

Islami Bank Bangladesh Limited

201st Branch

Special Supplement

Inauguration

O.R. Nizam Road Branch
Chittagong
13 September 2009, Sunday

Hearty Felicitations

Islami Bank Bangladesh Limited is a special gift of Allah (SWT) for the people of Bangladesh. The 1st branch of this Bank was inaugurated at Mohiheel of Dhaka City in 1983. The 201st Branch is being inaugurated at O.R. Nizam Road of Chittagong Port City today Alhamdulillah, Islami Bank was alone in this journey. Alhamdulillah, now there are 7 more Islamic Banks in this journey. There are also Islamic banking windows of several Banks including foreign Banks. This evidently shows the success of Islamic banking system in Bangladesh. Islami Bank Bangladesh Limited has been following the rules and regulations of the regulatory authority and enjoyed encouragement of all the Governments.

At present, there are more than 45 lac depositors, 5 lac investment clients and 39,736 shareholders of the Bank. This is the reflection of faith of the people of this country upon this Bank. On this Holy day of Ramadan, we submit to Allah with folded hands that Allah might give more ability to the Bank of the people, 'My Bank' to free the people of this country from the clutches of poverty and to take the country ahead.

In this historical moment of the day, I thank all the employees of this Bank for bringing the Bank to this stage with devotion, sincerity and relentless labor. We feel in wider way, we the people of Islamic Banks are one family and congratulate the policy makers, Board of Directors, executives and employees of all Islamic Banks and all Islamic bankers.

We take it for granted that all the people of Bangladesh are partners of this success. We appeal to the nation to kindly keep their strong support and confidence in us that we continue in discharging our duties and uphold the peoples confidence now and in future. We also very humbly seek advice cooperation, criticism and observation from all for overall development and progress of IBBL in the days ahead.

Islami Bank is a Shariah compliant bank. We stand and declare that we adhere the Shariah principles without least deviation. Our policy and programs are to strengthen the economy of Bangladesh and address the poor and ultra poor citizen of this country.

We pray to Allah (SWT) to kindly keep us strong, to remain committed and pour Rahmah and Barakah so that we gain more confidence and remain capable in fulfilling our commitments and stand united to meet the expectations of our great nation.

Prof. Abu Nasser Mohammad Abdus Zaher
Chairman
Board of Directors

Islami Bank Bangladesh Limited Establishment and Overview

Islami Bank Bangladesh Limited was incorporated as the first Shariah based interest-free Bank in South-East Asia on the 13th March 1983 as a Public Limited Company with limited liability under the Companies Act, 1913. The first branch of the Bank i.e. Local Office, Mohiheel, Dhaka started functioning on the 30th March 1983. The Bank was formally inaugurated on the 12th August 1983. The Authorized Capital of the Bank is Tk.10,000 million and Paid-Up Capital is Tk.4,752 million. The shareholding of Foreign and Local Shareholders in the Paid-Up Capital is 57.36% and 42.64% respectively.

The total Equity of the Bank stood at Tk. 20,431 million as on 30 June 2009 which was 10.72% of its Risk-Weighted Assets as against requirement of minimum 10.00%. The Bank has 11 Zonal Offices and 200 Branches and 20 SME service centers in the country as on 12.09.2009. Total Shareholders of the Bank was 39,736 and total officials of the Bank were 9,479 as on June 2009.

MISSION

To establish Islamic banking through the introduction of a welfare oriented banking system and also ensure equity and justice in the field of all economic activities, achieve balanced growth and equitable development through diversified investment operations particularly in the priority sectors and less developed areas of the country. To encourage socio-economic uplift and financial services to the low income community particularly in the rural areas.

VISION

Our vision is to always strive to achieve superior financial performance, be considered a leading Islamic bank by reputation and performance.

