, borrowings etc.	24(a)	[15,486,170,797]	[15,423,468,739]
Net investment income		7,042,365,144	5,052,849,361
Income from investment in shares/securities	25(a)	389,854,226	299,414,022
Commission, exchange & brokerage	26(a)	2,043,275,270	2,044,820,902
Gain on sale of investment in shares		61,741,443	20,862,828
Other operating income	27(a)	777,832,247	866,184,833
Total operating income (A)		10,315,068,330	8,284,131,946
Operating expenses			
Salary & allowances	28(a)	2,384,095,974	1,805,136,486
Rent, taxes, insurance, electricity etc.	29(a)	485,353,827	394,746,877
Legal expenses	30(a)	21,233,316	27,672,991
Postage, stamp and telecommunications etc.	31(a)	76,451,030	75,140,767
Auditors' fees	32(a)	800,149	900,263
Stationery, printing and advertisement etc.	33(a)	173,557,330	149,865,536
Chief Executive's salary and fees		10,153,935	9,169,032
Directors' fees & expenses	34(a)	1,399,211	2,132,394
Shariah Supervisory Committee's fees & expenses	35	377,410	333,345
Charges on investment losses		-	-
Depreciation and repair to Bank's assets	36(a)	226,464,171	175,400,143
Zakat expenses		144,051,776	130,948,114
Other expenses	37(a)	655,411,680	559,978,390
Total operating expenses (B)		4,179,349,809	3,331,424,338
Profit/(loss) before provision (C=A-B)		6,135,718,521	4,952,707,608
Provision for investments	38(a)	878,950,828	1,393,805,620
Provision for Off balance sheet exposures	40	54,974,171	[38,310,998]
Provision for Off-Shore Banking Units (OBU)	39	13,210,782	12,709,972
Provision for other assets		-	544,000
Provision for diminution in value of Investment in Shares		777,675,221	345,204,282
Total Provision (D)		1,724,811,002	1,713,952,876
Total profit/(loss) before taxes (C-D)		4,410,907,519	3,238,754,732
Provision for taxation:			
Current tax	13.3.1 (a)	1,833,413,099	1,353,146,472
Previous years' tax		111,813,082	-
Deferred tax		-	-
		1,945,226,181	1,353,146,472
Net profit/(loss) after tax		2,465,681,338	1,885,608,260
Retained earnings brought forward from previous year	18(a1)	1,572,038,568	1,369,992,951
Prior year adjustment		-	1,345,860
Profit available for appropriation		4,037,719,906	3,256,947,071
Appropriations:			
Statutory reserve		881,383,009	649,465,280
Issue of bonus shares		1,272,298,260	1,051,486,160
		2,153,681,269	1,700,951,440
Retained earnings carried forward		1,884,038,637	1,555,995,631
Export Import Bank of Bangladesh Limited		1,884,047,017	1,555,994,379
Minority Interest		[8,380]	1,252
		1,884,038,637	1,555,995,631
Consolidated earnings per ordinary share	41(a)	1.92	1.47

The annexed notes 1 to 49 and annexures A-D form an integral part of these financial statements.


Chairman

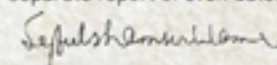

Director


Director


Managing Director & CEO

Signed in terms of our separate report of even date.

Dhaka, Dated: 26 April 2015



Syful Shamsul Alam & Co.
Chartered Accountants


Consolidated Cash Flow Statement

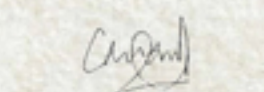
for the year ended 31 December 2014

Particulars	Taka	
	2014	2013
A) Cash flows from operating activities		
Investment income receipts	22,685,509,189	20,562,234,763
Profit paid on deposits, borrowings etc.	(14,990,565,352)	(15,589,819,968)
Dividend receipts	156,418,046	155,812,902
Fees and commission receipts	2,043,275,270	2,044,820,902
Cash payment to employees	(2,394,249,909)	(1,814,305,518)
Cash payment to suppliers	(5,888,154)	(617,995)
Income tax payments	(1,916,163,035)	(1,672,777,848)
Receipts from other operating activities	838,848,349	880,457,987
Payments for other operating activities	(1,587,338,830)	(1,369,542,188)
Cash flows before changes in operating assets and liabilities (i)	4,829,845,574	3,196,263,037
Changes in operating assets and liabilities:		
(Increase)/decrease in operating assets		
Statutory deposit	-	-
Trading security - shares	179,049,003	(78,298,036)
Investments to other banks	-	-
Investments to customers	(35,110,496,514)	(25,650,539,070)
Other assets	(310,526,868)	(618,032,929)
Increase/(decrease) in operating liabilities		
Deposits from other banks	2,789,077,824	(3,762,317,738)
Deposits from customers	31,332,744,578	29,294,823,116
Liabilities on account of customers	-	-
Trading liabilities (borrowing)	(1,097,174,395)	(2,750,000,000)
Other liabilities	486,588,042	593,509,363
Total changes in operating assets & liabilities (ii)	(1,730,738,330)	(2,970,855,294)
Net cash from operating activities (i+ii)	3,099,107,244	225,407,743
B) Cash flows from investing activities:		
Receipts from sale of securities - BGIB	-	-
Payment for purchase of securities-BGIB	(4,286,000,000)	(1,000,000,000)
Purchase of fixed assets	(319,698,078)	(298,624,281)
Sale proceeds of fixed assets	1,311,281	3,466,035
Placement of fund to Bangladesh Bank	(500,000,000)	-
Purchase of Subsidiaries	-	-
Net cash from investing activities	(5,104,386,797)	(1,295,158,246)
C) Cash flows from financing activities		
Receipts from issue of Debt Instruments	-	-
Payment for redemption of Debt Instruments	-	-
Receipts from issue of ordinary share/rights share	-	-
Dividend paid in cash	-	-
Minority investment in subsidiaries	-	-
Net cash from financing activities	-	-
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,005,279,553)	(1,069,750,503)
E) Effect of exchange rate changes on cash and cash equivalents	12,235,717	(5,784,551)
F) Cash and cash equivalents at beginning of the year	34,059,575,314	35,135,110,368
G) Cash and cash equivalents at end of the year (D+E+F)	32,066,531,478	34,059,575,314
H) Cash and cash equivalents		
Cash	28,512,605,848	22,112,781,790
Balance with other banks and financial institutions	3,553,925,630	11,946,793,524
	32,066,531,478	34,059,575,314


Chairman


Director


Director


Managing Director & CEO

Consolidated Statement of Changes in Equity

for the year ended 31 December 2014

Particulars	Paid up capital Taka	Statutory reserve Taka	Revaluation reserve of Fixed Assets Taka	General/ Other reserve* Taka	Revaluation Gain/(loss) on Investment Taka	Foreign currency translation gain/(loss) Taka	Retained earnings Taka	Minority Interest Taka	Total Taka
Balance at 1 January 2014	11,566,347,820	5,236,931,055	2,067,771,666	62,775,000	7,595,231	1,629,030	1,555,994,379	99,071	20,499,143,252
Changes in accounting policies/last year profit	-	-	-	-	-	-	-	-	-
Restated Balance	11,566,347,820	5,236,931,055	2,067,771,666	62,775,000	7,595,231	1,629,030	1,555,994,379	99,071	20,499,143,252
Surplus/(Deficit) on Account of Revaluation Properties	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) on Account of Revaluation of Investment	-	-	-	-	(2,609,060)	-	-	-	(2,609,060)
Currency translation difference	-	-	-	-	-	(1,199,412)	16,044,189	-	14,844,777
Net Gain and Losses not recognized in the income statement	-	-	-	-	(2,609,060)	(1,199,412)	16,044,189	-	12,235,717
Net Profit for the year	-	-	-	-	-	-	2,445,689,718	(8,380)	2,445,681,338
Stock Dividend paid during the year	1,272,298,260	-	-	-	-	-	(1,272,298,260)	-	-
Transferred to statutory reserve	-	881,383,009	-	-	-	-	(881,383,009)	-	-
Minority interest	-	-	-	-	-	-	-	-	-
Total Shareholders' Equity as on 31 December 2014	12,838,646,080	6,118,314,064	2,067,771,666	62,775,000	4,986,171	429,618	1,984,047,017	90,691	22,977,060,307
Add: General Provision for Unclassified [Standard] Investment	-	-	-	-	-	-	-	-	1,168,861,403
Add: Provision for Off balance sheet exposures	-	-	-	-	-	-	-	-	656,168,009
Less: 50% of Assets Revaluation Reserve	-	-	-	-	-	-	-	-	(1,033,885,833)
Total Equity as on 31 December 2014	-	-	-	-	-	-	-	-	23,768,203,886

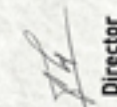
*General Reserve/Other Reserve	2014	2013
General Reserve	-	-
Dividend Equalization Account	62,775,000	62,775,000
Total	62,775,000	62,775,000



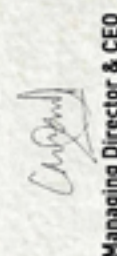
Chairman



Director



Director



Managing Director & CEO

Consolidated Liquidity Statement

(Maturity Analysis of Assets and Liabilities)

as at 31 December 2014

Particulars	Within one month Taka	Above one to three months Taka	Above three to twelve months Taka	Above one to five years Taka	More than five years Taka	Total Taka
Assets						
Cash	17,317,988,058	-	-	-	11,194,617,790	28,512,605,848
Balance with other banks and financial institutions	3,403,925,630	150,000,000	-	-	-	3,553,925,630
Placement with other banks and financial institutions	-	500,000,000	-	-	-	500,000,000
Investments (shares and securities)	7,019,237,306	1,276,000,000	7,260,000,000	-	16,310,103	15,571,547,409
Investments (general etc.)	12,042,629,091	12,770,199,580	84,739,881,617	43,880,196,662	25,732,660,995	179,165,567,945
Fixed assets including Premises (Land and Building)	-	-	-	279,671,734	3,032,040,434	3,311,712,168
Other assets	350,352,059	702,441,005	1,001,075,117	-	164,726,677	2,218,594,858
Non-banking assets	-	-	-	-	-	-
Total assets	40,134,132,144	15,398,640,585	93,000,956,734	44,159,868,396	40,140,355,999	232,833,953,858
Liabilities						
Placement from other banks and other financial institutions	452,825,605	-	-	-	-	452,825,605
Deposits and other accounts	73,479,395,592	68,618,680,255	34,777,712,440	12,762,020,754	10,371,195,462	200,009,004,503
Provisions and other liabilities	132,268,230	32,377,631	2,148,906,664	5,325,428,072	1,756,082,846	9,395,063,443
Total liabilities	74,064,489,427	68,651,057,886	36,926,619,104	18,087,448,826	12,127,278,308	209,856,893,551
Net liquidity difference	(33,930,357,283)	(53,252,417,301)	56,074,337,630	26,072,419,570	28,013,077,691	22,977,060,307

Balance Sheet

as at 31 December 2014

	Notes	Taka	
		2014	2013
PROPERTY AND ASSETS			
Cash in Hand	3	28,506,159,729	22,106,467,697
Cash in Hand (including foreign currency)		1,370,877,166	1,563,645,229
Balance with Bangladesh Bank & it's Agent Bank (including foreign currency)		27,135,282,563	20,542,822,468
Balance with other banks and financial institutions	4	3,542,206,049	11,877,932,845
In Bangladesh		1,676,129,886	8,793,193,247
Outside Bangladesh		1,866,076,163	3,084,739,598
Placement with banks & other financial institutions	5	500,000,000	-
Investments in shares and securities	6	16,296,045,436	12,413,067,662
Government		8,550,051,038	4,264,051,038
Others		7,745,994,398	8,149,016,624
Investments	7	177,936,835,122	143,847,380,143
General investments etc.		171,204,136,030	137,822,001,867
Bills purchased and discounted		6,732,699,092	6,025,378,276
Fixed assets including premises	8	3,309,760,532	3,183,437,491
Other assets	9	2,320,851,727	2,024,230,402
Non-banking assets	10	-	-
Total Property And Assets		232,411,858,595	195,452,516,240
LIABILITIES AND CAPITAL			
Liabilities			
Placement from banks & other financial institutions	11	452,825,605	1,550,000,000
Deposits and Other Accounts	12	200,294,379,719	165,733,245,253
Mudaraba savings deposits	12.1	9,904,099,863	7,413,430,150
Mudaraba term deposits	12.2	123,213,021,540	92,737,753,770
Other Mudaraba Deposits	12.3	44,227,613,053	46,201,635,014
Al wadeeah current and other deposit accounts	12.4	21,347,291,172	18,477,209,026
Bills payable	12.5	1,602,354,091	903,217,293
Other liabilities	13	8,559,361,624	7,544,907,228
Total liabilities		209,306,566,948	174,828,152,481
Capital/shareholders' equity			
Paid up capital	14.2	12,838,646,080	11,566,347,820
Statutory reserve	15	6,118,314,064	5,236,931,055
Other reserves	16	2,130,546,666	2,130,546,666
Retained earnings	18	2,017,784,837	1,690,538,218
Total shareholders' equity		23,105,291,647	20,624,363,759
Total liabilities and shareholders' equity		232,411,858,595	195,452,516,240

Balance Sheet

as at 31 December 2014

	Notes	Taka	
		2014	2013
Off balance sheet items			
Contingent liabilities:	20	65,616,800,909	60,119,383,811
Acceptance & endorsements		-	-
Letters of guarantee	20.1	4,238,337,604	3,750,989,566
Irrevocable letters of credit (Including Back to Back Bills)	20.2	21,034,770,856	18,083,871,566
Bills for collection	20.3	5,479,716,930	4,604,117,568
Other contingent liabilities	20.4	34,863,975,519	33,680,405,111
Other commitments:		-	-
Documentary credits 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		-	-
Total off balance sheet items including contingent liabilities		65,616,800,909	60,119,383,811

The annexed notes 1 to 49 and annexures A-D form an integral part of these financial statements.



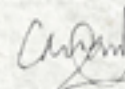
Chairman



Director

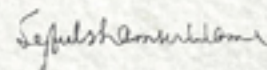


Director



Managing Director & CEO

Signed in terms of our separate report of even date.



Syful Shamsul Alam & Co.
Chartered Accountants

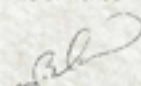
Dhaka, Dated: 26 April 2015


Profit and Loss Account

for the year ended 31 December 2014

Particulars	Notes	Taka	
		2014	2013
Investment income	23.1	22,511,733,800	20,417,497,250
Profit paid on deposits, borrowings etc.	24	(15,517,560,189)	(15,458,877,855)
Net investment income		6,994,173,611	4,958,619,395
Income from investment in shares/securities	25	385,926,683	296,948,854
Commission, exchange & brokerage	26	2,016,262,644	2,020,162,379
Gain on sale of investment in shares		47,733,339	15,440,776
Other operating income	27	775,027,634	864,658,379
Total operating income (A)		10,219,123,911	8,155,829,783
Operating expenses			
Salary & allowances	28	2,368,225,021	1,764,751,197
Rent, taxes, insurance, electricity etc.	29	462,541,500	371,029,651
Legal expenses	30	14,562,610	19,953,603
Postage, stamps and telecommunication etc.	31	75,570,983	74,032,556
Auditors' fees	32	550,000	550,000
Stationery, printing and advertisement etc.	33	173,163,620	148,389,981
Chief Executive's salary and fees		10,153,935	9,169,032
Directors' fees & expenses	34	1,353,211	990,198
Shariah Supervisory Committee's fees & expenses	35	377,410	333,345
Charges on investment losses		-	-
Depreciation and repairs to Bank's assets	36	224,938,687	172,687,711
Zakat expenses		144,051,776	130,948,114
Other expenses	37	739,877,125	535,100,834
Total operating expenses (B)		4,215,365,878	3,227,936,222
Profit/(loss) before provision (C=A-B)		6,003,758,033	4,927,893,561
Provision for investments	38	779,132,435	1,365,093,404
Provision for Off balance sheet exposures	40	54,974,171	(38,310,998)
Provision for Off-Shore Banking Units (OBU)	39	13,210,782	12,709,972
Provision for other assets		-	544,000
Provision for diminution in value of Investments in Shares		749,525,600	340,530,785
Total Provision (D)		1,596,842,988	1,680,567,163
Total profit/(loss) before taxes (C-D)		4,406,915,045	3,247,326,398
Provision for taxation:			
Current tax	13.3.1	1,814,174,075	1,333,936,297
Previous years' tax		111,813,082	-
Deferred tax		-	-
		1,925,987,157	1,333,936,297
Net profit/(loss) after tax		2,480,927,888	1,913,390,101
Retained earnings brought forward from previous year		1,690,538,218	1,476,753,697
Prior year adjustment		-	1,345,860
Profit available for appropriation		4,171,466,106	3,391,489,658
Appropriations:			
Statutory reserve		881,383,009	649,465,280
Issue of bonus shares		1,272,298,260	1,051,486,160
		2,153,681,269	1,700,951,440
Retained earnings carried forward		2,017,784,837	1,690,538,218
Earnings per ordinary share	41	1.93	1.49

The annexed notes 1 to 49 and annexures A-D form an integral part of these financial statements.


Chairman

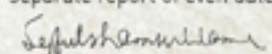

Director


Director


Managing Director & CEO

Signed in terms of our separate report of even date.

Dhaka, Dated: 26 April 2015


Syful Shamsul Alam & Co.
Chartered Accountants

Cash Flow Statement

for the year ended 31 December 2014

Particulars
Taka
A) Cash flows from operating activities

Investment income receipts
Profit paid on deposits, borrowings etc.
Dividend receipts
Fees and commission receipts
Cash payment to employees
Cash payment to suppliers
Income tax payments
Receipts from other operating activities
Payments for other operating activities

2014	2013
22,668,707,048	20,503,413,913
(15,021,954,744)	(15,625,229,084)
152,490,503	147,925,682
2,016,262,644	2,020,162,379
(2,378,378,956)	(1,773,920,229)
(5,888,154)	(617,995)
(1,903,841,969)	(1,667,653,718)
822,035,632	878,931,533
(1,640,640,534)	(1,308,234,654)

Cash flows before changes in operating assets and liabilities (i)
Changes in operating assets and liabilities:
(Increase)/decrease in operating assets

Statutory deposit
Trading security - shares
Investments to other banks
Investments to customers
Other assets

-	-
424,060,158	(78,595,646)
-	-
(35,036,381,343)	(25,635,995,686)
(235,308,171)	(480,073,209)

Increase/(decrease) in operating liabilities

Deposits from other banks
Deposits from customers
Liabilities on account of customers
Trading liabilities (borrowing)
Other liabilities

2,789,077,824	(3,762,317,738)
31,276,451,196	29,292,257,062
-	-
(1,097,174,395)	(2,750,000,000)
342,392,585	461,553,196

Total changes in operating assets & liabilities (ii)
Net cash from operating activities (i+ii)

(1,536,882,146)	(2,953,172,021)
3,171,909,324	221,605,806

B) Cash flows from investing activities:

Receipts from sale of securities - BGIIB
Payment for purchase of securities-BGIIB
Purchase of fixed assets
Sale proceeds of fixed assets
Placement of fund to Bangladesh Bank
Purchase of Subsidiaries

-	-
(4,286,000,000)	(1,000,000,000)
(323,255,369)	(296,296,433)
1,311,281	3,466,035
(500,000,000)	-
-	-

Net cash from investing activities

(5,107,944,088)	(1,292,830,398)
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C) Cash flows from financing activities

Receipts from issue of Debt Instruments
Payment for redemption of Debt Instruments
Receipts from issue of Ordinary Share/Right Share
Dividend paid in Cash

-	-
-	-
-	-
-	-

Net cash from financing activities

-	-
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D) Net increase/(decrease) in cash and cash equivalents (A+B+C)
E) Effect of exchange rate changes on cash and cash equivalents
F) Cash and cash equivalents at beginning of the year
G) Cash and cash equivalents at end of the year (D+E+F)
H) Cash and cash equivalents

Cash
Balance with other banks and financial institutions

(1,936,034,764)	(1,071,224,592)
-	-
33,984,400,542	35,055,625,134
32,048,365,778	33,984,400,542
28,506,159,729	22,106,467,697
3,542,206,049	11,877,932,845
32,048,365,778	33,984,400,542


Chairman


Director


Director


Managing Director & CEO

Statement of Changes in Equity

for the year ended 31 December 2014

Particulars	Paid up capital Taka	Statutory reserve Taka	Revaluation reserve of Fixed Assets Taka	General/ Other Reserves* Taka	Retained earnings Taka	Total Taka
Balance at 1 January 2014	11,566,347,820	5,236,931,055	2,067,771,666	62,775,000	1,690,538,218	20,624,363,759
Changes in accounting policies/last year profit	-	-	-	-	-	-
Restated Balance	11,566,347,820	5,236,931,055	2,067,771,666	62,775,000	1,690,538,218	20,624,363,759
Surplus/(Deficit) on Account of Revaluation Properties	-	-	-	-	-	-
Surplus/(Deficit) on Account of Revaluation of Investment	-	-	-	-	-	-
Currency translation difference	-	-	-	-	-	-
Net Gain and Losses not recognized in the income statement	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	2,480,927,888	2,480,927,888
Stock Dividend paid during the year	1,272,298,260	-	-	-	(1,272,298,260)	-
Transferred to statutory reserve	-	881,383,009	-	-	(881,383,009)	-
Total Shareholders' Equity as on 31 December 2014	12,838,646,080	6,118,314,064	2,067,771,666	62,775,000	2,017,784,837	23,105,291,647
Add: General Provision for Unclassified Investments	-	-	-	-	-	1,168,861,403
Add: Provision for Off balance sheet Exposures	-	-	-	-	-	656,168,009
Less: 50% of Assets Revaluation Reserve	-	-	-	-	-	(1,033,885,833)
Total Equity as on 31 December 2014	-	-	-	-	-	23,896,435,226
*General Reserve/Other Reserve						
General Reserve	-	-	-	-	-	-
Dividend Equalization Account	-	-	-	-	62,775,000	62,775,000
Total	-	-	-	-	62,775,000	62,775,000



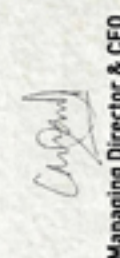
Chairman



Director



Director



Managing Director & CEO

Liquidity Statement

(Maturity Analysis of Assets and Liabilities)

as at 31 December 2014

Particulars	Within one month Taka	Above one to three months Taka	Above three to twelve months Taka	Above one to five years Taka	More than five years Taka	Total Taka
Assets						
Cash	17,311,541,939	-	-	-	11,194,617,790	28,506,159,729
Balance with other banks and financial institutions	3,392,206,049	150,000,000	-	-	-	3,542,206,049
Placement with other bank and financial institutions	-	500,000,000	-	-	-	500,000,000
Investments (shares and securities)	6,669,378,555	1,351,382,117	7,260,000,000	-	1,015,284,764	16,296,045,436
Investments (general etc.)	10,813,896,268	12,770,199,580	84,739,881,617	43,880,196,662	25,732,660,995	177,936,835,122
Fixed assets including Premises (Land and Building)	-	-	-	543,454,860	2,766,305,672	3,309,760,532
Other assets	350,352,059	702,441,005	532,765,739	-	735,292,924	2,320,851,727
Non-banking assets	-	-	-	-	-	-
Total assets	38,537,374,870	15,474,022,702	92,532,647,356	44,423,651,522	41,444,162,145	232,411,858,595
Liabilities						
Placement from other banks and other financial institutions	452,825,605	-	-	-	-	452,825,605
Deposits and other accounts	73,478,366,809	68,618,680,255	35,064,116,439	12,762,020,754	10,371,195,462	200,294,379,719
Provisions and other liabilities	132,268,230	107,574,563	1,238,007,913	5,325,428,072	1,756,082,846	8,559,361,424
Total liabilities	74,063,460,644	68,726,254,818	36,302,124,352	18,087,448,826	12,127,278,308	209,306,566,948
Net liquidity difference	(35,526,085,774)	(53,252,232,116)	56,230,523,004	26,336,202,696	29,316,883,837	23,105,291,647

1.0 The Bank and its activities

Export Import Bank of Bangladesh Limited was incorporated in Bangladesh on 02 June 1999 as Banking Company under the Companies Act 1994. The Bank converted its banking operation into Islamic Banking based on Islamic Shariah from traditional banking operation on 01 July 2004 after obtaining approval from Bangladesh Bank. The Bank went for public issue of shares in the year 2004 and its shares are listed with Dhaka Stock Exchange and Chittagong Stock Exchange.

The commercial banking activities of the Bank consist of services including mobilizing deposits, providing investment facilities, discounting bills, conducting money transfer, foreign exchange transactions and providing services like safe keeping, issuing guarantees, acceptances and letters of credit etc.

The Bank carries out its banking activities through 87 (eighty seven) Branches operating as per Islamic Shariah in the country.

Subsidiaries

The subsidiary companies of the Bank namely EXIM Exchange Company (UK) Ltd., EXIM Exchange Company (Canada) Ltd., EXIM (USA) Inc., and EXIM Islami Investment Ltd. (EIIL) for conducting specified services to the customers. One of the subsidiaries of the Bank named EXIM EXCHANGE (AUSTRALIA) PTY Ltd. has closed its operation during the year 2014. EXIM (USA) Inc., another subsidiary of the bank was primarily engaged in the business of conducting money transmitter transactions at its two locations in Queens and Brooklyn, New York. The company closed its operation in both of its locations during the year 2014, the operation of which is reported as discontinued operation in the audit report of 2014 but all formalities regarding close of the subsidiary is yet to be completed. 3 (Three) foreign subsidiaries are fully owned by the bank to help expediting remittance flow in the country. EXIM Islami Investment Limited (EIIL), the only local subsidiary where Bank owns 99.99% share with substantial control and rest 0.01% is minority interest. EXIM Islami Investment Limited (EIIL) carries out merchant banking activities and conducting specified services to the customers.

Off-shore Banking Unit

Off-shore Banking Units (OBUs) of Export Import Bank of Bangladesh Limited was governed under the rules and guidelines of Bangladesh Bank. The Bank obtained Off-shore Banking Unit permission vide letter no. BRPD [P-3]744(118)/2010-3861 dated 31 August 2010. Bank commenced the Off-shore Banking Units (OBUs) services from April 2012. One Off-shore Banking Unit (OBU) is located at Dhaka and another one is at Chittagong. OBUs maintain separate accounts in US Dollar.

2.0 Basis of preparation

2.1 Statement of compliance

The operations of Export Import Bank of Bangladesh Limited and its subsidiaries are in strict compliance with the rules of Islamic Shariah. The consolidated financial statements and the separate financial statements of the Bank have been prepared basically as per provisions of the "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated 09 November 2009 with reference to the provisions of the Bank Company Act 1991 as amended up to 2013 and by Bangladesh Bank BRPD Circular No.14 dated 25 June 2003 & Bangladesh Bank's other circulars/instructions and in accordance with International Financial Reporting Standards (IFRSs) adopted as Bangladesh Financial Reporting Standards (BFRSs) by the Institute of Chartered Accountants of Bangladesh (ICAB); the Companies Act 1994; the Securities and Exchange Rules 1987; Dhaka and Chittagong Stock Exchanges' Listing Regulations and other laws and rules applicable in Bangladesh.

In case the requirement of guidelines and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and financial reporting standards, the guidelines and circulars issued by Bangladesh Bank prevails. As such the Bank has departed from those contradictory requirements of BFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i) Provision on investments and off-balance sheet exposures

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

Bangladesh Bank: As per BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular No. 05 dated 29 May 2013 and BRPD circular No. 16 dated 18 November 2014 a general provision @ 0.25% to 5% under different categories of unclassified investments (standard investments) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard investments, doubtful investments and bad & loss investments has to be provided @ 20%, 50% and 100% respectively for investments depending on the duration of overdue period except short term agricultural and micro credit for which provision should be kept @ 5% for sub-standard & doubtful investments and @100% for bad & loss investments. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision @ 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

ii) Recognition of investment income in suspense

BFRS: Investment to customers are generally classified as 'loans and receivables' as per BAS 39 "Financial Instruments: Recognition and Measurement" and investment income is recognized through effective interest rate method over the term of the investment. Once an investment is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.

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

iii) Investment in shares and securities

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

Bangladesh Bank: As per BRPD Circular No. 15 dated 09 November 2009 investments in shares and securities (both dealing and investment) should be revalued at the year end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provisions should be made for any loss arising from diminution in value of investments; otherwise investments are recognized at cost.

iv) Revaluation gains/losses on Government securities

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

Bangladesh Bank: Bangladesh Government Islami Investment Bond (BGIIIB) is presented at cost price in the Financial Statements.

v) Other comprehensive income

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

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

vi) Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in BAS 39 "Financial Instruments: Recognition and Measurement". As such

full disclosure and presentation requirements of BFRS 7 "Financial Instruments: Disclosures" and BAS 32 "Financial Instruments: Presentation" cannot be made in the financial statements.

vii) Financial guarantees

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

Bangladesh Bank: As per BRPD Circular No. 15 dated 09 November 2009, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

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

BFRS: Balance with Bangladesh Bank held for maintenance of Cash Reserve Requirement should be treated as other asset as it is not available for use in day to day operations as per BAS 7 "Statement of Cash Flows".

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

ix) Cash flow statement

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

Bangladesh Bank: As per BRPD Circular No. 15 dated 09 November 2009, cash flow statement is to be prepared following a mixture of direct and indirect methods.

x) Non-banking asset

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

Bangladesh Bank: As per BRPD Circular No. 15 dated 09 November 2009, there exist an item named Non-banking asset in the face of Balance Sheet.

xi) Presentation of intangible asset

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

Bangladesh Bank: There is no regulation for intangible assets in BRPD Circular No. 15 dated 09 November 2009.

xii) Off-balance sheet items

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

Bangladesh Bank: As per BRPD Circular No. 15 dated 09 November 2009, off balance sheet items [e.g. Letter of credit, Letter of guarantee etc.] must be disclosed separately on the face of the Balance Sheet.

xiii) Investments net of provision

BFRS: Investments should be presented net of provision.

Bangladesh Bank: As per BRPD Circular No. 15 dated 09 November 2009, provisions on investments are presented separately as liability and cannot be netted off against investments.

xiv) Provision for Gratuity

BFRS: As per BAS 19, actuarial valuation has to be carried out with sufficient regularity to ensure that the provision for gratuity is accounted for fairly. Moreover, provision has to be maintained for gratuity for all of its employees from their date of joining.

Bangladesh Bank: No actuarial valuation was done by the bank. The bank is maintaining provision for gratuity as per Bangladesh Bank letter No. DBI-4/42(6)/2015-532 dated 19 March 2015.

2.2 Consolidation

A separate set of records for consolidating the statement of affairs and income and expenditure statements of 87 (eighty seven) Branches were maintained at the Corporate Office of the Bank in Dhaka. Based on those and Financial Statements provided by subsidiary companies of the bank, these financial statements have been prepared.

The consolidated Financial Statements comprises of the Financial Statements of Export Import Bank of Bangladesh Limited and all of its subsidiaries as per BFRS-10 "Consolidated Financial Statements". All intra-company transactions, balances, income and expenses are eliminated on consolidation.

2.3 Revenue recognition

The accounting policies adopted for the recognition of revenue are as follows:

- Profit on investment is taken into income account proportionately from profit receivable account.
- Fees and commission income are recognized when earned.
- As per BAS 18 "Revenue", Revenue should be recognized on accrual basis but due to the unique nature of Islamic Banking, income from investment under Mudaraba, Musharaka, Bai Salam and Bai-as-Sarf modes is accounted for on realization basis as per Bangladesh Bank Guidelines.

2.4 Investment in Shares and Securities and revenue recognition thereon:

- Investment in shares & securities has been stated at cost.
- Dividend income is recognized when it is realized.
- Bonus shares are recognized @ Tk. 1.00 per share and credited to profit and loss account.
- Profit on Investment in Bangladesh Government Islamic Investment Bond is recognized on accrual basis.

2.5 Profit/rent/compensation/ suspense account and irregular income

Profit/rent/compensation accrued on classified investments are suspended and accounted for as per Circulars issued by the Bangladesh Bank. Moreover, income which are irregular (doubtful) as per Shariah are also not included in the distributable income of the Bank.

Compensation on unclassified overdue Bai-Murabaha, Bai-Muazzal and Bai-Salam investments are charged. As per Islamic Shariah such compensation is not shown as income of the Bank.

Profit received from the balances held with foreign banks abroad and from foreign currency clearing account with Bangladesh Bank is also not credited to regular income since these are not permissible as per Shariah.

2.6 Foreign currency transactions:

Items included in the financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates i.e. the functional currency. The financial statements of the group and the Bank are presented in Taka which is the Bank's functional and presentation currency.

a) Conversion of transactions in foreign currencies

Foreign currencies are converted into equivalent Taka using the ruling exchange rates on the respective date of transaction. Assets and liabilities including balance with other Banks denominated in foreign currencies are translated into Taka currency at the weighted average rate of inter bank market declared by Bangladesh Bank. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying cross rates of New York closing of the previous day.

b) Foreign operations:

The results and financial position of the subsidiaries whose functional currency is other than Bangladeshi Taka are translated as follows:

- i) Assets and liabilities are translated at the exchange rate ruling at balance sheet date
- ii) Income and expenses are translated at an average rate
- iii) Resulting exchange differences are recognized as a separate component of equity.
- iv) When a foreign operation will be disposed of, such currency translation differences will be recognized in the income statement.

c) Translation gains and losses:

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

2.7 Sharing of investment income:

Mudaraba Fund gets preference over cost free fund. The investment income earned through deployment of Mudaraba Fund is shared by the Bank and the Mudaraba Depositors at the pre determined ratio fixed by the Bank and agreed by the Mudaraba Depositors at the time of opening account.

2.8 Assets and their presentation
2.8.1 Cash and cash equivalents

Cash and cash equivalent accounts for notes and coins in hand, highly liquid financial assets, unrestricted balances held with other banks/financial institutions and Bangladesh Bank.

2.8.2 Investments in Shares and Securities

Value of investments has been stated as follows:

Items	Applicable accounting value
Bangladesh Government Islami Investment Bond (BGIIB)	At cost
Investment in Shares	At cost

2.8.3 Investments

Investments are stated in the Balance Sheet net off unearned income. Provisions for investments are made as per instructions contained in Bangladesh Bank BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 05 dated 29 May 2013 and BRPD Circular No. 16 dated 18 November 2014 at the following rates:

Sl. No.	Particulars	Rate (%)
a.	General provision on off balance sheet exposures	1.00
b.	General provision on standard & SMA investment (except Sl. No. c, d, e, f & g)	1.00
c.	General provision on standard & SMA investment to SME	0.25
d.	General provision on standard & SMA investment to BH/MB/SD etc.	2.00
e.	General provision on unclassified (standard & SMA) consumer finance- Other than Housing Finance (HF) & Investment for professional to set up business (IP)	5.00
f.	General provision on standard & SMA consumer finance- HF & IP	2.00
g.	General provision on unclassified (regular/irregular) short term agri-investment and micro investment	2.50
h.	Specific provision on substandard and doubtful short term agri-investment and micro investment	5.00
i.	Specific provision on substandard investment (Except short term agri-investment and micro investment)	20.00
j.	Specific provision on doubtful investment (Except short term agri-investment and micro investment)	50.00
k.	Specific provision on bad & loss investment	100.00

2.8.4 Fixed assets and depreciation

Fixed assets except Land and Building are stated at cost less accumulated depreciation. Land and Buildings are stated at revalued amount less accumulated depreciation, where applicable. Revaluation has been done by engaging a professional valuer as per BAS-16 "Property, Plant and Equipment", Bangladesh Bank Circulars and Circulars/ Notifications issued by regulators.

Depreciation is charged at the following rates on straight-line method on cost/revalued amount of assets from the date of purchase/valuation:

Assets Category	Rate of depreciation p.a. (%)
Land	0.00
Building and Construction	2.50
Leasehold Property - Building	2.50
Furniture and fixtures	10.00
Office equipment	20.00
Interior decoration	10.00
Vehicles	20.00
Books	20.00

2.8.5 Impairment of Assets:

An asset is impaired when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Any entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists the entity shall estimate the recoverable amount of the asset. If, only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. The reduction is an impairment loss.

2.8.6 Other assets

a) Provision for other assets

Other assets are classified as per BRPD circular no. 14 dated 25 June 2001 of Bangladesh Bank and necessary provisions are made thereon for items considering their eligibility.

b) Write off of other assets

No 'Other assets' have been written off and subsequently recovered during the year.

2.9 Assets pledged as security

The bank has no assets pledged as security against liabilities.

2.10 Other Liabilities and provisions

2.10.1 Provision for investments

Provision for investment is made as per Bangladesh Bank Circular and the prescribed rate of provision is stated in note no. 2.8.3 above.

2.10.2 Provision for diminution in value of shares

Provision for investment in share is made on the basis of period-end review by the management and instructions from regulatory authorities. Details note on provision for share has been provided in note no.13.5.

2.10.3 Provision for NOSTRO Accounts

Provision for NOSTRO accounts is to be made on the un-reconciled debit balance of NOSTRO account over more than 3 months as on the reporting date in accordance with the guideline of Foreign Exchange Policy Department of Bangladesh Bank, FEPD Circular no. FEPD (FEMO)/01/2005-677 dated 13 September 2005. There was no un-reconciled entry outstanding for more than 3 months and accordingly no provision has been made in this regard.

2.10.4 Provision for Zakat

Zakat is paid by the bank at a rate of 2.58% of the closing balance of Statutory Reserve, Dividend Equalization Account amount of Retained earnings. Zakat is charged in the Profit & Loss Account of the Bank as per "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated 09 November 2009. Payment of Zakat on Paid up capital and Deposits is the responsibility of Shareholders and depositors respectively so it is not paid by the bank.

2.10.5 Provision for corporate tax

Provision for current tax has been made in the accounts @ 42.50% as per Finance Act 2014 of the accounting profit made by the Bank. Details of tax position as on 31 December 2014 are shown in note 13.3.1.

2.10.6 Deferred tax

Deferred tax is recognized in compliance with BAS 12 "Income Taxes" and BRPD Circular no. 11 dated 12 December 2011, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. During the year 2014 the bank calculated deferred tax and found deferred tax asset. Due to following conservative principle the bank has not recognized such asset.

2.10.7 Retirement benefits

- The Bank operates a contributory provident fund for its eligible employees. The provident fund is contributed on monthly basis and operated by separate Board of Trustee of the Bank. The fund is recognized by the National Board of Revenue.
- The Bank is making provision for gratuity for its eligible employees as per banks service rule. Provision for gratuity is made annually.
- The Bank operates a Superannuation Fund Scheme, provision in respect of which is made annually. It is operated by a separate Board of Trustees of the Bank.
- The Bank has introduced a safety scheme against Employees' House Building Investment to compensate death and disability of its contributory members.

2.11 Revenues, gains, expenses & losses prohibited by Shariah

Any gains, expenses & losses not permitted in the Shariah and not duly approved by the Shariah Supervisory Committee is not accounted for and income thus derived is transferred/expensed as per approval of the Shariah Supervisory Committee.

2.12 Off balance sheet items

Off balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. Provisions on off balance sheet items have been made as per BRPD Circular no. 14 dated 23 September 2012 and provision thereof are shown in the note no. 13.1(f) under "other liabilities".

2.13 Reconciliation of books of accounts

Books of accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch transactions are reconciled on continuous basis and any material difference which may affect the financial statements are reconciled as prime concern. No provision required for un-reconciled entries in NOSTRO accounts as of 31 December 2014.

2.14 Off-setting of Asset and liability

The values of any assets or liabilities as shown in the Balance Sheet are not off-set by way of deduction from another liabilities or assets unless there is a legally enforceable right to off-set. Advance income tax has been netted off against income tax liability in the note no.13.3.

2.15 Changes in accounting policies

No changes in accounting policies were made during the year 2014.

2.16 Disclosures of Events after the Reporting Period

Any subsequent events to the Reporting Period that may affect significantly to the Financial Position of the Bank is provided for and disclosed under separate note no.49.1.

2.17 Correction of error in prior period Financial Statements

No material correction was made in the prior year's Financial Statements.

2.18 Disclosure of compensating balances

No compensating balance has been deposited with other financial institutions.

2.19 Related party disclosure

Position of related party transaction has been shown under the note no.48.

2.20 Audit Committee

As per the directives of the Bangladesh Bank vide BRPD Circular no.11 dated 27 October 2013, the Audit Committee was formed by the Board of Directors of the Bank consisting of the Board members. Name of the members on Audit Committee has been given in the note no 46.

2.21 Creation of Reserves:

2.21.1 Statutory Reserve

As per section 24 of the Bank Company Act 1991 (amended up to 2013), 20% of the profit is transferred to the Statutory Reserve every year.

2.21.2 Dividend Equalization Account

Dividend Equalization Account was created and provided for as per Bangladesh Bank BRPD circular letter no.18 dated 20 August 2002.

2.21.3 Revaluation Reserve

Revaluation Reserve is created as per BAS 16 "Property, Plant and Equipment". Bank revalued its land and building in the year 2013 by engaging a professional valuer as per norms and practice

2.22 Risk management

Risk may be defined as the possibility of losses, financial or otherwise since the Financial Institutions especially banks are facing various challenges due to increasing competition and expansion of diversified business network. Managing and mitigating such risks is always a major concern of the bank and for that precautionary measures are always taken to ensure hazardless business operations. The bank emphasizes on effective risk management to avoid any unwarranted risk. To remain solvent against any unexpected potential losses, the bank maintains adequate capital to absorb those in the future days. The major objective of the risk management is to identify the business risks and safeguard the bank's capital, financial resources and profitability by taking proper steps thereagainst. Moreover, Bangladesh Bank identified core risk areas through issuing industry best practices framework for its proper management which provided the benchmark which should be followed by the bank. However, EXIM Bank has been implementing best risk management practices which are as follows:

2.22.1 Investment risk management

Financial institutions have faced difficulties over the years for a multitude of reasons, the major cause of serious banking problems continues to be directly related to negligent investment standards for borrowers and counterparties, poor portfolio risk management or a lack of attention to changes in economic or other circumstances that can lead to a deterioration in the investment standing or a bank's counterparties.

For a financial institution managing risk is a burning issue of present time and managing investment risk is the most important part of risk management. Investment risk is the potential loss due to the nonperformance of an investment contract, or financial aspects of nonperformance in any contract. Investment risk could stem from both on-balance sheet and off-balance sheet activities. It may arise from either an inability or an unwillingness to perform in the pre committed contracted manner. Investment risk comes from a bank's dealing with individuals, corporate, banks and financial institutions or a sovereign. This, for Banks and financial institutions, investment risk is an essential factor that needs to be managed.

Smooth business operation of bank necessarily requires effective and successful management of risk element and also maintenance of effective relationship with the customer, marketing of existing investment product in an acceptable manner and exploring/innovating new product covering unexplored/uncovered area of business activities. The Bank has adopted a framework for investment risk management, set up an independent Investment Risk Management (IRM) team to establish better control. The Head of Investment Risk Management (HoIRM) has clear responsibility for management of investment risk. In this connection policies/instructions are approved by the Board of Directors or authorities depending on their delegation. Besides, subjective appraisal of investment application, bank uses a numerical grading system based on Investment Risk Grading Matrix (IRGM) for quantifying the risk associated with a customer, which is not a decision making tool but a general indicator to compare risk perception about the customers.

In addition to risk grading customer are also rated through external rating agencies in applicable cases. Retail and small investments are managed under separate Product Program Guidelines, approved by the Board of Directors. In selecting customers as corporate, medium or small, central Bank guidelines are followed meticulously through core banking system.

MIS department has been formed to provide regular and irregular reports to the management of the bank, board of directors and as well as to the central bank for overall monitoring of the bank specially the investment exposure. Bank complies with related norms on exposure stipulated by Bangladesh Bank and its self made sector wise and product wise exposure capping.

Investment Risk Management Division of this bank is subdivided into 5 (five) departments to manage investment/asset separately as a) Investment Risk Management Administration Department-I b) Investment Risk Management Administration Department-II c) Investment Risk Management Administration Department-III d) Investment Risk Management Administration & Recovery Department and e) MIS Department. Before entertaining an investment proposal, IRMD-I, IRMD-II and IRMD-III appraise the proposal in terms of customer risk analysis, financial statement analysis, industrial analysis, historical performance of the customer, security of the proposed investment facility and market reputation of the customer etc as instructed by Bangladesh Bank. IRMA&R department ensures proper management/treatment and timely recovery of delinquent investment with a view to maintain quality of assets and MIS Department provides necessary information to the management for strong monitoring.