- Our goal is to establish and maintain the modern banking techniques, to ensure the soundness and development of the financial system based on Islamic principles and to become the strong and efficient organization with highly motivated professionals, working for the benefit of people, based upon accountability, transparency and integrity in order to ensure stability of financial systems.
- We will try to encourage savings in the form of direct investment.
- We will also try to encourage investment particularly in projects which are more likely to lead to higher employment.



Gratitude

By the grace of Almighty Allah and the co-operation, confidence and love of the people of Bangladesh, the Islami Bank Bangladesh Limited has today touched the milestone of establishing its 201st Branch at O.R. Nizam Road, Chittagong. This is an important event in the history of Islami Bank Bangladesh Limited towards its march for establishing Islamic banking. Besides 201 full-fledged branches, Islami Bank has also established 20 more SME Service Centers.

The goals and objectives of Islami Bank Bangladesh Limited is to run all its activities according to the principles of Islamic Shariah. Islami Bank Bangladesh Limited is pioneer in this respect. The role of Islami Bank Bangladesh Limited in economic development and betterment of the lot of the people of the country through providing financial assistance to the industrial sector is spectacular. Micro investment of the Bank to the poor people in the rural areas for poverty alleviation has been highly successful. Islami Bank Bangladesh Limited is currently the market leader in import and export trade and also in handling wage earners remittance. It has the largest online banking services. Islami Bank Bangladesh Limited alone handles more than 25% of the country's wage earners remittance.

Interest, speculation, gambling, excessive lending, greed and lot of other in-transparent derivatives specially credit default, swaps etc have been identified as the major causes of financial crisis and current economic down-turn all over the world. Islamic Banking is free from all the above faulty systems and as such no Islamic Bank of the world is known to have suffered from the current financial crisis. For permanent solution of the financial crisis and economic recession it is therefore felt imperative that financial and economic systems are reorganized on the base of Islamic Principles. A lot of study and research in this direction is going on around the world.

Having been inspired by the success of Islami Bank Bangladesh Limited, several other full-fledged Islamic Banks have been established in the country. Dozens of banks have established Islamic windows and it is expected that more banks will either be converted to full-fledged Islamic Bank or open Islamic windows.

On this auspicious day of opening 201st branch we express our gratitude to Almighty Allah and would like to thank all our shareholders, depositors, business partners, devoted and dedicated employees of the bank, regulatory agencies, all other individuals and institutions who directly or indirectly provided cooperation and assistance to our efforts in establishing banking on Islamic Shariah. Our efforts to make Islamic banking service available at the doorsteps of the people of the country would be crowned with success. Insha Allah.

M. Fariduddin Ahmad
Managing Director

History: Islamic Banking in Bangladesh

- 1974 : Bangladesh signed the charter of Islamic Development Bank. All the participating countries including Bangladesh consented to operate activities of Islamic economics and banking in their respective countries
- 1978 : Recommendations for establishment of Islamic Banks was accepted by OIC Foreign Ministers Conference at Dakar
- 1977-82: Seminars, symposia and workshops on Islamic Banking System were arranged by different socio-economic organizations of Bangladesh
- 1980 : Bangladesh Bank made study on the operations of Islamic Banks abroad
- 1981 : In the 3rd OIC Summit held at Mecca and Taef, Bangladesh recommended to establish Islamic banks
- 1982 : Islamic Development Bank came forward to participate a joint venture Islamic Bank in Bangladesh
- 1983 : Islami Bank Bangladesh Limited came into being as the first Islamic Bank in the Southeast Asia

Milestone of Islami Bank Bangladesh Limited

- Established on : 13 March 1983
- Inauguration of 1st Branch (Informal) : 30 March 1983
- Formal Inauguration : 12 August 1983
- Initial Public Offer : 1985
- Listing in Dhaka Stock Exchange Limited : 1985
- Listing in Chittagong Stock Exchange Limited : 1996
- First Rights Share issue : 1989
- Second Rights Share issue : 1996
- Third Rights Share issue : 2000
- Fourth Rights Share issue : 2003
- Opening of 50th Branch : 26 November, 1991
- Opening of 100th Branch : 12 June 1997
- Opening of 150th Branch : 30 November 2004
- Opening of 200th Branch : 21 June 2009
- Joining/Agreement with CDBL : 29 December 2004
- Issuance of Mudaraba Perpetual Bond (MPB) : 25 November 2007
- Commencement of Brokerage House : 01 January 2008