2.22.2 Foreign exchange risk management

The behaviour of Foreign Exchange (Forex) market is fully different from other markets. The rocket speed, unprecedented volatility and enormous size of the Forex market are unlike anything else in the financial world. The Forex market is unpredictable - no single event, individual or factor can rule it. Just like any other speculative business, increased risk entails chances for a higher profit/loss.

Since Foreign Exchange involves purchase and sale of any national currency against other national currency, the Foreign Exchange risk arises due to volatile and sudden movement of market price of the holding currencies or the price of the assets denominated in foreign currencies.

All the foreign exchange transactions of our bank are carried out with the Corporate Customers against their transactions related to export, import and remittance. Further, the foreign exchange transactions with the retail customers and the different overseas exchange houses are carried out against their covered fund of wage earner's remittances. Hence the foreign exchange risk of the Bank lies at a minimum / minimal level.

For effective and efficient management of Foreign Exchange Risk, the Bank has a well developed and well structured Foreign Exchange Risk Manual and an international standard Dealing Room Manual approved by the Board. It has also established a Risk Management Division (RMD) within the guideline of Central Bank. Further, in order to mitigate risk bank follows all kinds of guidelines and directives that Central Bank advises from time to time.

The Treasury Division of the Bank is mainly divided into three departments namely Front Office, Mid Office and Back Office. With the help of these three departments, the Treasury carries out the activities of Foreign Exchange as per procedures of Dealing Room Manual and advices of Risk Management Division (RMD). The Front Office independently conducts the transactions in the domestic and international market with the counter parties within the limits set against by the Board. It is responsible to manage risk in accordance to the bank's policy set by the Management of the Bank. The Back Office is responsible for verification and settlement of the deals, passing of their entries in the books of accounts and providing all support services to Front Office. The reporting lines of both the offices to the Managing Director and the CEO are also separate. The Mid Office plays a vital role in the process by checking the Foreign Exchange procedures and different limits of the deals performed by the Front Office and by reporting it directly to the Managing Director and the CEO of the Bank.

All foreign exchange transactions and its holdings are revaluated daily at Mark to Market rate as determined by inter-bank and as per directives of Bangladesh Bank. All Nostro accounts are reconciled on monthly basis and the outstanding entries are reviewed by the RMD and the Management and they take necessary steps to reconcile the outstanding entries timely.

2.22.3 Asset liability management

Asset Liability Management (ALM) of our bank oversees the Balance Sheet risks i.e., liquidity risk and profit rate risk which arise due to mismatches between assets and liabilities. Liquidity risk of a bank refers to the unacceptable losses that it may incur for being unable to meet requirement of fund for increasing assets and for meeting obligations as they become due. Profit rate risk is the risk of losses resulting from movements in

profit rates and their impact on future cash-flows. We manage these risks through a separate and well staffed ALM Desk in Treasury and Financial Institutions division under direct supervision of a well developed Asset Liability Committee (ALCO) formed in line with Bangladesh Bank guidelines. The bank has an ALM guideline rich in contents. We have liquidity management policy, transfer pricing policy, profit rate policy etc which are reviewed annually. The ALCO sits at least once in a month and regularly reviews various liquidity risk and profit rate risk indicators as presented through ALCO Papers.

2.22.4 Prevention of money laundering

Money Laundering is the process of concealing the source of money obtained by illicit means. It is the process by which criminals attempt to hide and disguise the actual origin and ownership of the proceeds of their criminal activities, thereby avoid prosecution, conviction and confiscation of the criminal funds. Terrorism and its financing are also affecting both the national and the international economies. Both money laundering and terrorist financing can weaken individual banks and they are also a threat to a country's overall reputation of financial sector.

EXIM Bank has identified the Money Laundering as one of its core risk areas as per guidelines of Bangladesh Bank and has been making all out efforts to prevent money laundering. To mitigate the risk, the bank has a designated Chief Anti-Money Laundering Compliance Officer (CAMLCO) at Central Compliance Unit with Anti-Money Laundering Division, Head Office, who has sufficient authority to implement and enforce corporate wide AML policy, procedure & measure and is reporting directly to the Senior Management including CEO and the Board of Directors. Moreover, every branch of our bank has a designated Branch Anti-Money Laundering Compliance Officer (BAMLCO) under Branch Anti-Money Laundering Compliance Unit, who is assigned for ensuring AML compliance at branch level. As per requirement for implementation of Pillar 2 of Basel II this division prepared "EXIM Bank's AML Risk Assessment Methodology" which was approved by the Board of Directors.

To formulate successful Anti-Money Laundering program, senior management of our bank is sincerely committed. As part of its commitment Anti-Money Laundering Division is providing Cash Transaction Report (CTR) to Bangladesh Bank regularly on monthly basis and Suspicious Transaction Report (STR), if found any. It is mentionable that, Bangladesh Bank implemented "goAML Web Application" for reporting of CTR & STR. For the proper reporting of goAML Web Application, our Anti-Money Laundering Division arranged Workshop on "goAML Web Application for CTR & STR" where total 80 officials of branches were participated. Anti-Money Laundering Division also conducting Training/Workshop through EXIM Bank Training & Research Academy (EBTRA) in consultation with Human Resources Division to aware all of our employees about Prevention of Money Laundering and Terrorist Financing. In the year 2014 this division arranged 10 nos. of Daylong Workshop on "Prevention of Money Laundering and Combating Terrorist Financing" where 607 officials of the branches along with 86 Relationship Managers of 86 nos. of branches were participated. Anti-Money Laundering Division has been conducting inspection of Branches regarding Prevention of Money Laundering and Terrorist Financing.

Money Laundering can harm the soundness of financial institution in multiple ways. In this respect, to protect the financial system from becoming corrupt, it is equally important to government and financial institutions to guard against the activities of money launderers. Therefore banker should learn the concept well in themselves for the reason that it can potentially ruin the integrity & reputation of their institution. EXIM Bank is very much adhere to the existing law i.e. Money Laundering Prevention Act, 2012 & Anti Terrorism Act, 2009 (amended in 2013) & regulation and always tries to fully comply with the rules & regulation of Government, Bangladesh Bank as well as other regulatory authorities.

Our Bank takes all initiatives to ensure strict compliance of Anti-Money Laundering issues. We have formed the Central Compliance Unit (CCU) comprising with 11 members of divisional heads & others. The CCU has been conducting review meeting monthly to address all related issues as well as to expedite the AML/CTF activities of the bank. We make reasonable efforts to determine the true identity of our customers. Our bank also very proactive to ensure that our business is in conforms to ethical standards that are essential for our overall success.

2.22.5 Internal control and compliance

Internal Control and Compliance Division (ICCD) of the Bank is responsible for checking compliance of Internal Control System. Any deviation is reported to the top Management, the Audit Committee and to the Board and necessary steps are taken to rectify the same. As per Bangladesh Bank Guidelines and to strengthen the Control and Compliance Mechanism, the Bank has established Internal Control and Compliance Division consisting of three Divisions:

i. Audit & Inspection Division: This Division undertakes the audit and inspection of all operating units of the Bank including Head Office, based on an approved Audit Plan, which is approved by the Audit Committee of the Bank. As per guidelines of Bangladesh Bank, Internal Control & Compliance Division of EXIM Bank prepared the quarterly reports on the Audit findings during the year 2014 and placed the same to the Audit Committee and to the Board for their perusal and guidance. During the year 2014, Bank's Audit Teams conducted Audit & Inspection of all Branches & some Divisions/Departments of Head Office.

ii. Compliance Division: The Compliance Division handles the Regulatory issues of Bangladesh Bank and other Regulatory Bodies and submits the status quarterly to the Audit Committee. The Compliance Division ensures that Bank complies with all Regulatory requirements while conducting its day-to-day business. They maintain liaison with the Regulatory Bodies for any Regulatory changes and notify the same to all concerned. The Division works for establishing compliance culture in the Bank.

iii. Monitoring Division: Monitoring Division evaluates/assesses/monitors the operational performance of the branches based on the relevant Data/Audit Reports and analyzes those to assess the risk of branches and submit reports to the Management. They help the Audit and Inspection Division to chalk out Risk Based Audit and Inspection Program for the branches. The Monitoring Division also ensures internal check at the time of performing certain functional areas through different tools like: DCFCL (Departmental Control Functions Checklist), QOR (Quarterly Operation Report) and IDCL (Investment Documentation Checklist) following Bangladesh Bank guidelines. All the issues are periodically reviewed by the Audit Committee.

2.22.6 Information and Communication Technology (ICT) Risk Management

In recent times, the key to survival, growth, success and generating profit for any commercial bank is to develop unique plans for exploiting the modern technology to ensure superior service delivery to its customers and make ways for cost effective banking operations with minimized risks. Such integration of Information and Communication Technologies (ICT) helps banks to develop and maintain their competitive advantages which bring numerous benefits including faster business transactions, increasing automation, improved customer service through several innovative products in the ground-breaking new forms of Internet banking, Mobile banking, ATM facility etc. However, the adoption of ICT applications has also brought many additional risks to banks such as strategic risk, operational risk, compliance/legal risk, reputational risk and technological risk. ICT Risk management is the process of identifying risks (vulnerabilities and threats) to the information resources used by an organization in achieving business objectives, assessing risks and deciding what countermeasures to take in reducing risk to an acceptable level. ICT risk management is based on four steps: risk identification, risk analysis, risk treatment and risk mitigation. In order to control and minimize these risks successfully, several ICT risk management policies and strategies such as: "EXIM Bank ICT Policy v2.2" inline of Bangladesh Bank's ICT Security Guideline v2.0, "EXIM Bank ICT Risk Management Methodology" for assessing ICT core Risk and "EXIM Bank Management Action Trigger (MAT) point" to render proactive measures during certain contingency threshold situations have been formulated as well as updated in recent years and was thoroughly circulated and deployed to all branches and divisions. As all banks are preparing to implement BASEL-III to strengthen the financial sector and make banks more resilient in the face of unprecedented pressure by raising the quality, consistency, and transparency of the capital base and strengthening the risk coverage of the capital framework, we are reviewing how its regulatory standards will have an effect on bank's IT systems and overall operations management. In view of that our roadmap to BASEL-III implementation will be formulated as well.

In banking, Information is treated as "assets" and this "assets" are critical to the services provided by the Bank to its customers. Protection and maintenance of these assets are vital to its sustainability. As the custodian of the mission critical banking data, transaction details, customer information etc the bank emphasize greatly on the ICT infrastructure by periodically investing on data storage, processing server, Core Banking Software etc. We also account for life-time of these fixed assets, their depreciation, EOL (End of Lifetime), AMC (Annual Maintenance Contract) with several product and/or service vendors to guarantee business continuity with zero downtime. We have already upgraded our SAN (Storage Area Network) from old out-dated storage to next generation storage that is set to run our business for the next 07 (seven) years in line with our business expansion plans. Bank will also make plans to upgrade our CBS server hardware and CBS software as well to keep up with the ever changing trend of technology. In order to guarantee the protection of our automated banking system from unauthorized access, modification, disclosure and destruction, emphasis has been given on the most critical system like the Core Banking software where the bank's & customer's sensitive financial

data is stored ensuring high security, accountability and high availability. Also to ensure effective service delivery beyond the fourwalls of the bank, alternate channel services like ATM, POS, Internet Banking, Mobile Banking, SMS Banking have been introduced which ultimately may introduce some sort of vulnerabilities to our Core Banking system. Also versatile threats like: identity theft, unauthorized account access, Hacking, Card fraud, Cheque fraud, ATM Skimming, Fraudulent transactions, Phishing, Denial of service, Net extortion, Spoofing, Trojan attack, Salami attack etc has been the growing concern of the banking industry in recent years. In this regard we have incorporated the most superior security measures: Two Factor Authentication with zero level of penetration threat and Secure Sockets Layer (SSL) certificate that is the most secure cryptographic measure to ensure communication security over the Internet and telecommunication network. We have already initiated to implement Payment Card Industry Data Security Standard (PCI DSS) which is a proprietary information security standard for branded credit card to increase controls around cardholder data to reduce the risk of card fraud. We are in the process of incorporating EMV chip technology based plastic cards which is more secure than the legacy magnetic stripe cards to diminish scopes for card fraud. Exim Bank ICT Risk management ensures different appropriate means Logical security (e. g segregated card production & PIN generation etc) and Physical security (e. g CCTV surveillance systems, vault security, access control etc) as well as several risk assessment, monitoring and minimization mechanisms such as: Administrative controls (e. g: approved written policies and guidelines), Technical controls (e. g: Firewall, VPN, IPS-IDS etc) and Environmental controls (e. g: Heat and air conditioning, fire & smoke suppression systems, water detection alarms etc). To protect sensitive information of Core banking software and other software in the event of any disaster, the bank has implemented a disaster recovery site having synchronous mirroring facility of live system. The Bank has been maintaining separate insurance coverage for its critical ICT assets. The Bank management has been putting continuous efforts to improve IT Operation Management, Problem Management, Change Management, Assets & Inventory Management and Request Management to maintain maximum uptime of automated banking business and ensure better service delivery. The Bank is strictly following the Information Security policy of Bangladesh Bank covering Password Control, User ID Maintenance, Input Control, Network Security, Data Encryption, Virus Protection and Access Control to Internet and Emailing. The bank is regularly conducting internal ICT audit to all its' branches and Head Office divisions to find risk exposure areas and various loopholes. The Bank has been maintaining "Outsourcing Best Practices" through Service Level Agreement (SLA) with the vendors and service providers that are providing mission critical services on behalf of the Bank.

In conclusion, it is suffice to say that in EXIM bank we have a very strong ICT Risk Management in practice that is capable of ensuring business continuity at any contingency situation.

2.22.7 Fraud and forgeries

Fraud can happen anywhere. Though, only relatively few major frauds are picked up by the media, huge sums are lost by all kinds of businesses against large number of frauds. The risks of fraud is increasing day by day as a result of growing globalization, more competitive markets, rapid developments in technology, periods of economic difficulty, etc. Banks by virtue of the nature of activities undertaken and its operating environment are vulnerable to frauds, which takes place when aggressive business strategy and process for quick growth is adopted without adequate/ appropriate internal controls or non-adhering to operating standards/ controls. In the recent past, incidence of frauds in the Banking industry has increased to some extent, which calls for concerted steps in investigating the frauds and identifying the fraudsters for eventual criminal prosecution and internal punitive action.

2.22.8 Internal audit

Internal Audit is used as an important element to ensure good governance of EXIM Bank. Internal Audit activity of EXIM Bank is effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, and monitoring compliance with own policies & procedures, applicable rules & regulations, instructions/guidelines of regulatory authority etc.

During the year 2014, Audit Department of Internal Control & Compliance Division conducted inspection on most of the Branches/Divisions of Head Office of the Bank and submitted reports presenting the findings of the audits/ inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports. The reports or key points of the reports have also been discussed in the meetings of the Audit Committee of the Board and necessary steps have been taken according to the decision of the said Committee for correct functioning of Internal Controls & Compliance.

2.23 Others

2.23.1 Earnings per share

Earnings per share (EPS) have been computed by dividing the basic earnings by the number of Ordinary Shares being calculated as per BAS-33. Previous year's figures have been adjusted as per Guidelines of BAS-33.

2.23.2 Statement of liquidity

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following basis:

- Balance with other banks and financial institutions are on the basis of their maturity term.
- Investments (shares and securities) are on the basis of their maturity.
- Investments are on the basis of their repayment/maturity schedule.
- Fixed assets are on the basis of their useful life.
- Other assets are on the basis of their probable date of adjustment.
- Deposits and other accounts are on the basis of their maturity term and behavioral past trend.
- Provisions and other liabilities are on the basis of their adjustment date.

2.23.3 Cash flow statement

Cash flow statement is prepared in accordance with BAS-7 "Cash Flow Statement" and the cash flow from operating activities has been presented under direct method as prescribed by the Securities and Exchange Rules 1987.

2.23.4 Reporting period

These financial statements cover 1 (one) calendar year from 1 January 2014 to 31 December 2014.

2.23.5 Number of employees

Number of employees at 31 December 2014 was 2458; (as on 31 December 2013: 2229) who were in receipt of remuneration for that year which in the aggregate was not less than Tk.36,000 per annum and those employed for a part that year who were also in receipt of remuneration of not less than Tk.3,000 per month.

2.23.6 Compliance with Financial Reporting Standards as applicable in Bangladesh:

Export Import Bank of Bangladesh Limited complied, as per Rule 12 of Securities & Exchange Rules 1987, with the following Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements of the Bank subject to departure described in note - 2.1, where we have followed Bangladesh Bank guidelines:

Compliance with Bangladesh Financial Reporting Standards (BFRSs)

SL No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Complied
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
7	7	Financial Instruments: Disclosures	Complied with departure (note-2.1)
8	8	Operating Segments	Complied with departure (note-2.1)
9	10	Consolidated Financial Statements	Complied
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interests in other Entities	Complied
12	13	Fair Value Measurement	Complied

Compliance with Bangladesh Accounting Standards (BASs)

Sl. No.	BFRS No.	BAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied with some departure (note-2.1)
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows	Complied with departure (note-2.1)
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchange Rates	Complied
14	23	Borrowing Costs	Not Applicable
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
17	27	Separate Financial Statements	Complied
18	28	Investments in Associates	Not Applicable
19	29	Financial Reporting in Hyperinflationary Economics	Not Applicable
20	32	Financial Instruments: Presentation	Complied with departure (note-2.1)
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting *	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
25	38	Intangible Assets	Complied with departure (note-2.1)
26	39	Financial Instruments: Recognition and Measurement	Complied with departure (note-2.1)
27	40	Investment Property	Not Applicable
28	41	Agriculture	Not Applicable

* Complied while the quarterly and half-yearly interim financial statements were prepared during the year as per regulations of Bangladesh Securities and Exchange Commission (BSEC).

2.23.7 Regulatory and legal compliance:

Export Import Bank of Bangladesh Limited complied with the requirements of the following Acts, Rules, Ordinances, circular along with all other rules regulations and circulars applicable for the bank:

- The Bank Company Act 1991 as amended up to 2013
- The Companies Act 1994
- BRPD Circular No. 14 dated 25 June 2003 and BRPD Circular No. 15 "Guidelines for Islamic Banking" dated 09 November 2009 issued by Bangladesh Bank
- Other circulars, rules and regulations issued by Bangladesh Bank from time to time
- The Securities and Exchange Rules 1987
- The Securities and Exchange Ordinance 1969
- The Securities and Exchange Commission Act 1993
- Income Tax Ordinance 1984
- VAT Act 1991
- The Stamp (Amendment) Act 2010
- The Customs Act-1969
- The Money Laundering Prevention Act 2012
- The Anti Terrorism (Amendment) Act 2013 etc.

No.	Particulars	Taka	
		2014	2013
3	Cash in hand		
	i) Local currency	1,361,200,849	1,552,010,322
	ii) Foreign currencies (note 3.1)	9,676,317	11,634,907
	Sub total (a)	1,370,877,166	1,563,645,229
	iii) Balance with Bangladesh Bank and its agent (Sonali Bank) (Note 3.2)		
	Balance with Bangladesh Bank	26,989,054,881	20,378,197,295
	Balance with Sonali Bank (as agent of Bangladesh Bank)	146,227,682	164,625,173
	Sub Total (b)	27,135,282,563	20,542,822,468
	Grand total (a+b)	28,506,159,729	22,106,467,697
3.1	In Foreign Currency		
	US Dollar	8,388,759	11,362,385
	Great Britain Pound (GBP)	143,284	241,427
	Saudi Arabian Riyal (SAR)	1,144,274	31,095
	Total	9,676,317	11,634,907
3.2	Balance with Bangladesh Bank and its agent (Sonali Bank)		
	Balance with Bangladesh Bank:		
	i) Local currency	19,685,491,267	15,586,822,889
	ii) Foreign currencies	7,303,563,614	4,791,374,406
	Sub total (a)	26,989,054,881	20,378,197,295
	Balance with Sonali Bank:		
	i) Local currency (b)	146,227,682	164,625,173
	Grand Total (a+b)	27,135,282,563	20,542,822,468
3.3	The Cash Reserve Requirement (CRR) and the Statutory Liquidity Ratio (SLR) are maintained in accordance with the section 33 of the Bank Company Act 1991 (amended up to 2013), MPD circular No. 01 dated 23 June 2014, MPD circular no. 02 dated 10 December 2013 and in consistent with Islami banks. Cash Reserve Requirement (CRR) and the Statutory Liquidity Ratio (SLR) and deposits there against with Bangladesh Bank as at 31 December 2014 are as follows:		
(a)	Cash Reserve Requirement (CRR): 6.50% of average demand and time liabilities of Tk.172,224,889,000/- as on 31 December 2014 (of Tk.151,495,072,000/- as on 31 December 2013). EXIM Bank has maintained required CRR throughout the year as per Bangladesh Bank Guidelines.		
	Required reserve	11,194,617,790	9,089,704,320
	Actual reserve held with Bangladesh Bank (Annexure D)	19,685,573,227	15,577,747,009
	Surplus/(deficit)	8,490,955,437	6,488,042,689
(b)	Statutory Liquidity Ratio (SLR): 5.50% of average demand and time liabilities		
	Required reserve	9,472,368,900	17,421,933,280
	Actual reserve held	19,044,060,285	21,556,017,000
	Surplus/(deficit)	9,571,691,385	4,134,083,720
	EXIM Bank has maintained required SLR throughout the year as per Bangladesh Bank Guidelines.		
(b.1)	Components of Statutory Liquidity Ratio (SLR)		
	Cash in hand including Foreign Currencies	1,370,877,166	1,563,645,000
	Balance with Bangladesh Bank and its agents	8,637,183,119	15,742,372,000
	Balance of Islamic refinance Fund	500,000,000	-
	Unencumbered approved securities:		
	Bangladesh Government Islami Investment Bond (BGIIIB)	8,536,000,000	4,250,000,000
		19,044,060,285	21,556,017,000
3 (a)	Consolidated Cash in Hand		
	Consolidated Cash in hand 3(a.1)	1,377,323,285	1,569,959,322
	Consolidated Balance with Bangladesh Bank and its agent (Sonali Bank) 3(a.2)	27,135,282,563	20,542,822,468
		28,512,605,848	22,112,781,790

Notes to the Financial Statements

as at 31 December 2014



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No. Particulars	Taka	
	2014	2013
3 (a.1) Consolidated Cash in hand		
Export Import Bank of Bangladesh Limited	1,370,877,166	1,563,645,229
Add: Bank's subsidiaries	6,446,119	6,314,093
	1,377,323,285	1,569,959,322
3 (a.2) Consolidated Balance with Bangladesh Bank and its agent (Sonali Bank)		
Export Import Bank of Bangladesh Limited	27,135,282,563	20,542,822,468
Add: Bank's subsidiaries	-	-
	27,135,282,563	20,542,822,468
4 Balance with other banks and financial institutions		
In Bangladesh (Annexure - B)		
i) In Current Accounts	42,204,283	60,525,375
ii) In Mudaraba Savings, MSND & MTDR Account with other Islamic Banks/Financial Institutions	1,633,925,603	8,732,667,872
	1,676,129,886	8,793,193,247
Add: Off-shore Banking Units (OBU)	-	2,140,010
	1,676,129,886	8,795,333,257
Less: Off-shore Banking Units (OBU)	-	2,140,010
Sub total (a)	1,676,129,886	8,793,193,247
Outside Bangladesh (Annexure - C)		
i) In Current Account	1,866,076,163	3,084,739,598
ii) In Mudaraba Savings & MTDR Account with other Islamic Banks/Financial Institutions	-	-
Sub total (b)	1,866,076,163	3,084,739,598
Grand total (a+b)	3,542,206,049	11,877,932,845
4.1 Maturity-wise Classification of balance with other banks & Financial Institutions		
i) Repayable on Demand	2,421,132,157	3,912,708,683
With a residual maturity of		
ii) Not more than 3 months	1,121,073,892	6,165,224,162
iii) Over 3 months but not more than 1 year	-	1,800,000,000
iv) Over 1 year but not more than 5 years	-	-
v) More than 5 years	-	-
Total	3,542,206,049	11,877,932,845
4 (a) Consolidated Balance with other banks and financial institutions		
In Bangladesh		
Export Import Bank of Bangladesh Limited	1,676,129,886	8,793,193,247
Add: Bank's subsidiaries	287,193,882	343,419,064
Less: Intra group transactions	(287,193,882)	(343,419,064)
Sub total (a)	1,676,129,886	8,793,193,247
Outside Bangladesh		
Export Import Bank of Bangladesh Limited	1,866,076,163	3,084,739,598
Add: Bank's subsidiaries	11,719,581	68,860,679
Sub total (b)	1,877,795,744	3,153,600,277
Grand total (a+b)	3,553,925,630	11,946,793,524
5 Placement with banks & other financial institutions		
a) In Bangladesh		
Islamic refinance Fund account *	500,000,000	-
b) Outside Bangladesh	-	-
Grand Total (a+b)	500,000,000	-

*The fund is placed to Bangladesh Bank for Re-finance Scheme as per Bangladesh Bank BRPD Circular No. 13 dated 18 September 2014.

No. Particulars
6. Investment in Shares & Securities

i) Government securities:

Bangladesh Govt. Islamic Investment Bond (BGIB)

Central Depository Bangladesh Limited (CDBL)

Sub total

ii) Investment in Subsidiary Companies

EXIM Exchange Company (UK) Limited

EXIM Exchange Company (Canada) Limited

EXIM (USA) INC.

EXIM Exchange (Australia) Pty Ltd.

EXIM Islami Investment Limited (EIL)

Less: Impairment loss on investment in subsidiary

Sub total

iii) Others

Islami Bank Bangladesh Ltd.

Prime Bank Ltd.

Beximco Pharmaceuticals Ltd.

National Bank Ltd.

TITAS GAS Ltd.

United Commercial Bank Ltd.

Lafarge Surma Cement Ltd.

Shahjalal Islami Bank Ltd.

Southeast Bank Ltd.

Jamuna Bank Limited

Social Islami Bank Ltd.

City Bank Ltd.

NCC Bank Ltd.

Bank Asia Ltd.

Dutch Bangla Bank Ltd.

Mercantile Bank Ltd.

Uttara Bank Ltd.

AB Bank Ltd.

ONE Bank Ltd.

Premier Bank Ltd.

Al-Arafah Islami Bank Ltd.

Dhaka Bank Ltd.

Standard Bank Ltd.

First Security Islami Bank Ltd.

Peoples Insurance Company Ltd.

Fareast Islami Life Insurance Company Ltd.

Asia Pacific General Insurance Company Ltd.

Bangladesh General Insurance Company Ltd.

Karnafuli Insurance Company Ltd.

City General Insurance Company Ltd.

Shinepukur Ceramics Ltd.

Pragati Insurance Company Ltd.

Prime Islami Life Insurance Company Ltd.

LINDE Bangladesh Ltd.

EBL NRB Mutual Fund

EXIM Bank 1st Mutual Fund

EBL 1st Mutual Fund

ICB Employees Provident Fund Mutual Fund- 1

Trust Bank 1st Mutual Fund

DBH 1st Mutual Fund

IFIC Bank 1st Mutual Fund

Prime Bank 1st AMCL ICBA Mutual Fund

Mercantile Bank 1st Mutual Fund

Popular Life 1st Mutual Fund

PHP 1st Mutual Fund

SWIFT

Sub total
Grand total (i+ii+iii)

Holding Share	Face Value Taka	Purchase price Taka	Market Value as on 31 Dec. 2014 Taka	Purchase Price as on 31 Dec. 2013 Taka	Remarks
17 13 541	10	8,536,000,000 14,051,038 8,550,051,038	8,536,000,000 14,051,038 8,550,051,038	4,250,000,000 14,051,038 4,264,051,038	Unquoted Unquoted
		52,098,416 40,053,870 75,382,117 - 999,900,000 1,167,434,403 93,077,625 1,074,356,778	52,098,416 40,053,870 75,382,117 - 999,900,000 1,167,434,403 93,077,625 1,074,356,778	52,098,416 40,053,870 75,382,117 23,436,107 999,900,000 1,190,870,510 - 1,190,870,510	Unquoted Unquoted Unquoted Unquoted Unquoted
1 39 90 429	10	482,867,080	327,376,039	481,595,223	Quoted
1 10 23 320	10	349,168,417	216,057,072	349,168,416	Quoted
33 89 060	10	236,261,867	198,937,822	256,633,472	Quoted
98 68 760	10	210,807,242	112,503,864	209,910,082	Quoted
-	-	-	-	145,435,088	Quoted
-	-	-	-	136,994,839	Quoted
-	-	-	-	4,057,583	Quoted
4 59 34 350	10	992,655,283	528,245,025	988,479,433	Quoted
2 71 62 791	10	754,094,607	526,958,145	752,801,141	Quoted
2 56 42 125	10	558,873,352	315,398,137	555,528,727	Quoted
1 48 81 900	10	384,343,361	202,393,840	384,343,361	Quoted
1 50 58 164	10	349,951,970	328,267,975	347,442,276	Quoted
1 46 18 476	10	326,908,341	163,726,931	326,212,224	Quoted
87 12 000	10	284,828,513	145,490,400	284,036,513	Quoted
21 46 000	10	275,165,253	227,046,800	275,165,253	Quoted
1 12 19 183	10	235,889,140	153,702,807	234,687,085	Quoted
68 44 152	10	218,996,701	177,263,537	218,374,506	Quoted
16 61 175	10	112,569,195	49,669,132	112,460,520	Quoted
25 48 975	10	92,801,183	40,273,805	92,569,458	Quoted
22 78 672	10	72,053,621	22,786,720	71,846,469	Quoted
14 55 005	10	30,208,537	21,679,575	30,035,475	Quoted
7 85 356	10	19,210,040	14,372,015	19,172,643	Quoted
9 31 320	10	17,909,125	11,827,764	17,909,125	Quoted
2 40 940	10	3,134,621	2,626,246	3,134,621	Quoted
20 66 600	10	66,891,446	43,191,940	66,891,446	Quoted
4 68 222	10	50,597,056	35,163,472	50,597,056	Quoted
11 67 000	10	42,031,625	22,406,400	42,031,625	Quoted
9 05 000	10	32,124,345	19,367,000	32,124,345	Quoted
7 86 765	10	30,107,222	13,689,711	30,069,756	Quoted
8 16 750	10	26,635,163	15,191,550	26,560,913	Quoted
1 74 900	10	9,601,958	2,518,560	9,601,958	Quoted
1 12 875	10	6,811,505	4,661,738	6,806,130	Quoted
11 041	10	1,489,636	876,655	1,488,196	Quoted
-	-	-	-	511,750	Quoted
59 22 103	10	50,922,103	29,018,305	50,424,448	Quoted
2 42 70 933	10	222,036,933	169,896,531	219,740,000	Quoted
10 91 575	10	16,456,302	5,785,348	16,456,302	Quoted
10 00 000	10	15,592,734	4,500,000	15,592,734	Quoted
11 84 423	10	15,589,453	6,395,884	15,492,290	Quoted
10 00 000	10	14,946,229	4,600,000	14,946,229	Quoted
11 75 660	10	15,117,725	6,113,432	15,029,477	Quoted
10 00 000	10	13,505,254	4,400,000	13,505,254	Quoted
10 00 000	10	10,000,000	4,500,000	10,000,000	Quoted
11 30 697	10	10,130,697	5,653,485	10,023,607	Quoted
10 93 720	10	10,093,720	5,140,484	10,000,000	Quoted
13	173,774	2,259,065	2,259,065	2,259,065	Unquoted
		6,671,637,620	4,191,933,211	6,958,146,114	
		16,296,045,436	13,816,341,027	12,413,067,662	

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No. Particulars

Taka

2014

2013

Provision for diminution in value of Investment in shares stood at Tk. 2,479,704,409 at 31 December 2014. Bank management maintained provision amounting Tk. 2,102,855,213 (note 13.5) at the end of the year. The remaining required provision amounts Tk. 376,849,196 will be provided in 04 (Four) Quarters of the year 2015 as per Bangladesh Bank letter No. DOS (SR) 1153/161/24/2015-297 dated 20 January 2015.

6.1 Maturity wise classification of investment (shares and securities)

i) Repayable on Demand	6,669,378,555	6,955,887,049
With a residual maturity of		
ii) Not more than 3 months	1,351,382,117	250,000,000
iii) Over 3 months but not more than 1 year	7,260,000,000	4,000,000,000
iv) Over 1 year but not more than 5 years	-	-
v) More than 5 years	1,015,284,764	1,207,180,613
	16,296,045,436	12,413,067,662

6 (a) Consolidated Investment in Shares & Securities

i) Government securities:		
Export Import Bank of Bangladesh Limited	8,550,051,038	4,264,051,038
Add: EXIM Bank's Subsidiaries	-	-
Sub total	8,550,051,038	4,264,051,038
ii) Others		
Export Import Bank of Bangladesh Limited	7,745,994,398	8,149,016,624
Add: EXIM Islami Investment Limited (EIL)	349,858,751	221,361,328
Less: Bank's subsidiaries	[1,074,356,778]	[1,190,870,510]
Sub total	7,021,496,371	7,179,507,442
Grand Total (i+ii)	15,571,547,409	11,443,558,480

7 Investments

a) In Bangladesh		
i) General Investment [7.2]	171,204,136,030	137,822,001,867
ii) Bill discounted and purchased [7.2]	6,732,699,092	6,025,378,276
Total in Bangladesh (a)	177,936,835,122	143,847,380,143
b) Outside Bangladesh [7.2]	-	-
Total Outside Bangladesh (b)	-	-
Grand Total (a+b)	177,936,835,122	143,847,380,143

7.1 Maturity-wise classification of investment

i) Repayable on Demand	8,453,667,869	8,883,431,286
With a residual maturity of		
ii) Not more than 3 months	14,664,070,833	11,975,542,891
iii) Over 3 months but not more than 1 year	84,935,701,785	73,303,719,646
iv) Over 1 year but not more than 5 years	43,644,554,504	29,532,488,434
v) More than 5 years	26,238,840,131	20,152,197,886
	177,936,835,122	143,847,380,143

7.2 Mode-wise Investment

a) In Bangladesh		
i) General Investment		
Bai-Muazzal	71,221,949,950	56,154,568,026
Bai - Murabaha	22,591,492,342	22,458,662,664
Bai-Salam	4,568,248,429	4,175,054,439
Izara bill baia (Commercial)	70,564,545,168	53,085,452,032
Izara bill baia (Staff)	1,912,755,288	1,701,426,146
Quard	345,144,853	246,838,560
Sub total (i)	171,204,136,030	137,822,001,867

No. Particulars	Taka	
	2014	2013
ii) Bill discounted and purchased		
Bai - as - Sarf (FDBP)	462,957,760	575,255,111
Musharaka Documentary Bill (MDB)	2,002,292,576	2,290,713,858
Mudaraba Import Bill (UPAS)	3,400,968,278	2,079,890,139
Murabaha Import Bill (MIB)	866,480,478	1,079,519,168
Sub total (ii)	6,732,699,092	6,025,378,276
Total in Bangladesh (a)	177,936,835,122	143,847,380,143
b) Outside Bangladesh		
Total Outside Bangladesh (b)	-	-
Grand Total (a+b)	177,936,835,122	143,847,380,143
7.2.1 Geographical Location-wise Classification of Investment		
i) Within Bangladesh		
a) In Rural Areas	8,288,612,057	6,841,620,825
b) In Urban Areas	169,648,223,065	137,005,759,318
Sub total (a+b)	177,936,835,122	143,847,380,143
ii) Outside Bangladesh		
Total (i+ii)	177,936,835,122	143,847,380,143
7.2.2 Division-wise classification of investment		
Name of the Division		
i) Dhaka Division	125,404,916,725	101,141,066,109
ii) Chittagong Division	41,931,659,506	34,513,527,818
iii) Khulna Division	2,049,952,856	1,305,568,312
iv) Rajshahi Division	5,449,223,975	4,090,393,379
v) Barisal Division	297,137,664	307,683,937
vi) Sylhet Division	1,640,056,027	1,419,378,364
vii) Rangpur Division	1,163,888,369	1,069,762,224
Total	177,936,835,122	143,847,380,143
7.3 Group-wise Classification of Investments		
i) Investments to directors	-	-
ii) Investments to Chief Executive & Other Senior Executives	125,079,427	110,367,218
iii) Investment (funded & non-funded) to Customers Group (10% of Capital and above) note 7.8	73,024,387,000	50,337,577,000
iv) Industry-wise Classification of Investments		
a) Garments	17,827,794,880	17,853,655,092
b) Textile	11,761,371,431	8,843,246,393
c) Agro based Industry	12,638,800,000	11,480,300,000
d) Other Industry	17,497,001,967	2,747,288,654
Total (iv)	59,724,968,278	40,924,490,139
v) Trading and others	118,211,866,844	102,922,890,004
Total (iv+v)	177,936,835,122	143,847,380,143
7.4 Classification status-wise investments		
Unclassified :		
i) Unclassified investments including staff investment	164,848,202,288	137,488,676,758
ii) Special mention account (SMA)	7,344,914,973	1,078,763,925
Total Unclassified (i+ii)	172,193,117,261	138,567,440,683

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No. Particulars

Classified:

iii) Substandard

iv) Doubtful

v) Bad and loss

Total Classified (iii+iv+v)

Grand Total (i to v)

Taka	
2014	2013
603,284,863	285,957,135
312,041,394	198,448,872
4,828,391,604	4,795,533,453
5,743,717,861	5,279,939,460
177,936,835,122	143,847,380,143

7.5 Pledged collateral against investment

Land & Building

MTDR, Securities etc

Share Certificates

Others

Total

199,596,765,366	128,948,178,659
14,823,841,100	9,172,623,189
-	4,825,000
24,938,060,926	15,035,329,152
239,358,667,392	153,160,956,000

7.6 Particulars of investments

i) Investments considered good in respect of which the bank is fully secured

ii) Investments considered good in respect of which the bank holds debtors personal security

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

iv) Investments considered bad or doubtful not provided for

Total

v) Investments due by directors or employees of the bank or any of them either severally or jointly with any other persons

vi) Investments due by directors or employees of the bank are interested as Directors, partners, managing agents or, in case of private companies, as members

vii) Total amount of investments, including temporary investments, made any time during the year to directors or employees of the bank or any of them either severally or jointly with any other persons

viii) Total amount of investments, including temporary investments, granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners, managing agents or, in case of private companies, as members

ix) Investment due from other banks

x) Classified investments on which profit has not been charged:

xi) Particulars of Written Off Investments

a) Cumulative amount of Investment Written Off since inception up to 31 December last year

b) Amount of Investment Written Off during this year

c) **Total amount of Investment Written Off (a+b)**

d) Amount recovered against such Written Off Investment up to this year

e) Amount of investment Written Off against which suit has been filed to recover the same*

173,234,649,239	138,134,792,959
4,702,185,883	5,712,587,184
-	-
-	-
177,936,835,122	143,847,380,143
1,912,755,288	1,701,426,146
-	-
1,912,755,288	1,701,426,146
-	-
-	-
4,828,391,604	4,795,533,453
-	-
302,501,026	302,501,026
971,911,520	-
1,274,412,546	302,501,026
23,400,000	19,800,000
1,243,493,185	276,201,423

* Tk. 0.65 crore has been waived from total written off investment during the year 2012 and no suit has been filed against Tk.0.10 crore (Credit Card) which has been written off during the year 2014.

7.7 Bills discounted and purchased

i) Payable in Bangladesh

ii) Payable outside Bangladesh

Total

2,922,148,048	3,370,233,026
3,810,551,044	2,655,145,250
6,732,699,092	6,025,378,276

No. Particulars	Taka	
	2014	2013
7.7.1 Maturity grouping of bills discounted and purchased		
Payable within 1 month	179,973,614	529,803,198
Over 1 month but less than 3 months	1,562,396,526	499,331,579
Over 3 months but less than 6 months	1,625,645,717	1,480,726,857
6 months or more	3,364,683,235	3,515,516,642
Total	6,732,699,092	6,025,378,276

7.8 Detail of Large Investments

Investments above 10% of total capital of the bank (Total capital Tk.2351.96 crore & Tk.2119.87 crore for the years 2014 & 2013 respectively)

Number of clients	23	17
Amount of outstanding investments:		
Funded [7.8.1]	51,369,525,000	30,987,250,000
Non-funded [7.8.1]	21,654,862,000	19,350,327,000
	73,024,387,000	50,337,577,000
Amount of classified investments	-	-
Measures taken for recovery of classified investments	Not applicable	Not applicable

7.8.1 Investments above 10% of total capital of the bank

Name of the Clients	Outstanding			Outstanding
	Taka			Taka
	2014			2013
	Funded	Non-funded	Total	Total
1 AKH Group	669,397,000	4,023,975,000	4,693,372,000	4,096,359,000
2 Masco Group	2,338,037,000	1,544,685,000	3,882,722,000	3,769,005,000
3 S.Alam Vegetable Oils Ltd.	2,984,678,000	2,188,280,000	5,172,958,000	4,086,087,000
4 Badsha Group	1,490,304,000	2,259,265,000	3,749,569,000	3,652,340,000
5 Pretty Group (S.Suhal)	2,677,218,000	108,465,000	2,785,683,000	2,416,045,000
6 S.Alam Super Edible Oil Ltd.	2,588,239,000	876,706,000	3,464,945,000	3,535,093,000
7 Meghna Group	195,550,000	2,934,620,000	3,130,170,000	4,131,845,000
8 City Group	-	4,367,597,000	4,367,597,000	3,059,734,000
9 OK Group	2,981,993,000	-	2,981,993,000	2,475,849,000
10 Impressive Textile Mills Ltd. & Its Associates	2,189,338,000	321,794,000	2,511,132,000	2,230,701,000
11 S.Alam Trading Co. Ltd & its allied concern	3,302,623,000	-	3,302,623,000	2,783,249,000
12 Anwar Khan Mordern Hospital & its associates	2,791,525,000	-	2,791,525,000	2,556,957,000
13 HsN Developers Ltd	-	-	-	2,288,462,000
14 Prince Group	2,106,691,000	784,114,000	2,890,805,000	2,504,021,000
15 RKD Group	-	-	-	2,469,187,000
16 Nahar Trading Corporation & its allied concerns	2,889,602,000	54,697,000	2,944,299,000	2,153,200,000
17 Hasan Pulp & its Associates	-	-	-	2,129,443,000
18 Sikder Real Estate Ltd & Its Associates	2,638,979,000	-	2,638,979,000	-
19 Alif Group	2,613,033,000	-	2,613,033,000	-
20 MP Spinning Mills Ltd & Its Associates	2,527,725,000	6,618,000	2,534,343,000	-
21 Abdul Monem Ltd	2,664,067,000	525,640,000	3,189,707,000	-
22 Aman Group	1,841,800,000	1,080,243,000	2,922,043,000	-
23 Sunman Group	2,663,689,000	246,852,000	2,910,541,000	-
24 S.S Trading	2,558,260,000	95,769,000	2,654,029,000	-
25 Power Pac Mutiara Keraniganj Power Plant Ltd	2,492,831,000	-	2,492,831,000	-
26 Ahshan Group	2,163,946,000	235,542,000	2,399,488,000	-
Total	51,369,525,000	21,654,862,000	73,024,387,000	50,337,577,000