Corporate Information

- Date of Incorporation : 13 March 1983
- Inauguration of 1st Branch (Informal) : 30 March 1983
- (Local Office, Dhaka)
- Formal Inauguration : 12 August 1983
- Authorized Capital : 10,000 Million Taka
- Paid up Capital : 4,752 Million Taka

- Share of Capital
- A. Local Shareholders : 42.64% (as on 30-06-09)
- B. Foreign Shareholders : 57.36%
- Equity : 20,431 Million Taka (as on 30-06-09)
- Zones : 11
- Branches : 200
- SME Service Centers : 20
- Deposit : 228,229 Million Taka (as on 31.08.09)
- Investment : 217,658 Million Taka (as on 31.08.09)
- Foreign Exchange Business : 29,534 Million Taka (as on 31.08.09)
- Manpower : 9,479
- No. of Shareholders : 39,736

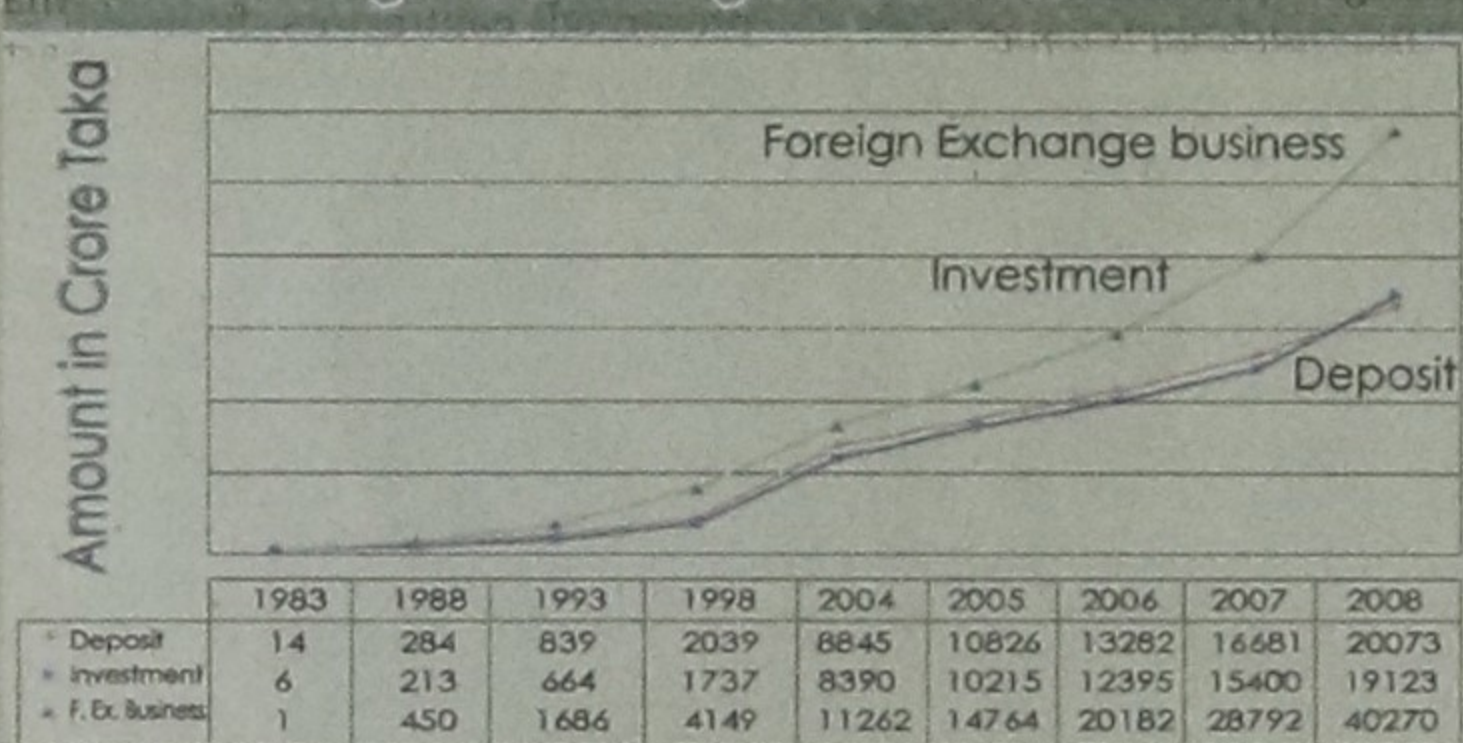
Rating

- Rating Agency : Credit Rating Information and Services Limited (CRISL)
- Long-term : AA
- Short-term : ST-1

Recognitions

- IBBL got the 2nd prize National Export Fair for its Pavilion of Service Organization in 1985
- The Global Finance, a reputed U.S.A. based Financial Magazine, awarded IBBL as the Best Bank of the country for the years 1999, 2000, 2004 & 2005 and the Best Islamic Financial Institution of Bangladesh in 2008 & 2009.
- The Institute of Chartered Accountants of Bangladesh (ICAB) awarded IBBL as the Certificate of Appreciation as a token of recognition of the Presentation of the company's published accounts and reports for the year 2001
- The Bank-Bima, a Fortnightly Magazine, awarded IBBL as the Best Islamic Banking Award-2007
- The Institute of Cost and Management Accountants of Bangladesh (ICMAB), awarded IBBL as the Best Corporate Award-2007 (First Position, Local Sector)
- Achieved first prize of best stalls in Banks and Non Bank Financial Institutions Fair 2009 at Dhaka Sheraton Hotel.

Foreign Exchange business