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		Taka	
No.	Particulars	2014	2013
7(a) Consolidated Investment			
	Export Import Bank of Bangladesh Limited	171,204,136,030	137,822,001,867
	Add: Bank's subsidiaries	1,228,732,823	1,154,617,652
	Sub total	172,432,868,853	138,976,619,519
	Bill discounted and purchased		
	Bai - as - Sarf (FDBP)	462,957,760	575,255,111
	Musharaka Documentary Bill (MDB)	2,002,292,576	2,290,713,858
	Mudaraba Import Bill (UPAS)	3,400,968,278	2,079,890,139
	Murabaha Import Bill (MIB)	866,480,478	1,079,519,168
	Sub total	6,732,699,092	6,025,378,276
	Total	179,165,567,945	145,001,997,795
8 Fixed assets including premises (Annexure-A)			
i)	Land	1,255,796,000	1,240,796,000
ii)	Building & Construction	1,281,304,393	1,216,197,507
iii)	Leasehold Property - Building	265,734,762	272,550,762
iv)	Furniture and Fixtures	51,838,508	42,641,541
v)	Interior Decoration	177,366,771	138,328,278
vi)	Office Equipment	259,398,442	259,498,951
vii)	Vehicles	18,214,820	13,241,969
viii)	Books	106,836	182,483
	Total	3,309,760,532	3,183,437,491
8 (a) Consolidated fixed assets			
	Export Import Bank of Bangladesh Limited	3,309,760,532	3,183,437,491
	Add: Bank's subsidiaries	1,951,636	6,923,609
	Total	3,311,712,168	3,190,361,100
9 Other assets			
	Income Generating (note 9.1)	570,566,247	570,566,247
	Non Income Generating (note 9.2)	1,750,285,480	1,453,664,155
	Total	2,320,851,727	2,024,230,402
9.1 Income Generating			
	Fund to EXIM Islami Investment Limited (EIIL)	570,566,247	570,566,247
9.2 Non Income Generating			
	Stock of stationery in hand	36,480,992	30,647,133
	Advance Rent [9.2.1]	235,743,687	195,511,631
	Suspense Account [9.2.2]	944,470,095	583,476,227
	Security Deposit (Telephone deposit)	6,877,179	6,832,779
	Stamps in Hand	2,844,006	2,789,711
	Income Receivable on Investment [9.2.3]	229,600,000	392,475,000
	Other Receivable	106,134,966	67,559,495
	Prepaid Expenses	983,303	179,186
	Clearing Adjustment	-	121,150
	Others [9.2.4]	187,151,252	174,071,843
	Total	1,750,285,480	1,453,664,155
9.2.1 Advance Rent			
	Office rent	225,074,303	184,848,184
	Godown rent	10,669,384	10,663,447
	Total	235,743,687	195,511,631

No. Particulars	Taka	
	2014	2013
9.2.2 Suspense Account		
EDF loan receivable from Bangladesh Bank	693,284,965	331,957,013
Advance against new branches	7,951,340	12,995,648
Others*	243,233,790	238,523,566
	944,470,095	583,476,227
*This includes advance against Salary, TA/DA, others, Postage, Sundry debtors, Suspense Account, Other stock, Suspense-(cash remitted, FRMD, Islamic VISA Card charge) etc.		
9.2.3 Income Receivable on Investment		
Profit receivable on BGIB	210,000,000	154,575,000
Profit receivable on deposit with other banks	19,600,000	237,900,000
	229,600,000	392,475,000
9.2.4 Others		
Advance against purchase of building (including the value of portion of Land)	157,849,498	151,130,000
Advance against purchase of Machinery and Equipment	5,000,000	-
Prepaid insurance premium	4,014,671	3,859,460
Application Money for share	1,204,700	-
Receivable from EIIL	19,082,383	19,082,383
	187,151,252	174,071,843
9.3 Classification of other assets		
Unclassified	2,320,307,727	2,023,686,402
Doubtful	-	-
Bad/loss	544,000	544,000
	2,320,851,727	2,024,230,402
9.4 Fictitious Assets		
No fictitious assets has been accounted for during the year.	-	-
9 (a) Consolidated other assets		
Export Import Bank of Bangladesh Limited	2,320,851,727	2,024,230,402
Add: Bank's subsidiaries	468,309,378	393,090,681
Less: Placement with EXIM Islami Investment Ltd. (EIIL)	(570,566,247)	(570,566,247)
	2,218,594,858	1,846,754,836
10 Non Banking Assets	-	-
11 Placement from banks & other financial institutions		
a) In Bangladesh		
Islamic Banks	-	-
Bangladesh Bank	-	1,550,000,000
Sonali Bank	-	-
Sub Total (a)	-	1,550,000,000
b) Outside Bangladesh	452,825,605	-
Grand Total (a+b)	452,825,605	1,550,000,000
11.1 Security against placement from banks & other financial institutions		
Secured	-	1,550,000,000
Unsecured	452,825,605	-
	452,825,605	1,550,000,000

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No. Particulars	Taka	
	2014	2013
11.2 Maturity grouping of placement from banks & other financial institutions		
i) Re-payable on demand	-	-
With a residual maturity of		
ii) Re-payable within 1 month	-	1,050,000,000
iii) Over 1 month but within 6 months	452,825,605	500,000,000
iv) Over 6 months but not more than 1 year	-	-
v) Over 1 year but not more than 5 years	-	-
vi) Over 5 years but not more than 10 years	-	-
vii) More than 10 years	-	-
	452,825,605	1,550,000,000
11(a) Consolidated Placement from banks & other financial institutions		
Export Import Bank of Bangladesh Limited	452,825,605	1,550,000,000
Add: Bank's subsidiaries	570,566,247	570,566,247
	1,023,391,852	2,120,566,247
Less: Placement with EXIM Islami Investment Ltd. (Intragroup)	(570,566,247)	(570,566,247)
	452,825,605	1,550,000,000
12 Deposits and other accounts		
Mudaraba savings bank deposits (12.1)	9,904,099,863	7,413,430,150
Mudaraba term deposits (12.2)	123,213,021,540	92,737,753,770
Other Mudaraba Deposits (12.3)	44,227,613,053	46,201,635,014
Al-Wadeeah Current and Other Deposit Accounts (12.4)	21,347,291,172	18,477,209,026
Bills payable (12.5)	1,602,354,091	903,217,293
Total	200,294,379,719	165,733,245,253
12(a) Consolidated Deposits and other accounts		
Consolidated Mudaraba savings bank deposits -12.1 (a)	9,904,099,863	7,413,430,150
Consolidated Mudaraba Term Deposit-12.2 (a)	122,987,801,586	92,425,042,708
Consolidated Other Mudaraba Deposits-12.3 (a)	44,166,429,008	46,171,484,516
Consolidated Al-Wadeeah Current and Other Deposit Accounts-12.4 (a)	21,346,501,289	18,476,651,522
Consolidated bills payable-12.5 (a)	1,604,172,757	904,967,759
Total	200,009,004,503	165,391,576,655
12.1 Mudaraba savings bank deposits	9,904,099,863	7,413,430,150
12.1(a) Consolidated Mudaraba savings bank deposits		
Export Import Bank of Bangladesh Limited	9,904,099,863	7,413,430,150
Less: Intragroup transactions	-	-
	9,904,099,863	7,413,430,150
12.2 Mudaraba term deposits	123,213,021,540	92,737,753,770
12.2(a) Consolidated Mudaraba Term Deposit		
Export Import Bank of Bangladesh Limited	123,213,021,540	92,737,753,770
Less: Intragroup transactions	(225,219,954)	(312,711,062)
	122,987,801,586	92,425,042,708

No. Particulars	Taka	
	2014	2013
12.3 Other Mudaraba Deposits		
Mudaraba Short Notice Deposit	9,167,937,631	4,638,715,679
Mudaraba Cash Waqf Deposit	16,165,156	12,149,945
Mudaraba Monthly Savings Scheme	11,264,133,889	9,691,416,907
Mudaraba Monthly Income Deposit Scheme	3,612,092,901	19,103,993,170
Mudaraba Monthly Benefit Deposit Scheme	6,185,826,349	2,889,885,605
Mudaraba Multiplus Savings Scheme	449,790,334	376,762,065
Mudaraba Education Savings Scheme	2,987,556	2,851,909
Mudaraba Super Savings Scheme	13,148,917,228	9,460,368,700
Mudaraba Hajj Deposit	25,547,696	18,802,048
Mudaraba Denmohor/Marriage Scheme	11,971,255	6,688,986
EXIM Ziadah	143,111,447	-
EXIM Ruhama	199,131,611	-
Total	44,227,613,053	46,201,635,014
12.3 (a) Consolidated Other Mudaraba Deposits		
Export Import Bank of Bangladesh Limited	44,227,613,053	46,201,635,014
Less: Intragroup transaction	[61,184,045]	[30,150,498]
	44,166,429,008	46,171,484,516
12.4 Al-Wadeeah Current and Other Deposit Accounts		
Al-wadeeah Current Deposits	5,648,139,071	4,113,725,113
Foreign Currency Account (USD)	478,438,645	365,807,615
Foreign Currency Account (GBP)	1,769,057	2,407,052
Foreign Currency Account (EURO)	1,141,460	458,468
Foreign Currency Account (CAD)	9,481,830	3,882,274
Sundry Deposit	826,523,964	1,715,690,970
Security Deposit: LC	1,428,090,665	1,362,391,521
Security Deposit: Back to Back LC & ABP	10,322,186,638	8,769,475,678
Security Deposit: Bank Guarantee	217,755,582	216,552,424
Security Deposit: Inland Bill Purchased (IBP)	38,643,244	47,302,340
Profit payable	2,375,121,016	1,879,515,571
	21,347,291,172	18,477,209,026
12.4 (a) Consolidated Al-Wadeeah Current and Other Deposit Accounts		
Export Import Bank of Bangladesh Limited	21,347,291,172	18,477,209,026
Less: Intragroup transaction	[789,883]	[557,504]
	21,346,501,289	18,476,651,522
12.5 Bills payable		
Pay order	1,585,969,346	857,797,922
Demand draft	16,384,745	45,419,371
	1,602,354,091	903,217,293
12.5 (a) Consolidated bills payable		
Export Import Bank of Bangladesh Limited	1,602,354,091	903,217,293
Add: Bank's subsidiaries	1,818,666	1,750,466
	1,604,172,757	904,967,759

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No. Particulars

12.6 Maturity-wise classification of Deposits

From banks

i) Re-payable on demand

With a residual maturity of

ii) Re-payable within 1 month

iii) Over 1 month but within 6 months

iv) Over 6 months but not more than 1 year

v) Over 1 year but not more than 5 years

vi) Over 5 years but not more than 10 years

vii) More than 10 years

From other than banks

i) Re-payable on demand

With a residual maturity of

ii) Re-payable within 1 month

iii) Over 1 month but within 6 months

iv) Over 6 months but not more than 1 year

v) Over 1 year but not more than 5 years

vi) Over 5 years but not more than 10 years

vii) More than 10 years

Total

13 Other liabilities

Provision for classified investments -note-13.1(b.1)

Provision for unclassified (standard) investments -note-13.1(a.1)

Provision for placement with EIL- note-13.1(a.2)

Provision for unclassified SMA investments -note-13.1(a.4)

Provision for Off balance sheet exposures note-13.1(c)

Provision for Off-Shore Banking Unit , note-13.1(a.3)

Profit suspense account (note-13.2)

Provision for Income tax (note-13.3)

Provision for deferred taxes (note 13.4)

Provision for diminution in value of shares (note 13.5)

Provision for employees social securities-superannuation fund

Provision for gratuity (13.6)

Provision for other assets

Provision for audit fees

Zakat fund

Accrued expenses payable

Tax/VAT deducted at source

Excise duty

Other payable

Compensation suspense account (unrealized)

Compensation suspense account (realized)

Taka	
2014	2013
21,257,391	6,030,542
4,379,600,408	805,149,433
2,000,000,000	2,800,600,000
-	-
-	-
-	-
-	-
6,400,857,799	3,611,779,975
23,819,756,860	20,041,604,491
45,257,752,150	38,487,325,327
85,152,174,675	67,732,789,491
16,530,622,019	18,694,596,555
12,762,020,754	11,574,862,154
8,460,543,123	4,502,648,139
1,910,652,339	1,087,639,121
193,893,521,920	162,121,465,278
200,294,379,719	165,733,245,253
2,438,979,738	2,755,392,083
1,065,905,154	969,481,231
11,411,320	11,411,320
57,535,246	5,340,754
656,168,009	601,193,838
34,009,683	20,798,901
404,015,553	305,184,224
560,345,128	341,692,942
50,256,000	50,256,000
2,102,855,213	1,353,329,613
1,000,000	1,000,000
328,321,568	186,176,500
544,000	544,000
550,000	550,000
1	452,860
7,768,577	116,118,113
132,268,230	231,328,852
75,196,932	62,737,360
31,827,630	-
553,612,201	335,411,639
46,791,441	196,506,998
8,559,361,624	7,544,907,228

No. Particulars	Taka	
	2014	2013
13.1 Provision for investments including bad and doubtful investments		
(a) General Provision		
Unclassified Investments (a.1)	1,065,905,154	969,481,231
Placement with EILL (a.2)	11,411,320	11,411,320
Off-Shore Banking Unit (a.3)	34,009,683	20,798,901
Special mention account (SMA)- (a.4)	57,535,246	5,340,754
Sub total	1,168,861,403	1,007,032,206
(b) Specific Provision		
Substandard	63,694,902	30,569,494
Doubtful	72,070,751	51,639,721
Bad/loss	2,303,214,085	2,673,182,868
Sub total	2,438,979,738	2,755,392,083
Total provision on investment	3,607,841,141	3,762,424,289
(a.1) General provision on unclassified (standard) investments		
Provision held at the beginning of the year	969,481,231	787,337,542
Add: Provision made during the year	96,423,923	182,143,689
Balance at 31 December	1,065,905,154	969,481,231
(a.2) General Provision for placement with EILL		
Provision held at the beginning of the year	11,411,320	11,411,320
Add: Provision made during the year	-	-
Balance at 31 December	11,411,320	11,411,320
(a.3) General Provision for OBU		
Provision held at the beginning of the year	20,798,901	8,088,929
Provision made for the year	13,210,782	12,709,972
Balance at 31 December	34,009,683	20,798,901
(a.4) Provision for unclassified special mention account (SMA)		
Provision held at the beginning of the year	5,340,754	126,106,420
Add: Provision made during the year	52,194,492	(120,765,666)
Less: Provision no longer required	-	-
Balance at 31 December	57,535,246	5,340,754
(b.1) Provision for classified investments		
Balance at 1 January	2,755,392,083	1,460,285,242
Less: Fully provided Investment written off	(946,926,365)	-
Less: Profit waived	-	[8,608,540]
	1,808,465,718	1,451,676,702
Add: Recoveries of amount previously written off	-	-
Add: Provision made during the year	630,514,020	1,303,715,381
Less: Provision no more required for investment realized	-	-
Net charge in profit and loss account	630,514,020	1,303,715,381
Balance at 31 December	2,438,979,738	2,755,392,083
(c) General Provision for off balance sheet exposure		
Provision held at the beginning of the year	601,193,838	639,504,836
Provision made for the year	54,974,171	[38,310,998]
Balance at 31 December	656,168,009	601,193,838

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No. Particulars	Taka	
	2014	2013
13.2 Profit suspense account		
Balance at 1 January	305,184,224	247,264,896
Add: Net amount credited during the year to suspense account	98,831,329	57,919,328
Less: Net amount recovered during the year	-	-
Less: Amount written off/waived during the year	-	-
Balance at 31 December	404,015,553	305,184,224
13.3 Income tax Liability		
Balance at 1 January	9,777,073,287	8,443,136,990
Provision for previous years tax	308,320,080	-
Add: Provision made for the year (note 13.3.1)	1,814,174,075	1,333,936,297
Less: Settlement of tax liabilities for the years	-	-
Balance at 31 December (a)	11,899,567,442	9,777,073,287
Advance Tax		
Balance at 1 January	9,435,380,345	7,767,726,627
Add: Payment made during the year	1,903,841,969	1,667,653,718
Less: Settlement of tax liabilities for the years	-	-
Balance at 31 December (b)	11,339,222,314	9,435,380,345
Net Balance at 31 December (a-b)	560,345,128	341,692,942
13.3.1 Provision for Current Tax made during the year		
Income tax @ 42.50% on estimated taxable profit (From A)	1,778,902,640	1,302,807,083
Add: Tax on dividend income @ 20%	30,498,101	29,585,136
Add: Tax on capital gain @ 10%	4,773,334	1,544,078
Add: Excess profit tax	-	-
Estimated provision required as at 31 December	1,814,174,075	1,333,936,297
A. Computation of Taxable Profit		
Profit before tax	4,406,915,045	3,247,326,398
Less: Gain on share (Capital gain)	(47,733,339)	(15,440,776)
Less: Cash dividend	(152,490,503)	(147,925,682)
Less: Nominal value of bonus share	(21,037,932)	(18,531,509)
Estimated Taxable Profit for the year (A)	4,185,653,271	3,065,428,431

- * High Court has issued order in favor of the Bank, but tax authority not yet issued the demand notice based on the High Court Order for the Assessment Years 2000-2001, 2001-2002 & 2002-2003.
- * Tax for the Assessment Year 2003-2004 has been finalized.
- * Taxes Appellate Tribunal has issued order for the Assessment Year 2004-2005 against which appeal to the Hon'ble High Court will be made in due course.
- * Tax for the Assessment Years 2005-2006, 2006-2007, 2007-2008 & 2008-2009 have been finalized.
- * Taxes Appellate Tribunal has issued order for the Assessment Year 2009-2010 against which appeal to the Hon'ble High Court will be made in due course.
- * Tax liability has been settled for the Assessment Year 2010-2011.
- * Taxes Appellate Tribunal has issued order to set-aside of some disallowances made by the DCT for the Assessment Year 2011-2012.
- * Tax returns have been submitted for the Assessment Years 2012-2013, 2013-2014 & 2014-2015 which are yet to be assessed.
- * Submission of Tax return for the Assessment Year 2015-2016 not yet due.

No. Particulars	Taka	
	2014	2013
13.1(a) Consolidated Provision for Current Tax made during the year		
Export Import Bank of Bangladesh Limited	1,814,174,075	1,333,936,297
Add: Bank's subsidiaries	19,239,024	19,210,175
	1,833,413,099	1,353,146,472
13.3(a) Consolidated Income tax Liability		
Export Import Bank of Bangladesh Limited	560,345,128	341,692,942
Add: Bank's subsidiaries	15,308,812	8,390,854
	575,653,940	350,083,796
13.4 Deferred tax liability/(Assets)		
Balance at 1 January	50,256,000	50,256,000
Transfer (to)/from Profit & loss account	-	-
Balance at 31 December	50,256,000	50,256,000
13.5 Provision for diminution in value of shares		
Balance at 1 January	1,353,329,613	1,012,798,828
Provision made for the year	749,525,600	340,530,785
Balance at 31 December*	2,102,855,213	1,353,329,613
*Provision for diminution in value of Investment in shares stood at Tk. 2,479,704,409 at 31 December 2014. The Bank maintained provision amounting Tk. 2,102,855,213 at the end of the year. The remaining required provision amounts Tk. 376,849,196 will be provided in 04 (Four) Quarters of the year 2015 as per Bangladesh Bank letter No. DOS (SR) 1153/161/24/2015-297 dated 20 January 2015.		
13.5(a) Consolidated Provision for diminution in value of shares		
Export Import Bank of Bangladesh Limited	2,102,855,213	1,353,329,613
Add: Bank's subsidiaries	56,564,590	28,414,969
	2,159,419,803	1,381,744,582
13.6 Provision for Gratuity		
Balance at 1 January	186,176,500	192,355,324
Less: Disbursed during the year	(52,929,145)	(56,178,824)
Add: Provision made during the year (Note 13.6.1)	195,074,213	50,000,000
Balance at 31 December	328,321,568	186,176,500
13.6.1 No actuarial valuation was done by the Bank as at 31 December 2014. As per Bangladesh Bank letter No. DBI-4/42(6)/2015-532 dated 19 March 2015 The bank is required to maintain a provision of Tk. 150,000,000 for the year ended 31 December 2014 and Tk. 130,000,000 per year for the next 11 years. The bank has maintained a provision of Tk. 195,074,213 during the year.		
13(a) Consolidated other liabilities		
Export Import Bank of Bangladesh Limited	8,559,361,624	7,544,907,228
Add: Bank's subsidiaries	835,701,819	556,620,390
	9,395,063,443	8,101,527,618
14 Share Capital		
14.1 Authorized Capital		
2,000,000,000 ordinary shares of Tk.10/- each	20,000,000,000	20,000,000,000

The Bank raised its authorized capital from Tk.10,000,000,000 to Tk.20,000,000,000 in its 8th Extra-ordinary General meeting held on 28 July 2011.

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No. Particulars

14.2 Paid up capital

1,156,634,782 ordinary shares of Tk.10/- each [1,051,486,166 ordinary shares of Tk.10/- each]
1,272,298,260 ordinary shares of Tk.10/- each [105,148,616 ordinary shares
of Tk.10/- each] issued as bonus share.

1,283,864,608

Taka	
2014	2013
11,566,347,820	10,514,861,660
1,272,298,260	1,051,486,160
12,838,646,080	11,566,347,820

The bank has increased its paid up capital of Tk.1,272,298,260/- by issuance of 11% stock dividend which was approved in the 15th AGM held on 17 June 2014.

14.2.1 Initial public offer (IPO) & rights share

Out of the total issued, subscribed and fully paid up capital of the Bank 3,138,750 ordinary shares of Tk.100/- each amounting to Tk.313,875,000/- was raised through public offering of shares in the year 2004 & in the year 2006 bank raised Tk.571,252,500/- through rights share offer at 1: 2 shares of Tk.100/- each. In the year 2010 Bank further raised Tk. 2,277,422,930/- through issuance of rights share at 1: 2 shares of Tk.10/- each.

14.2.2 a) The Paid up Capital of the Bank is Tk.12,838,646,080 divided into 1,283,864,608 ordinary shares of Tk.10/- each fully subscribed by:

Sl. No.	Particulars	2014			2013
		No. of Shares	% of total	Amount (Taka)	Amount (Taka)
i)	Promoters/Sponsors	577,929,106	45.01%	5,779,291,060	5,224,523,640
ii)	General Public & Others	705,935,502	54.99%	7,059,355,020	6,341,824,180
iii)	GOB	-	-	-	-
Grand total (i+ii+iii)		1,283,864,608	100%	12,838,646,080	11,566,347,820

b) Percentage of shareholdings as at 31 December 2014

	No. of shares	% of holdings
Sponsors/Directors	613,092,916	47.75%
Corporate bodies - Local	237,086,345	18.47%
Corporate bodies - Foreign	5,524,050	0.43%
Foreign individuals	-	0.00%
Non-resident Bangladeshi	5,205,794	0.41%
General public	422,955,503	32.94%
	1,283,864,608	100.00%

c) Range-wise shareholdings as on 31 December 2014 are as follows:

Range of holding of shares	No. of share holders	No. of shares	% of holding of shares
Less than 500	73,795	9,912,681	0.77%
500 to 5,000	52,368	90,664,834	7.06%
5,001 to 10,000	6,864	48,310,630	3.76%
10,001 to 20,000	4,464	56,463,067	4.40%
20,001 to 30,000	954	23,287,801	1.81%
30,001 to 40,000	406	14,007,995	1.09%
40,001 to 50,000	251	11,384,200	0.89%
50,001 to 100,000	465	32,474,143	2.53%
100,001 to 1,000,000	387	104,560,267	8.14%
Over 1,000,000	107	892,798,990	69.54%
	140,061	1,283,864,608	100.00%

		Taka	
No.	Particulars	2014	2013
14.3	Capital Adequacy Ratio (as per Basel II)		
	Total assets of the bank	232,411,858,595	195,452,516,240
	Total risk weighted assets (As per Basel II)	199,376,525,634	159,401,357,863
	A. Required capital	19,937,652,563	15,940,135,786
	(10% of risk weighted assets as per RBCA guidelines in line with Basel II)		
	B. Actual Capital/Equity-Solo:		
	i) Core capital (Tier I) - Note C	20,660,670,785	18,556,592,093
	ii) Supplementary capital (Tier II) - Note D	2,858,915,245	2,642,111,877
	Actual Capital/ Equity (i+ii)	23,519,586,030	21,198,703,970
	Surplus/(deficit) Capital (B-A)	3,581,933,467	5,258,568,184
	C. Core capital (Tier I)		
	Paid up capital	12,838,646,080	11,566,347,820
	Statutory reserve	6,118,314,064	5,236,931,055
	Dividend equalization A/C	62,775,000	62,775,000
	Retained earnings	2,017,784,837	1,690,538,218
	Deduction: Shortfall in provisions required against investment in shares	(376,849,196)	-
	Eligible Tier I capital	20,660,670,785	18,556,592,093
	D. Supplementary capital (Tier II)		
	General provision on Un classified investments	1,168,861,403	1,007,032,206
	General provision on Off balance sheet exposures	656,168,009	601,193,838
	Assets Revaluation Reserves up to 50%	1,033,885,833	1,033,885,833
		2,858,915,245	2,642,111,877
	Percentage of capital held against risk weighted assets	11.80%	13.30%
	Capital requirement	Required for 2014	Held
	Tier - I	5.00%	10.36%
	Tier - II		1.43%
	Total	10.00%	13.30%
	E. Breakdown of gross Risk-Weighted Assets (RWA) in the various categories of risk exposures		
	Credit Risk:	174,731,517,356	136,273,043,057
	On Balance Sheet items	152,071,122,253	116,125,484,506
	Off Balance Sheet items	22,660,395,103	20,147,558,551
	Market Risk	11,112,792,796	11,595,141,332
	Operational Risk	13,532,215,482	11,533,173,474
	Total	199,376,525,634	159,401,357,863
14.3(a)	Consolidated Capital Adequacy Ratio		
	Total assets of the bank	232,833,953,858	195,542,247,525
	Total risk weighted assets	199,902,662,756	159,662,180,013
	A. Required capital 10% of risk weighted assets as per Basel II	19,990,266,276	15,966,218,001
	B. Actual Capital/Equity-Consolidated:		
	i) Core capital (Tier I) - Note C	20,527,023,656	18,422,147,325
	ii) Supplementary capital (Tier II) - Note D	2,858,915,245	2,642,111,877
	Actual Capital/ Equity (i+ii)	23,385,938,901	21,064,259,202
	Surplus/(deficit) Capital (B-A)	3,395,672,625	5,098,041,201

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		Taka	
No.	Particulars	2014	2013
C. Core capital (Tier I)			
	Paid up capital	12,838,646,080	11,566,347,820
	Statutory reserve	6,118,314,064	5,236,931,055
	Dividend equalization A/C	62,775,000	62,775,000
	Retained earnings	1,884,047,017	1,555,994,379
	Minority interest in subsidiaries	90,691	99,071
	Deduction: Shortfall in provisions required against investment in shares	(376,849,196)	-
		20,527,023,656	18,422,147,325
D. Supplementary capital (Tier II)			
	General provision on Un classified investments	1,168,861,403	1,007,032,206
	General provision on Off balance sheet exposures	656,168,009	601,193,838
	Assets Revaluation Reserves up to 50%	1,033,885,833	1,033,885,833
		2,858,915,245	2,642,111,877
	Percentage of capital held against risk weighted assets	11.70%	13.19%
Capital requirement		Required for 2014	Held
	Tier - I	5.00%	10.27%
	Tier - II		1.43%
	Total	10.00%	11.70%
			13.19%

E. Breakdown of gross Risk-Weighted Assets (RWA) in the various categories of risk exposures

Credit Risk:		174,660,615,127	136,020,000,144
	On Balance Sheet items	152,000,220,024	115,872,441,592
	Off Balance Sheet items	22,660,395,103	20,147,558,551
Market Risk		11,661,124,046	11,943,646,108
Operational Risk		13,580,923,584	11,698,533,761
Total		199,902,662,756	159,662,180,013
15 Statutory reserve			
	Balance at 1 January	5,236,931,055	4,587,465,775
	Addition during the year	881,383,009	649,465,280
	Balance at 31 December	6,118,314,064	5,236,931,055
16 Other reserves			
a) General Reserve			
	Balance at 1 January	-	-
	Addition/(adjustment) made this year	-	-
	Sub total (i)	-	-
b) Dividend equalization Account			
	Balance at 1 January	62,775,000	62,775,000
	Addition/(adjustment) made this year	-	-
	Sub total (ii)	62,775,000	62,775,000
c) Asset Revaluation Reserves			
	Balance at 1 January	2,067,771,666	-
	Addition/(Adjustment) during the year	-	2,067,771,666
	Sub total (iii)	2,067,771,666	2,067,771,666
	Grand total (i+ii+iii)	2,130,546,666	2,130,546,666

No.	Particulars	Taka	
		2014	2013
17	Foreign currency translation adjustment		
	Revaluation gain/(loss) on Investment (17.1)	-	-
	Foreign currency translation gain/(loss)	-	-
		-	-
17(a)	Consolidated Foreign currency translation adjustment		
	Consolidated Revaluation gain/(loss) on Investment 17.1 (a)	4,986,171	7,595,231
	Foreign currency translation gain/(loss)	429,618	1,629,030
		5,415,789	9,224,261
17.1	Revaluation gain/(loss) on investment		
	Balance at 1 January	-	-
	Addition/(Adjustment) during the year	-	-
	Balance at 31 December	-	-
17.1 (a)	Consolidated revaluation gain/(loss) on investment		
	Export Import Bank of Bangladesh Limited	-	-
	Add: Bank's subsidiaries	4,986,171	7,595,231
	Balance at 31 December	4,986,171	7,595,231
18	Retained earnings		
	Balance brought forward	1,690,538,218	1,476,753,697
	Prior year Adjustment	-	1,345,860
	Add: Profit for the year	2,480,927,888	1,913,390,101
	Less: Transfer to statutory reserve	(881,383,009)	(649,465,280)
	Less: Stock dividend	(1,272,298,260)	(1,051,486,160)
	Balance carried forward	2,017,784,837	1,690,538,218
18(a)	Consolidated retained earnings		
	Export Import Bank of Bangladesh Limited	2,017,784,837	1,690,538,218
	Add: Bank's subsidiaries	(226,385,827)	(132,914,809)
	Foreign currency translation gain/(loss)	(429,618)	(1,629,030)
	Elimination of impairment loss on investment in subsidiary	93,077,625	-
	Balance carried forward	1,884,047,017	1,555,994,379
18(a1)	Consolidated Retained earnings brought forward		
	Balance at 1 January	1,555,994,379	1,367,293,534
	Deficit Beginning (prior year adjustment)	-	-
	Foreign currency translation gain/(loss)	16,044,189	2,699,417
	Retained earning brought forward	1,572,038,568	1,369,992,951
19	Minority interest		
	Share Capital	1,000,000,000	1,000,000,000
	Retained earnings-EXIM Islami Investment Limited (EIIL)	(93,086,934)	(9,289,423)
		906,913,066	990,710,577
	Minority interest	90,691	99,071
20	Contingent liabilities and commitments		
	Acceptance and endorsement	-	-
	Letters of guarantee (20.1)	4,238,337,604	3,750,989,566
	Irrevocable letters of credit (20.2)	21,034,770,856	18,083,871,566
	Bills for collection (20.3)	5,479,716,930	4,604,117,568
	Other contingent liabilities (20.4)	34,863,975,519	33,680,405,111
	Total Contingent Liabilities	65,616,800,909	60,119,383,811
	Other commitments	-	-
	Total Contingent Liabilities and commitments	65,616,800,909	60,119,383,811

Notes to the Financial Statements

as at 31 December 2014



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No.	Particulars	Taka	
		2014	2013
20.1 Letters of guarantee			
a) Claims against the Bank which is not acknowledged as debt		-	-
b) Money for which the Bank is contingently liable in respect of guarantees given favoring:			
i) Directors		-	-
ii) Government		-	-
iii) Bank and other financial institutions		-	-
iv) Others		4,238,337,604	3,750,989,566
		4,238,337,604	3,750,989,566
20.2 Irrevocable letters of credit (Including Back to Back Bills)			
Letter of credit (cash)		10,986,993,656	8,343,753,157
Letter of credit (EDF)		907,240,636	719,229,389
Letter of credit (back to back)		9,140,536,564	9,020,889,020
		21,034,770,856	18,083,871,566
20.3 Bills for collection			
Outward bills for collection		108,164	8,756,229
Local documentary bills for collection		4,050,017,411	2,318,130,346
Foreign documentary bills for collection		1,429,591,355	2,277,230,993
		5,479,716,930	4,604,117,568
20.4 Other contingent liabilities			
Accepted bills for payment		34,863,975,519	33,680,405,111
Total Contingent Liabilities and Commitments		65,616,800,909	60,119,383,811
21 Litigation filed by the Bank			
Motijheel branch		1,061,568,542	968,247,130
Panthapath branch		296,401,284	204,040,691
Agrabad branch		293,581,629	293,581,629
Khatungonj branch		74,991,896	74,991,896
Gazipur Chowrasta branch		4,377,549	4,377,549
Imamgonj branch		73,886,736	73,886,736
Gulshan branch		447,984,461	447,984,461
Rajuk Avenue branch		97,027,460	267,085,045
Nawabpur branch		1,030,336,540	1,030,336,540
Jubilee Road branch		62,735,997	62,735,997
Narayangonj branch		19,620,044	19,620,044
Mirpur branch		16,199,281	16,199,281
Chowmuhani		5,681,611	5,681,611
Uttara branch		105,111,298	102,296,373
Malibagh branch		63,386,204	63,386,204
Karwanbazar branch		68,510,421	38,981,657
HO Corporate branch		167,622,468	31,143,000
Moulvibazar branch		56,477,069	56,477,069
Rajshahi branch		6,336,711	6,336,711
Bogra		491,819,698	-
		4,443,656,899	3,767,389,624
22 Income statement			
Income (note-22.1)		25,736,684,100	23,614,707,638
Expenses (note-22.2)		19,732,926,067	18,686,814,077
		6,003,758,033	4,927,893,561
22(a) Consolidated Income statement			
Export Import Bank of Bangladesh Limited		6,003,758,033	4,927,893,561
Add: Bank's subsidiaries		38,882,863	35,016,309
		6,042,640,896	4,962,909,870

No. Particulars	Taka	
	2014	2013
22.1 Income		
Profit, discount and similar income	22,724,132,048	20,547,988,913
Dividend income	173,528,435	166,457,191
Fee, commission and brokerage	1,226,334,041	1,325,114,229
Gains less losses arising from dealing securities	-	-
Gains less losses arising from investment securities	47,733,339	15,440,776
Gains less losses arising from dealing in foreign currencies	789,928,603	695,048,150
Income from non-banking assets	-	-
Other operating income	775,027,634	864,658,379
Profit less losses on profit rate changes	-	-
	25,736,684,100	23,614,707,638
22.2 Expenses		
Profit, fee and commission	15,517,596,139	15,458,885,610
Losses on investments	-	-
Administrative expenses	3,135,506,657	2,417,429,779
Other operating expenses	883,892,951	666,041,193
Depreciation on banking assets	195,930,320	144,457,495
	19,732,926,067	18,686,814,077
23 Investment income		
23.1 i) Income from General Investment		
Bai-Muazzal	9,627,516,220	8,169,046,408
Bai-Murabaha	3,752,117,327	3,792,231,367
Bai-Salam	698,660,964	649,146,219
Izara bill baia	7,842,142,562	6,612,260,127
Musharaka	247,329,431	135,654,230
Foreign Bill Negotiation	47,953,763	27,138,816
Sub Total (i)	22,215,720,267	19,385,477,167
Less: Waiver of profit on Investment	[56,400,000]	-
	22,159,320,267	19,385,477,167
ii) Profit on Deposit with other Islamic Banks		
In Bangladesh	352,413,533	1,032,020,083
Outside Bangladesh	-	-
Sub Total (ii)	352,413,533	1,032,020,083
Grand Total (i+ii)	22,511,733,800	20,417,497,250
23.2 Investment income derived from the fund deployed by :		
i) Mudaraba Deposits	17,777,516,182	15,480,546,415
ii) Other deposits/Fund	4,734,217,618	4,936,950,835
	22,511,733,800	20,417,497,250
23(a) Consolidated Investment income		
Export Import Bank of Bangladesh Limited	22,511,733,800	20,417,497,250
Add: Bank's subsidiaries	48,191,533	94,229,966
Less: Intergroup transactions	[31,389,392]	[35,409,116]
	22,528,535,941	20,476,318,100
24 Profit paid on deposits, borrowings etc.		
Profit on deposits (note 24.1)	15,456,227,786	15,177,783,834
Profit on borrowings	61,332,403	281,094,021
	15,517,560,189	15,458,877,855

Notes to the Financial Statements

for the year ended 31 December 2014



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No. Particulars	Taka	
	2014	2013
24.1 Profit paid on deposits		
Mudaraba savings deposits	396,577,772	335,043,600
Mudaraba short notice deposits	178,858,888	142,759,705
Mudaraba term deposits	10,758,631,055	10,622,244,184
Mudaraba deposit under scheme	4,120,490,909	4,076,455,885
Mudaraba Cash Waqf deposits	1,669,162	1,280,460
	15,456,227,786	15,177,783,834
24(a) Consolidated Profit paid on deposits, borrowings etc.		
Export Import Bank of Bangladesh Limited	15,517,560,189	15,458,877,855
Add: Bank's subsidiaries	-	-
Less: Intergroup transactions	[31,389,392]	[35,409,116]
	15,486,170,797	15,423,468,739
25 Income from investment in shares/securities		
i) Inside Bangladesh		
Profit on Bangladesh Government Islamic Investment Bond (BGIIIB)	212,398,248	130,491,663
Central Depository Bangladesh Limited (CDBL):		
Cash Dividend on shares	4,283,853	9,424,475
Others:		
Cash Dividend on shares	148,206,650	138,501,207
Nominal value of bonus shares received	21,037,932	18,531,509
Sub Total (i)	385,926,683	296,948,854
ii) Out side Bangladesh	-	-
Grand Total (i+ii)	385,926,683	296,948,854
25(a) Consolidated income from investment in shares/securities		
Export Import Bank of Bangladesh Limited	385,926,683	296,948,854
Add: Bank's subsidiaries	3,927,543	2,465,168
	389,854,226	299,414,022
26 Commission, exchange and brokerage		
Commission [note 26.1]	1,226,334,041	1,325,114,229
Exchange gain [note 26.2]	789,928,603	695,048,150
Brokerage Income	-	-
	2,016,262,644	2,020,162,379
26.1 Commission		
Commission on L/Cs	666,436,927	722,578,041
Commission on L/Gs	65,780,506	69,786,192
Commission on bills purchased	12,677,097	9,338,898
Commission on accepted bills	370,219,639	399,154,112
Commission on OBC, IBC etc.	1,361,097	3,362,849
Commission on PO, DD, TT & Remittance	13,275,840	12,148,526
Other commission	96,582,935	108,745,611
	1,226,334,041	1,325,114,229
26.2 Exchange gain		
Exchange gain	789,928,603	695,048,150
Less: Exchange loss	-	-
Net Exchange Gain	789,928,603	695,048,150
26(a) Consolidated Commission, exchange and brokerage		
Export Import Bank of Bangladesh Limited	2,016,262,644	2,020,162,379
Add: Bank's subsidiaries	27,012,626	24,658,523
	2,043,275,270	2,044,820,902

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for the year ended 31 December 2014

No.	Particulars	Taka	
		2014	2013
27	Other operating income		
	Rent on locker	1,838,720	1,536,250
	Postage charge recovered	436,844	624,285
	Telephone/Telex/SWIFT/Fax etc.	85,883,168	86,800,247
	Courier service charge	38,077,882	42,156,568
	Service and other charges	267,407,757	314,832,589
	Rent recovered-property and godown	10,548,853	10,486,714
	Gain on sale of other fixed assets	725,341	1,167,622
	Income from Islamic Credit card	20,366,116	19,466,086
	Others	349,742,953	387,588,018
		775,027,634	864,658,379
27(a)	Consolidated Other operating income		
	Export Import Bank of Bangladesh Limited	775,027,634	864,658,379
	Add: Bank's subsidiaries	2,804,613	1,526,454
		777,832,247	866,184,833
28	Salary & allowances		
	Basic salary	1,024,022,358	831,074,977
	Allowances	647,055,395	496,691,197
	Provident fund	85,217,807	64,365,568
	Bonus and ex-gratia	416,855,248	322,619,455
	Gratuity	195,074,213	50,000,000
		2,368,225,021	1,764,751,197
28(a)	Consolidated Salary & allowances		
	Export Import Bank of Bangladesh Limited	2,368,225,021	1,764,751,197
	Add: Bank's subsidiaries	15,870,953	40,385,289
		2,384,095,974	1,805,136,486
29	Rent, taxes, insurance, electricity etc.		
	Rent Rates and taxes (29.1)	286,496,203	226,353,157
	Insurance	119,472,861	97,073,673
	Electricity/Gas/WASA	56,572,436	47,602,821
		462,541,500	371,029,651
29.1	Rent Rates and taxes		
	Rent	238,507,671	200,177,590
	Rates and taxes	47,988,532	26,175,567
		286,496,203	226,353,157
29(a)	Consolidated Rent, taxes, insurance, electricity etc.		
	Export Import Bank of Bangladesh Limited	462,541,500	371,029,651
	Add: Bank's subsidiaries	22,812,327	23,717,226
		485,353,827	394,746,877
30	Legal expenses		
	Legal expenses	13,048,247	17,624,103
	Other professional fees	1,514,363	2,329,500
		14,562,610	19,953,603
30(a)	Consolidated Legal expenses		
	Export Import Bank of Bangladesh Limited	14,562,610	19,953,603
	Add: Bank's subsidiaries	6,670,706	7,719,388
		21,233,316	27,672,991

Notes to the Financial Statements

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		Taka	
No.	Particulars	2014	2013
31	Postage, stamp & telecommunications etc.		
	Postages	137,290	83,119
	Courier charge	21,135,582	20,073,081
	SWIFT charge	13,606,586	10,772,624
	Telephone bill - Office	6,492,775	6,141,648
	Telephone bill - Residence	2,615,896	2,034,404
	Fax/Telex charge	34,743	42,496
	Internet charge	1,313,811	1,548,900
	Wide area network charges	21,262,175	23,690,298
	Reuter charges	5,363,506	5,690,880
	ATM expense	1,975,983	2,144,760
	Tele Banking charge	1,567,636	1,681,566
	Other IT expenses	65,000	128,780
		75,570,983	74,032,556
31(a)	Consolidated Postage, stamp & telecommunications etc.		
	Export Import Bank of Bangladesh Limited	75,570,983	74,032,556
	Add: Bank's subsidiaries	880,047	1,108,211
		76,451,030	75,140,767
32	Auditors' fees	550,000	550,000
		550,000	550,000
32(a)	Consolidated Auditors' fees		
	Export Import Bank of Bangladesh Limited	550,000	550,000
	Add: Bank's subsidiaries	250,149	350,263
		800,149	900,263
33	Stationery, printing and advertisement etc.		
	Stationery and printing	49,477,736	45,651,745
	Computer consumable stationery	42,834,094	38,577,592
	Books and periodicals	1,631,541	1,123,608
	Advertisement and publicity	79,220,249	63,037,036
		173,163,620	148,389,981
33(a)	Consolidated stationery, printing and advertisement etc.		
	Export Import Bank of Bangladesh Limited	173,163,620	148,389,981
	Add: Bank's subsidiaries	393,710	1,475,555
		173,557,330	149,865,536
34	Directors fees & expenses		
	Directors' Fees for attending Board/Executive Committee/		
	Other Committee meeting	1,045,000	870,000
	TA/DA/Hotel Fare for Local & Foreign Directors	308,211	120,198
		1,353,211	990,198
34(a)	Consolidated Directors fees & expenses		
	Export Import Bank of Bangladesh Limited	1,353,211	990,198
	Add: Bank's subsidiaries	46,000	1,142,196
		1,399,211	2,132,394
35	Shariah Supervisory Committee's fees & expenses		
	i) Shariah Supervisory Committee members' Fees for attending meeting	235,000	205,000
	ii) Others	142,410	128,345
		377,410	333,345

Notes to the Financial Statements

for the year ended 31 December 2014

No.	Particulars	Taka	
		2014	2013
36	Depreciation and repairs to Bank's assets		
	Depreciation (note-36.1)	195,930,320	144,457,495
	Repairs and maintenance	29,008,367	28,230,216
		224,938,687	172,687,711
36.1	Depreciation		
	Building and constructions	32,330,929	702,893
	Leasehold Property - Building	6,816,000	89,238
	Furniture and fixtures	9,499,524	7,799,971
	Interior decoration	25,663,414	22,634,045
	Office equipment	115,013,057	107,082,336
	Vehicles	6,531,749	6,049,416
	Books	75,647	99,596
		195,930,320	144,457,495
36(a)	Consolidated depreciation and repairs to Bank's assets		
	Export Import Bank of Bangladesh Limited	224,938,687	172,687,711
	Add: Bank's subsidiaries	1,525,484	2,712,432
		226,464,171	175,400,143
37	Other expenses		
	Discount and commission paid	35,950	7,755
	Charges of banks	14,138,246	8,427,802
	Security & Cleaning	60,830,743	51,802,304
	Entertainment	31,721,040	28,791,280
	Car expenses	140,608,369	117,898,361
	Subscription	5,367,520	10,433,155
	Expenses for ESSS fund	1,000,000	1,000,000
	Donation	80,033,218	29,594,000
	Travelling expenses	110,089,605	84,606,578
	Conveyance, cartage, freight and labor	6,419,783	5,907,647
	Business development	21,374,738	7,176,273
	Welfare and recreation	10,757,381	2,301,004
	Training and internship expenses	7,584,131	6,354,221
	Liveries and uniform	3,162,657	1,558,420
	Medical expenses	1,292,458	257,054
	Meeting expenses	240,347	277,659
	AGM expenses	7,608,378	46,061,440
	Loss on sale of assets	416,068	1,323,844
	CDBL charges	2,335,331	310,251
	BEPS and Master card service charge	7,181,822	4,154,257
	Impairment loss on investment in subsidiary	93,077,625	-
	Corporate social responsibility	89,822,800	107,023,048
	Miscellaneous expenses	44,778,915	19,834,481
		739,877,125	535,100,834
37(a)	Consolidated other expenses		
	Export Import Bank of Bangladesh Limited	739,877,125	535,100,834
	Add: Bank's subsidiaries	8,612,180	24,877,556
	Elimination of impairment loss on investment in subsidiary	(93,077,625)	-
		655,411,680	559,978,390

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for the year ended 31 December 2014



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No. Particulars

38 Provision for investment

Provision for classified investment (note-38.1)*
Provision for un-classified (standard) investment (note-38.2)
Provision for placement with EIL (note-38.3)
Provision for unclassified (SMA) (note-38.4)

Taka	
2014	2013
630,514,020	1,303,715,381
96,423,923	182,143,689
-	-
52,194,492	(120,765,666)
779,132,435	1,365,093,404

* As per Bangladesh Bank Letter No. FICSD/5082(100)/2015-209 Dated 01 February 2015 an amount of Tk.155,000,000/- has been maintained during the year 2014 against total requirement of Tk.751,900,000 the remaining amount of Tk.596,900,000 will be provided in 04 (Four) Quarters of 2015.

38.1 Provision for classified investments

Amount of classified investments:

Bad/loss
Doubtful
Substandard
Total classified investments
Provision required
Provision made earlier
less: Fully provided investment written off
Less: Waived

4,828,391,604	4,795,533,453
312,041,394	198,448,872
603,284,863	285,957,135
5,743,717,861	5,279,939,460
2,438,979,738	2,755,392,083
2,755,392,083	1,460,285,242
(946,926,365)	-
-	(8,608,540)
1,808,465,718	1,451,676,702
630,514,020	1,303,715,381

Provision made during the year

38.2 Provision for un-classified (standard) investments

Total investment
Less: classified

Less: staff investment

Less: Special Mention Account
Less: SME Investment
Less: Agriculture Investment
Less: Consumer Investment

177,936,835,122	143,847,380,143
(5,743,717,861)	(5,279,939,460)
172,193,117,261	138,567,440,683
(1,912,755,288)	(1,701,426,146)
170,280,361,973	136,866,014,537
(7,344,914,973)	(1,078,763,925)
(76,684,944,677)	(61,500,476,751)
(2,705,470,183)	(2,134,166,413)
(254,318,390)	(257,401,520)
83,290,713,750	71,895,205,928

Provision required for unclassified (standard) investments
Less: provision made earlier
Provision made during the year

1,065,905,154	969,481,231
(969,481,231)	(787,337,542)
96,423,923	182,143,689

38.3 Provision for placement with EIL

Provision required for EIL
Less: provision made earlier
Provision made during the year

11,411,320	11,411,320
(11,411,320)	(11,411,320)
-	-

38.4 Provision for Special Mention Account (SMA)

Provision required for SMA
Less: provision made earlier
Provision made during the year

57,535,246	5,340,754
(5,340,754)	(126,106,420)
52,194,492	(120,765,666)

No.	Particulars	Taka	
		2014	2013
38(a) Consolidated Provision for investment			
	Export Import Bank of Bangladesh Limited	779,132,435	1,365,093,404
	Add: Bank's subsidiaries	99,818,393	28,712,216
		878,950,828	1,393,805,620
39 Provision for Off-shore Banking Units (OBU)			
	Provision required	34,009,683	20,798,901
	Less: provision made earlier	(20,798,901)	(8,088,929)
	Provision made during the year	13,210,782	12,709,972
40 Provision for Off Balance sheet exposures			
	Provision required	656,168,009	601,193,838
	Less: provision made earlier	(601,193,838)	(639,504,836)
	Provision made during the year	54,974,171	(38,310,998)
41 Earnings Per Share (EPS)			
	Earnings Per Share has been calculated in accordance with IAS 33 "Earnings Per Share (EPS)". Previous year's figures have been adjusted for the issue of bonus share during the year.		
	Net profit after tax attributable to the shareholders for the year	2,480,927,888	1,913,390,101
	Weighted average number of ordinary shares outstanding	1,283,864,608	1,283,864,608
	Basic EPS	1.93	1.49
41(a) Consolidated Earnings Per Share (CEPS)			
	Net profit after tax attributable to the shareholders for the year	2,465,681,338	1,885,608,260
	Weighted average number of ordinary shares outstanding	1,283,864,608	1,283,864,608
	Consolidated Earnings Per Share	1.92	1.47
42 Reconciliation of Cash and Cash Equivalents at the end of the year			
	i) Cash in hand	1,370,877,166	1,563,645,229
	ii) Balance with Bangladesh Bank and Sonali Bank	27,135,282,563	20,542,822,468
	iii) Balance with other Banks and Financial Institutions	3,542,206,049	11,877,932,845
		32,048,365,778	33,984,400,542
42(a) Consolidated Reconciliation of Cash and Cash Equivalents at the end of the year			
	i) Cash in hand	1,377,323,285	1,569,959,322
	ii) Balance with Bangladesh Bank and Sonali Bank	27,135,282,563	20,542,822,468
	iii) Balance with other Banks and Financial Institutions	3,553,925,630	11,946,793,524
		32,066,531,478	34,059,575,314
43 Number of meetings held			
	Board meeting	12	14
	Executive Committee meeting	8	8
	Board Audit Committee meeting	9	8
	Board Risk Management Committee meeting	4	-
	Shariah Supervisory Committee meeting	6	6
	Total	39	36
44 Number of branches		87	80
45 Number of SME/Krishi Branches		3	3

No. Particulars

46 Audit Committee

In pursuance of the directives of the Bangladesh Bank vide BRPD Circular no.11 dated 27 October 2013 the Audit Committee was formed by the Board of Directors of the Bank consisting of the Board members. As on 31 December 2014 following directors were the members of the Audit Committee:

Sl. No	Name	Status with the Bank	Status with the committee	Educational qualifications
i)	Mr. Mohammad Omar Farooque Bhuiyan	Independent Director	Chairman	B. Com.Hon's (Accounting), M. Com. (DU)
ii)	Mrs. Nasreen Islam	Director	Member	B.A
iii)	Mr. Md. Nurul Amin	Director	Member	B.A
iv)	Mr. Ranjan Chowdhury	Independent Director	Member	B.Com
v)	Mr. Muhammad Sekandar Khan	Independent Director	Member	B.A (Hons), M.A(DU), M.Phil. (Leeds)

Nine meetings of Board Audit Committee were held from 1 January 2014 to 31 December 2014 in which, inter alia, the following issues were transacted;

- Work Plan of routine inspection of Branches and Head Office Divisions during the January 2014 to December 2014.
- Review of Head office inspection reports on different branches.
- Review on the Annual Report on the health of the Bank for the year 2013 as per directives/guidelines of Bangladesh Bank in connection with Managing Core Risks in Banking.
- Review of inspection reports of Bangladesh Bank on different branches.
- Review of summary report on Audit findings of various branches of the Bank.

47 Name of the directors and the entities in which they had interest as at 31 December 2014

Sl. No.	Name	Status with the Bank	Name of firms/companies in which directors are interested as proprietor, director, managing agent, guarantor, employee, partner etc.
1	Mr. Md. Nazrul Islam Mazumder	Chairman	A.J. Super Garments Ltd. ANW Homes Ltd ANW Securities Ltd Chinese Furniture Ltd. Eden Apparels Ltd. Feroza Garments Ltd. Global Nassa Wear Ltd. Kimia Apparels Inds. Ltd. Kimia Garments Inds. Ltd. Kimia Washing Inds. Ltd. Liz Apparels Ltd. Liz Wash Ltd. Mam Garments Ltd. MNC Apparels Ltd. Nassa Apparels Ltd. Nassa Basics Ltd. Nassa Basics Wash Ltd. Nassa Clothing Ltd. Nassa Embroidery Ltd. Nassa Fashions Ltd. Nassa Hi Tech Wear Ltd. Nassa Hospital Ltd. Nassa Knit Ltd. Nassa Properties Ltd. Nassa Real Estate Ltd. Nassa Spinners Ltd. Nassa Spinning Ltd. Nassa Taipei Denims Ltd. Nassa Taipei Spinners Ltd.

Sl. No.	Name	Status with the Bank	Name of firms/companies in which directors are interested as proprietor, director, managing agent, guarantor, employee, partner etc.
			Nassa Taipei Textile Mills Ltd. Nassa Wash Ltd. Native Packages Ltd. New World Apparels Ltd. Planet Travels Ltd. Starlight Knitwear Ltd. Sun-seeds Apparels Ltd. The Rainbow Accessories Ltd. The Rainbow Trims Ltd. Toy Woods (BD) Co. Ltd. Western Dresses Ltd.
2	Mr. Md. Abdul Mannan	Vice Chairman	Shahadara Agro Limited
3	Mr. Md. Nazrul Islam Swapan	Director	Fast Trade International Galaxy Stitch Limited Golden Stitch Design Limited M/S Md. Nazrul Islam & Asma Islam Nassa Design & Development Ltd. Nassa Holdings Ltd. R.R Engineers & Construction
4	Mr. Mohammad Abdullah	Director	A.J. Super Garments Ltd. Bay Pacific Enterprise Ltd. Eden Apparels Ltd. Feroza Garments Ltd. Global Nassa Wear Ltd. Kimia Apparels Industries Ltd Kimia Garments Industries Ltd. Kimia Washing Inds. Ltd. Liz Apparels Ltd. Liz Wash Ltd. Mam Garments Ltd. MNC Apparels Ltd. Nassa Apparels Ltd. Nassa Apparels Ltd., Unit - 2 Nassa Basics Ltd. Nassa Basics Wash Ltd. Nassa Embroidery Ltd. Nassa Fashions Ltd. Nassa Hi Tech Wear Ltd. Nassa Knit Ltd. Nassa Spinners Ltd. Nassa Spinnings Ltd. Nassa Taipei Denims Ltd. Nassa Taipei Spinners Ltd. Nassa Taipei Textile Mills Ltd. Nassa Wash Ltd. Native Packages Ltd New World Apparels Ltd. Planet Travels Ltd. Sun Seeds Apparels Ltd. The Rainbow Trims Ltd. Toy Woods (BD) Co. Ltd. Western Dresses Ltd. Western Dresses Ltd. Unit - 2

Notes to the Financial Statements

for the year ended 31 December 2014



annual report 2014

Sl. No.	Name	Status with the Bank	Name of firms/companies in which directors are interested as proprietor, director, managing agent, guarantor, employee, partner etc.
5	Mrs. Nasreen Islam	Director	A.J. Super Garments Ltd. ANW Homes Ltd. ANW Securities Ltd. Chinese Furniture Ltd. Eden Apparels Ltd. Feroza Garments Ltd. Global Nassa Wear Ltd. Kimia Apparels Inds. Ltd. Kimia Garments Inds. Ltd. Kimia Washing Inds. Ltd. Liz Apparels Ltd. Liz Wash Ltd. Mam Garments Ltd. MNC Apparels Ltd. Nassa Apparels Ltd. Nassa Basics Ltd. Nassa Basics Wash Ltd. Nassa Clothing Ltd. Nassa Embroidery Ltd. Nassa Fashions Ltd. Nassa Hi Tech Wear Ltd. Nassa Hospital Ltd. Nassa Knit Ltd. Nassa Properties Ltd. Nassa Real Estate Ltd. Nassa Spinners Ltd. Nassa Spinning Ltd. Nassa Taipei Denim Ltd. Nassa Taipei Spinners Ltd. Nassa Taipei Textile Mills Ltd. Nassa Wash Ltd. Native Packages Ltd. New World Apparels Ltd. Planet Travels Ltd. Starlight Knitwear Ltd. Sun-seeds Apparels Ltd. The Rainbow Accessories Ltd. The Rainbow Trims Ltd. Toy Woods (BD) Co. Ltd. Western Dresses Ltd.
6	Mr. Mohammed Shahidullah	Director	Aziz Corporation Eastern Corporation Sabuj Traders
7	Mr. Md. Nurul Amin	Director	Amin Electronic Amin International Azim Enterprise Electro Appliances Mfg. Industries Ltd. Electro Mart Ltd. Mercantile Insurance Co. Ltd. Sunny Agency Trade International Marketing Ltd.
8	Mr. Mohammad Omar Farooque Bhuiyan	Director	Alliance Power System Ltd. Atlanta Enterprise Overseas Ltd. Atlanta Travels & Tours Emerging Communication Ltd. Emerging Credit Rating Ltd. Emerging Resources Ltd. FA Holding & Development Ltd. Heritage Holdings Ltd. JIHO Dyetech (BD) Ltd.

Sl. No.	Name	Status with the Bank	Name of firms/companies in which directors are interested as proprietor, director, managing agent, guarantor, employee, partner etc.
9	Mr. Anjan Kumar Saha	Director	Cosmo Knitwear (Pvt) Ltd. Cosmopolitas Traders Eastern Yarn Trade Agency M/s. G.A. Enterprise M/s. G.N. Cotton Spinning Mills Ltd.
10	Mr. Md. Habib Ullah Dawn	Director	A.M. Corporation Alpha Holdings Ltd. Auto Museum Ltd. D.F. Automobiles Ltd. EXOTIC Motors MITSUBISHI Motors Japan
11	Major Khandaker Nurul Afser [Retd.]	Director	Afser Real Estate and Construction [AREAC] Ltd. Afser Resources Management and Consultancy Services Ltd. ARMAC Services Ltd. RANS Real Estate Limited Shopin Trade Sports Line Limited
12	Lt. Col. [Retd.] Serajul Islam BP [BAR]	Director	POSH Enterprise
13	Mr. Ranjan Chowdhury	Director	Western Dresses Ltd. Shaptapshi Ltd. R. Chowdhury Enterprise
14	Mr. Khandakar Mohammed Saiful Alam	Director	Bay Pacific Enterprise Ltd. S. Alam & Co. Nassa Apparel Ltd. Nassa Apparel Ltd.-2
15	Mr. Muhammad Sekandar Khan	Director	-
16	Dr. Mohammed Haider Ali Miah	Managing Director	Not applicable

48 Related party transactions

Significant contracts where bank is a party and wherein directors have interest:

Nature of contract	Purpose	Name and Relationship
Deposit maintained with EXIM Bank	Transaction	EXIM Islami Investment Ltd. [EIIIL], Subsidiary of the bank
Fund provided to EIIIL	Operation	EXIM Islami Investment Ltd. [EIIIL], Subsidiary of the bank

Deposit maintained with Exim Bank by EIIIL

Mudaraba Term Deposits
Mudaraba Special notice Deposits
Al-Wahdiah Current & others Deposit accounts
Sub-total

Outstanding Balance as on 31 December 2014

	225,219,954
	61,184,045
	789,883
	287,193,882

Fund Provided to EIIIL

	570,566,247
--	--------------------

49 General

49.1 Events after the Reporting Period


Proposed Dividend


The Board of Directors of the company in its 89th Board Meeting held on 26th April 2015 has recommended for declaration of Stock dividend @10% [Bonus Shares] for the year ended 2014 subject to approval of the Shareholders in the ensuing 16th Annual General Meeting of the company.

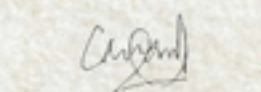
49.2 Figures have been rounded off to the nearest taka.

49.3 Previous year's figures have been rearranged, where necessary, to conform to current year's presentation.


Chairman


Director


Director


Managing Director & CEO

Fixed Assets Schedule

for the year ended 31 December 2014

Amount in Taka

Category of assets	Cost				Rate of dep.	Depreciation			Written down value at 31 December 2014
	Balance at 1 January 2014	Additions / Accretion during the year	Disposals during the year	Balance at 31 December 2014		Balance at 1 January 2014	Charged for the year	Adjustments for disposals	Balance at 31 December 2014
Land	1,240,796,000	15,000,000	-	1,255,796,000	0.0%	-	-	-	1,255,796,000
Building and Constructions	1,219,558,139	97,437,815	-	1,316,995,954	2.5%	3,360,632	32,330,929	-	1,281,304,393
Leasehold Property (Building)	272,640,000	-	-	272,640,000	2.5%	69,238	6,816,000	-	265,734,762
Furniture and fixtures	99,002,504	18,846,533	(2,169,130)	115,679,907	10.0%	56,360,963	9,499,524	(2,019,088)	51,838,508
Office equipment	788,795,747	115,169,355	(5,180,450)	898,784,652	20.0%	529,296,796	115,013,057	(4,923,643)	259,398,442
Interior decoration	293,296,943	65,297,066	(9,800,314)	348,793,695	10.0%	154,968,665	25,663,414	(9,205,155)	177,366,771
Vehicles	35,223,750	11,504,600	(2,750)	46,725,600	20.0%	21,981,781	6,531,749	(2,750)	18,214,820
Books	1,361,146	-	-	1,361,146	20.0%	1,178,663	75,647	-	106,836
Total 2014	3,950,674,229	323,255,369	(17,152,644)	4,256,776,954		767,236,738	195,930,320	(16,150,636)	3,309,760,532
Total 2013	1,075,770,844	2,898,425,622	(23,522,237)	3,950,674,229		642,679,223	144,457,495	(19,899,980)	3,183,437,491

Balance with other bank and Financial Institution in Bangladesh

For the year ended 31 December 2014

Particulars	Taka	
	2014	2013
In Bangladesh		
Al-Wadeeah Current Account		
Sonali Bank Ltd., Maijdee Court Branch	1,404,514	446,206
Sonali Bank Ltd., Laksham Branch	24,030	24,030
Prime Bank Ltd., Sylhet Branch	20,686	21,836
Janata Bank Ltd., Laksham Branch	13,666	13,666
National Bank Ltd., Chowmuhani Branch	-	775
Sonali Bank Ltd., Dilkusha Branch	2,740	4,465
Prime Bank Ltd., Motijheel Branch	1,148	4,023
National Bank Ltd., Rangpur Branch	186,579	10,226,118
Rupali Bank Ltd., Purana Paltan Corporate Branch	2,172	4,082
Standard Chartered Bank, BD	2,736,603	648,266
Sonali Bank Ltd., Rangpur Branch	6,000,931	21,501,811
Islami Bank Bangladesh Ltd., Kushtia Branch	516,571	2,472,972
Islami Bank Bangladesh Ltd., Tekerhat Branch	8,075	2,929
Sonali Bank Ltd., Cox's Bazar Branch	20,266,042	44,454
Sonali Bank Ltd., Khulna Branch	5,073	1,223
BRAC Bank Ltd., Gulshan Branch	3,753,490	10,128,840
Islami Bank Bangladesh Ltd. Local Office, Dhaka	4,995,400	4,997,550
Islami Bank Bangladesh Ltd., Chagalnaiya Branch	-	16
Janata Bank Ltd., Local Office	585	3,460
Janata Bank Ltd., Dinajpur Br.	45,146	45,146
Trust Bank Ltd, Dilkusha	2,017,845	7,927,249
Agrani Bank Ltd., Purana Paltan Br.	1,383	4,258
Jamuna Bank Ltd, Chapainawabgonj Br.	-	2,001,000
Sonali Bank Ltd, Chapainawabgonj Br.	201,604	1,000
	42,204,283	60,525,375
Mudaraba Savings Account		
Al-Arafah Islami Bank Ltd., Motijheel Branch	32,813,264	12,792,552
Dhaka Bank Ltd., Motijheel Branch	7,643,944	112,594,073
Social Islami Bank Ltd., Principal Branch	20,773,192	21,866,881
Shahjalal Islami Bank Ltd., Dhaka Main Branch	4,212,839	4,121,317
Jamuna Bank Ltd., IBB Nayabazar Branch	13,242,045	12,684,650
AB Bank Ltd., IBB, Kakrail Branch	24,210	615,630,264
The City Bank Ltd. IBB, Dhaka	1,067,180	508,803,156
Southeast Bank Ltd. IBB, Motijheel Branch	63,020,119	1,683,103,887
	142,796,793	2,971,596,780

Balance with other bank and Financial Institution in Bangladesh

For the year ended 31 December 2014

Particulars	Taka	
	2014	2013
Mudaraba Short Notice Deposit Account		
Social Islami Bank Ltd., Principal Branch	1,885,651	1,836,194
Shahjalal Islami Bank Ltd., Dhaka Main Branch	40,456,229	33,228,280
Sonali Bank Ltd., Local Office	5,765,454	1,548,234
First Security Islami Bank Ltd Dilkusha	10,006,934	16,266,187
National Bank Ltd., Dilkusha Branch	10,606,526	5,819,921
Prime Bank Ltd., Dilkusha Branch	66,369,491	8,764,312
Prime Bank Ltd., Dilkusha Branch (Credit card)	257,378	250,905
Islami Bank Bangladesh Ltd. Local Office, Dhaka	13,194,004	47,722,395
Al-Arafah Islami Bank Ltd., Jessore Branch	95,497	14,177,241
Social Islami Bank Ltd., Bogra Branch	228	1,486
National Bank Ltd., Narayanganj Branch	35,457	36,727
The Premier Bank Ltd., IBB Sylhet Branch	72,611	71,330
Al-Arafah Islami Bank Ltd., Khulna Branch	6,330	7,189
Al-Arafah Islami Bank Ltd., Barisal Branch	5,678	5,472
Bank Asia Ltd, Principal Office Branch Islamic Window	7,609,153	7,403,885
Agrani Bank Ltd, Amin Court Br.	70,095,185	722,875,744
Pubali Bank Ltd, Principal Br.	14,305,372	1,043,163
Jamuna Bank Ltd., IBB Nayabazar Br.	99,845,221	49,507,552
Trust Bank Ltd., Dilkusha Corp. Br.	516,411	504,875
	341,128,810	911,071,092
Mudaraba Term Deposit Account		
Social Islami Bank Ltd., Nawabpur Br.	250,000,000	-
Shahjalal Islami Bank Ltd., Gulshan South Avenue Br.	-	500,000,000
First Security Islami Bank Ltd., Dilkusha Br.	-	1,500,000,000
The City Bank Ltd., Islami Banking Br.	-	550,000,000
Social Islami Bank Ltd., Babubazar Br.	250,000,000	500,000,000
Social Islami Bank Ltd., Foreign Exchange Br.	-	500,000,000
Southeast Bank Ltd., Mohakhali Br.	300,000,000	300,000,000
Union Bank Ltd., Gulshan Br.	200,000,000	200,000,000
Union Bank Ltd., Hatkhola Br.	-	300,000,000
Agrani Bank Ltd.	-	500,000,000
Hajj Finance Company Ltd	150,000,000	-
	1,150,000,000	4,850,000,000
Total	1,676,129,886	8,793,193,247

Balance with bank outside Bangladesh

For the year ended 31 December 2014

Name of the Bank	Currency	2014			2013		
		Amount in foreign currency	Conversion rate per unit F.C.	Amount (Taka)	Amount in foreign currency	Conversion rate per unit F.C.	Amount (Taka)
In demand deposit accounts (profit bearing) with:							
Standard Chartered Bank, N.Y.	USD	1,945,037.26	77.9494	151,614,487	6,835,665.78	77.7500	531,473,014
Mashreq Bank, PSC, N.Y.	USD	1,829,777.25	77.9494	142,630,039	5,282,575.96	77.7500	410,720,281
Wachovia Bank, N.Y.	USD	1,179,380.04	77.9494	91,931,966	3,931,856.87	77.7500	305,701,872
UBAF Bank, Tokyo	JPY	0.00	0.6459	-	7,578,571.00	0.7393	5,602,838
AB Bank Ltd, Mumbai, India	ACU	2,140,986.24	77.9494	166,888,593	317,462.12	77.7500	24,682,680
			Sub-total	553,065,085		Sub-total	1,278,180,685
In demand deposit accounts (non-profit bearing) with:							
Standard Chartered Bank, Tokyo	JPY	18375976	0.6459	11,869,043	3,356,701.00	0.7393	2,481,609
Habib Bank, AG, Zurich	CHF	12,440.60	78.7288	979,434	2,440.60	87.1832	212,779
Sumitomo Mitsui Banking Corporation, Tokyo	JPY	26274844	0.6459	16,970,922	9,245,045.00	0.7393	6,834,862
HSBC Bank plc, London, UK	GBP	-	0.0000	-	26,791.88	128.0776	3,431,440
Standard Chartered Bank, London	GBP	667675.63	120.9151	80,732,066	16,577.68	128.0776	2,123,229
NIB Limited, Pakistan (former IFIC Bank Ltd.)	USD	110489.56	77.9494	8,612,595	49,201.16	77.7500	3,825,390
Commerzbank, AG, Frankfurt, Germany	EURO	190831.77	94.7007	18,071,902	126,385.78	106.8207	13,500,617
Commerz Frank Furt Germany	USD	1560830.14	77.9494	121,665,773	1,019,701.89	77.7500	79,281,822
JP Morgan Chase Bank , New York, USA	USD	1109691.93	77.9494	86,499,820	4,638,917.05	77.7500	360,675,801
Standard Chartered Bank, Pakistan	USD	914855.84	77.9494	71,312,464	531,790.80	77.7500	41,346,735
Nepal Bangladesh Bank, Nepal	USD	169064.36	77.9494	13,178,465	81,425.36	77.7500	6,330,822
ICICI Bank, Mumbai, India	ACU EUR	8486.17	94.7007	803,646	2,611.17	106.8207	278,927
Hypo Vereinsbank, Germany	EURO	441531.73	94.7007	41,813,364	186,007.05	106.8207	19,869,403
Union Bank of Switzerland, AG	CHF	37707.33	78.7288	2,968,653	19,723.58	87.1832	1,719,565
HSBC, Mumbai, India	USD	0	77.9494	-	130,214.28	77.7500	10,124,160
Standard Chartered Bank, Frankfurt, Germany	EURO	241342.63	94.7007	22,855,316	38,740.93	106.8207	4,138,333

Balance with bank outside Bangladesh

For the year ended 31 December 2014

Name of the Bank	Currency	2014			2013		
		Amount in foreign currency	Conversion rate per unit F.C.	Amount (Taka)	Amount in foreign currency	Conversion rate per unit F.C.	Amount (Taka)
The Bank of Nova Scotia, Canada	CAD	2667215.16	66.9323	178,522,845	551,267.98	72.5618	40,000,997
HSBC, Karachi, Pakistan	USD	0	0.0000	-	143,282.80	77.7500	11,140,238
ICICI Bank, Mumbai, India	USD	1075943.79	77.9494	83,869,173	292,757.47	77.7500	22,761,893
HDFC, India	USD	313667.96	77.9494	24,450,229	253,145.50	77.7500	19,682,063
Sonali Bank Ltd. India	USD	90329.85	77.9494	7,041,158	129,370.30	77.7500	10,058,541
Bank of Bhutan, Bhutan	USD	187353.27	77.9494	14,604,075	53,944.70	77.7500	4,194,200
National Commercial Bank, Jeddah, KSA	SAR	100002.8	20.7710	2,077,158	38,592.60	20.7300	800,025
National Australia Bank Ltd.	AUD	169747.45	63.3807	10,758,712	464,729.14	68.9254	32,031,642
HSBC, N.Y.	USD	1323313.11	77.9494	103,151,463	9,452,385.83	77.7500	734,922,998
UBAF, Hongkong	HKD	49589.08	10.0468	498,212	74,139.08	10.0262	743,333
Habib Metropolitan Bank, Pakistan	USD	435870.77	77.9494	33,975,865	304,404.61	77.7500	23,667,458
Habib American Bank, New York, USA	USD	1623425.8	77.9494	126,545,067	1,676,876.93	77.7500	130,377,181
Zuercher Kantonal Bank	CHF	10692.44	78.7288	841,803	7,859.44	87.1832	685,211
Bank of Nova Scotia	USD	106991.4	77.9494	8,339,916	49,310.00	77.7500	3,833,853
Habib Allied International Bank	USD	527120.01	77.9494	41,088,689	1,411,661.80	77.7500	109,756,705
Sonali Bank (UK) Ltd.	USD	1367956.91	77.9494	106,631,420	1,002,003.98	77.7500	77,905,809
Habib Allied International Bank	GBP	65010.27	120.9151	7,860,723	20,000.00	128.0776	2,561,552
Sonali Bank (UK) Ltd.	GBP	160156.86	120.9151	19,365,383	60,726.55	128.0776	7,777,711
Habib Allied International Bank	EURO	131850.01	94.7007	12,486,288	62,000.00	106.8207	6,622,883
Standard Chartered Bank, Colombo	USD	149113.62	77.9494	11,623,317	139,667.21	77.7500	10,859,126
Habib AG Zurich	EUR	24800	94.7007	2,348,577	-	-	-
Meezan Bank Limited	USD	238584.8	77.9494	18,597,542	-	-	-
			Sub-total	1,313,011,078		Sub-total	1,806,558,913
			Grand Total	1,866,076,163		Grand Total	3,084,739,598

Reconciliation Statement

as at 31 December 2014

	Detail	Total
1) Balance with Bangladesh Bank-Taka Account		
Balance as per Bank Ledger		19,685,491,267
Unresponded debit entries in		
Bangladesh Bank Statement	-	
EXIM Bank ledger	1,020	1,020
		19,685,490,247
Unresponded credit entries in		
Bangladesh Bank Statement	82,980	
EXIM Bank ledger	-	82,980
Balance as per Bangladesh Bank Statement		19,685,573,227
2) Balance with Bangladesh Bank-Foreign currency		
Balance as per Bank Ledger		7,303,563,614
Unresponded debit entries in		
Bangladesh Bank Statement	53,881,777	
EXIM Bank ledger	3,623,867	57,505,644
		7,246,057,970
Unresponded credit entries in		
Bangladesh Bank Statement	60,863,012	
EXIM Bank ledger	141,017,710	201,880,722
Balance as per Bangladesh Bank Statement		7,447,938,692

Highlights on the overall activities

as at 31 December 2014

SL. No.	Particulars	Taka	
		2014	2013
1	Paid up capital	12,838,646,080	11,566,347,820
2	Total capital	23,519,586,030	21,198,703,970
3	Surplus/(shortage) of capital	3,581,933,467	5,258,568,184
4	Total assets	232,411,858,595	195,452,516,240
5	Total deposits	200,294,379,719	165,733,245,253
6	Total investments	177,936,835,122	143,847,380,143
7	Total contingent liabilities and commitments	65,616,800,909	60,119,383,811
8	Ratio on investments and deposits	88.84%	86.79%
9	Ratio on classified investments and total investments	3.23%	3.67%
10	Profit after tax and provisions	2,480,927,888	1,913,390,101
11	Classified investments	5,743,717,861	5,279,939,460
12	Provision held against classified investments	2,438,979,738	2,755,392,083
13	Surplus/(shortage) of provision	-	-
14	Cost of fund	8.92%	10.21%
15	Profit earning assets	190,106,680,863	159,705,771,335
16	Non-profit bearing assets	42,305,177,732	35,746,744,905
17	Return on investments (shares and securities)	3.02%	2.63%
18	Return on Assets (after tax)	1.16%	1.06%
19	Income on investments (shares and securities)	433,660,022	312,389,630
20	Earnings per share (2013 adjusted)	1.93	1.49
21	Net income per share (2013 adjusted)	1.93	1.49
22	Price earning ratio (times)- (2013 adjusted)	5.74	8.66
23	Net Asset Value (NAV)	23,105,291,647	20,624,363,759
24	Net asset value per share	18.00	17.83
25	Net operating cash flow per share (NOCFPS)	2.47	0.19

Off-Shore Banking Unit (OBU)

Balance Sheet

as at 31 December 2014

	Notes	2014		2013	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash in Hand:					
Cash in Hand (including Foreign Currency)	2	-	-	-	-
Balance with Bangladesh Bank & its Agent Banks (including Foreign Currency)	3	-	-	-	-
		-	-	-	-
Balance with other Banks and Financial Institutions					
In Bangladesh	4	-	-	27,524	2,140,010
Outside Bangladesh		-	-	-	-
		-	-	27,524	2,140,010
Placement with banks & other financial institutions					
		-	-	-	-
Investments:					
	5	-	-	-	-
General Investments etc.		-	-	-	-
Murabaha Import Bill (UPAS)		43,630,461	3,400,968,278	26,750,999	2,079,890,139
		43,630,461	3,400,968,278	26,750,999	2,079,890,139
Fixed assets including Premises					
		-	-	-	-
Other Assets					
	6	1,308,915	102,029,116	-	-
Non-Banking Assets					
		-	-	-	-
Total Assets		44,939,376	3,502,997,394	26,778,523	2,082,030,149
LIABILITIES AND CAPITAL					
Liabilities:					
Placement from banks & other financial institutions	7	43,630,461	3,400,968,278	26,750,999	2,079,890,139
Deposits and Other Accounts:					
	8	-	-	-	-
Mudaraba Savings Deposits		1,308,915	102,029,116	-	-
Mudaraba Term Deposits		-	-	-	-
Other Mudaraba Deposits		-	-	-	-
Al-wadeeah Current and other Deposit Accounts		-	-	-	-
Bills Payable		-	-	-	-
		1,308,915	102,029,116	-	-
Other Liabilities					
	9	-	-	-	-
Total Liabilities		44,939,376	3,502,997,394	26,750,999	2,079,890,139
Capital/Shareholders' Equity:					
Paid up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Translation Gain/Loss		-	-	-	-
Other Reserve		-	-	-	-
Retained Earnings	10	-	-	27,524	2,140,010
Total shareholders' equity		-	-	27,524	2,140,010
Total Liabilities and Shareholders' Equity		44,939,376	3,502,997,394	26,778,523	2,082,030,149
Off Balance Sheet items					
Contingent Liabilities:					
Acceptances & Endorsements		-	-	-	-
Letters of Guarantee		-	-	-	-
Irrevocable Letters of Credit		-	-	-	-
Bills for Collection		-	-	-	-
Other Contingent Liabilities		-	-	-	-
Total		-	-	-	-
Other commitments					
		-	-	-	-
Total Off-Balance Sheet items including Contingent Liabilities		-	-	-	-

Off-Shore Banking Unit (OBU)

Profit and Loss Account

for the year ended 31 December 2014

Particulars	Notes	2014		2013	
		USD	Taka	USD	Taka
Particulars					
Investment Income	11	2,613,893	203,751,418	1,520,873	118,247,871
Profit Paid on deposits, borrowings, etc.	12	(729,118)	(56,834,309)	(1,476,314)	(114,783,383)
Net Investment Income		1,884,775	146,917,109	44,559	3,464,488
Commission, exchange and brokerage	13	-	-	-	-
Other operating income		-	-	-	-
Total operating income		1,884,775	146,917,109	44,559	3,464,488
Operating Expenses					
Salaries and allowances	14	26,000	2,026,684	21,986	1,709,412
Rent, taxes, insurance, lighting, etc.	15	-	-	-	-
Legal expenses	16	-	-	-	-
Postage, stamp, telegram and telephone	17	-	-	-	-
Stationery, printing, advertisement, etc.	18	-	-	192	14,934
Depreciation and Repair to Bank's Assets	19	-	-	-	-
Other Expenses	20	-	-	-	-
Total operating expenses		26,000	2,026,684	22,178	1,724,346
Profit/(Loss) before provisions		1,858,775	144,890,425	22,381	1,740,142
Provision for Investments		-	-	-	-
Provision for Off balance sheet exposures		-	-	-	-
Total Provision		-	-	-	-
Total Profit/(Loss) before tax		1,858,775	144,890,425	22,381	1,740,142
Provision for Tax		-	-	-	-
Net Profit/(Loss) after tax		1,858,775	144,890,425	22,381	1,740,142
Net Profit/(Loss) after tax transferred to Head Office/Branch		1,858,775	144,890,425	-	-

Off-Shore Banking Unit (OBU)

Cash Flow Statement

for the year ended 31 December 2014

Particulars	2014		2013	
	USD	BDT	USD	BDT
A) Cash flows from operating activities				
Investment income receipts	2,613,893	203,751,418	1,520,873	118,247,871
Profit paid on deposits, borrowings, etc.	(729,118)	(56,834,309)	(1,476,314)	(114,783,383)
Dividend receipts	-	-	-	-
Fees and commission receipts	-	-	-	-
Cash payment to employees	(26,000)	(2,026,684)	(21,986)	(1,709,412)
Cash payment to suppliers	-	-	(192)	(14,934)
Income tax payments	-	-	-	-
Receipts from other operating activities	-	-	-	-
Payments for other operating activities	-	-	-	-
Cash flows before changes in operating assets and liabilities	1,858,775	144,890,425	22,381	1,740,142
Changes in operating assets and liabilities:				
(Increase)/decrease in operating assets/liabilities				
Statutory deposit	-	-	-	-
Trading security - shares	-	-	-	-
Investments to other banks	-	-	-	-
Investments to customers	(16,879,463)	(1,321,078,139)	(17,149,278)	(1,313,193,736)
Other assets	(1,308,915)	(102,029,116)	-	-
Deposits from other banks	-	-	-	-
Deposits from customers	1,308,915	102,029,116	-	-
Liabilities on account of customers	-	-	-	-
Trading liabilities (borrowing)	16,879,463	1,321,078,139	17,149,278	1,313,193,736
Other liabilities	-	-	-	-
Net cash from operating activities	1,858,775	144,890,425	22,381	1,740,142
B) Cash flows from investing activities:				
Receipts from sale of securities	-	-	-	-
Payment for purchase of securities	-	-	-	-
Purchase of fixed assets	-	-	-	-
Sale proceeds of fixed assets	-	-	-	-
Purchase of Subsidiaries	-	-	-	-
Net cash from investing activities	-	-	-	-
C) Cash flows from financing activities				
Receipts from issue of Debt Instruments	-	-	-	-
Payment for redemption of Debt Instruments	-	-	-	-
Receipts from issue of Ordinary Share/Right Share	-	-	-	-
Dividend paid in Cash/ Profit transferred to Head Office/Branch	(1,886,299)	(147,030,435)	-	-
Net cash from financing activities	(1,886,299)	(147,030,435)	-	-
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	(27,524)	(2,140,010)	22,381	1,740,142
E) Effect of Exchange rate changes on cash and cash equivalents	-	-	-	(10,800)
F) Cash and cash equivalents at beginning of the year	27,524	2,140,010	5,143	410,668
G) Cash and cash equivalents at end of the year (D+E+F)	-	-	27,524	2,140,010
H) Cash and cash equivalents				
Cash	-	-	27,524	2,140,010
Balance with other banks and financial institutions	-	-	-	-
	-	-	27,524	2,140,010

Off-Shore Banking Unit (OBU)

Notes to the Financial Statements

for the year ended 31 December 2014

1.0 Status of the Units

Off-shore Banking Units (OBUs) of Export Import Bank of Bangladesh Limited was governed under the rules and guidelines of Bangladesh Bank. The Bank obtained Off-shore Banking Unit permission vide letter no. BRPD [P-3]744(118)/2010-3861 dated 31 August 2010. Bank commenced the Off-shore Banking Unit (OBU) services from April 2012.

1.1 Principal activities

The principal activities of OBU are to provide Mudaraba Investment against payment of import bills under UPAS (Usance Payment at Sight) to its customers.

1.2 Significant accounting policies

1.2.1 Basis of preparation of the financial statements

The financial statements of the OBUs are prepared on a going concern basis under historical cost convention in accordance with the Bank Companies Act 1991 as amended up to 2013, Bangladesh Bank Circulars and Bangladesh Financial Reporting Standards (BFRS). Off-shore Banking Units (OBUs) maintains its accounting records in USD.

1.2.2 Foreign currency transactions:

Foreign currencies are converted into equivalent Taka using the ruling exchange rates on the respective date of transaction. Assets and liabilities including balance with other Banks denominated in foreign currencies are translated into Taka currency at the weighted average rate of inter bank market declared by Bangladesh Bank. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying cross rates of New York closing of the previous day.

1.2.3 Cash and cash equivalents

Cash and cash equivalents are accounted for notes and coins in hand, highly liquid financial assets, unrestricted balances held with other banks/financial institutions and Bangladesh Bank.

1.2.4 Investments

Investments are stated in the Balance Sheet net off unearned income. Provisions for investments are made as per instructions contained in Bangladesh Bank BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 05 dated 29 May 2013 and BRPD Circular No. 16 dated 18 November 2014.

1.2.5 Revenues, gains, expenses & losses prohibited by Shariah

Any gains, expenses & losses not permitted in the Shariah and not duly approved by the Shariah Supervisory Committee is not accounted for and income thus derived transferred/expensed as per approval of the Shariah Supervisory Committee.

1.2.6 Cash flow statement

Cash flow statement is prepared in accordance with BAS-7 "Cash Flow Statement" and the cash flow from operating activities has been presented under direct method as prescribed by the Securities and Exchange Rules 1987.

1.2.6 Reporting period

These financial statements cover one calendar year from 1 January 2014 to 31 December 2014.

Off-Shore Banking Unit (OBU)

Notes to the Financial Statements

as at 31 December 2014

No.	Particulars	2014		2013	
		USD	Taka	USD	Taka
2	Cash in hand				
	Local Currency	-	-	-	-
	Foreign Currency	-	-	-	-
		-	-	-	-
3	Balance with Bangladesh Bank and its agent (Sonali Bank)				
	Balance with Bangladesh Bank	-	-	-	-
	Balance with Sonali Bank (as agent of Bangladesh Bank)	-	-	-	-
		-	-	-	-
4	Balance with other banks and financial institutions				
	In Bangladesh	-	-	27,524	2,140,010
	Outside Bangladesh	-	-	-	-
		-	-	27,524	2,140,010
5	Investment				
	General Investment	-	-	-	-
	Bill Discounted and Purchased	43,630,461	3,400,968,278	26,750,999	2,079,890,139
		43,630,461	3,400,968,278	26,750,999	2,079,890,139
6	Other assets				
	Stock of stationery in hand and Stamps in hand	-	-	-	-
	Suspense Account	-	-	-	-
	Income Receivable on Investment	1,308,915	102,029,116	-	-
		1,308,915	102,029,116	-	-
7	Placement from banks & other financial institutions				
	Bangladesh Bank	-	-	-	-
	Export Import Bank of Bangladesh Limited	37,821,236	2,948,142,673	26,750,999	2,079,890,139
	United Bank Limited, Dubai	5,809,225	452,825,605	-	-
	Total	43,630,461	3,400,968,278	26,750,999	2,079,890,139
8	Deposit and Other Accounts	1,308,915	102,029,116	-	-
9	Other liabilities	-	-	-	-
10	Retained earnings				
	Opening	27,524	2,140,010	5,143	399,868
	Add: Profit for the year	1,858,775	144,890,425	22,381	1,740,142
	Less: Transferred to Head Office/Branch	(1,886,299)	(147,030,435)	-	-
	Balance carried forward	-	-	27,524	2,140,010

Off-Shore Banking Unit (OBU)

Notes to the Financial Statements

as at 31 December 2014

No.	Particulars	2014		2013	
		USD	Taka	USD	Taka
11	Investment income				
	Income from Mudaraba Import Bills	2,613,893	203,751,418	1,520,873	118,247,871
12	Profit paid on deposits, borrowings, etc.				
	Profit on deposits	-	-	5,143	399,868
	Profit on borrowings	729,118	56,834,309	22,381	1,740,142
	Total	729,118	56,834,309	27,524	2,140,010
13	Commission and Brokerage	-	-	-	-
14	Salaries and allowances	26,000	2,026,684	21,986	1,709,412
15	Rent, taxes, insurance, Utilities etc.				
	Rent Rates and taxes	-	-	-	-
	Electricity/Gas/Wasa	-	-	-	-
	Total	-	-	-	-
16	Legal expenses	-	-	-	-
17	Postage, stamp and telecommunications etc.				
	Postages & Courier services charge	-	-	-	-
	Telephone bill	-	-	-	-
	Total	-	-	-	-
18	Stationery, printing and advertisement, etc.				
	Printing stationery	-	-	192	14,934
	Office stationery	-	-	-	-
	Total	-	-	192	14,934
19	Depreciation on and repairs to Bank's property				
	Depreciation	-	-	-	-
	Repairs and maintenance	-	-	-	-
	Total	-	-	-	-
20	Other expenses				
	Security and Cleaning services	-	-	-	-
	Conveyance, Freight & Labour	-	-	-	-
	Miscellaneous	-	-	-	-
	Total	-	-	-	-