Welfare Oriented Schemes

Deposit

- Mudaraba Hajj Savings Account
- Mudaraba Special Savings (Pension) Scheme
- Mudaraba Muhor Savings Account
- Mudaraba Foreign Currency Deposit Account
- Mudaraba Term Deposit Account
- Mudaraba Savings Bond
- Mudaraba Monthly Profit Deposit Account
- Mudaraba Waqf Cash Deposit Account
- Mudaraba Savings Account
- Mudaraba Special Notice Account

Investment

Islami Bank Bangladesh Limited diversified its investment in all the welfare oriented sectors including industrial-commercial-agricultural and Real Estate. The welfare oriented investment schemes are:

- Household Durables Scheme
- Housing Investment Scheme
- Real Estate Investment Scheme
- Investment Scheme for Doctors
- Transport Investment Scheme
- Car Investment Scheme
- Small Business Investment Scheme
- Micro Industry Investment Scheme
- SME Investment Scheme
- Rural Development Scheme
- Agriculture Implements Investment scheme
- Women Entrepreneurs Investment Scheme

Besides, Rural Housing Scheme for village people is under process.

Dividend

The Bank has declared 30% stock dividend for its Shareholders for the year 2008.

Highest Profit on Bond

The Board of Directors of the Bank has declared 13.8% profit for the year 2008 on Mudaraba Perpetual Bond. This rate of profit is higher than the rate of any other bond in Bangladesh.

Foreign Exchange Business

Particulars	2008		2007		Year growth in 2008 over 2007
	Amount	% of Total	Amount	% of Total	
Import	168,329	41.80%	137,086	47.61%	22.79%
Export	93,962	23.33%	66,690	23.16%	40.89%
Remittance	140,404	34.86%	84,143	29.23%	66.86%
Total	402,695	100.00%	287,919	100.00%	39.86%

Corporate Social Responsibility

Islami Bank Bangladesh Limited has been conducting Corporate Social Responsibilities program since its inception. On this occasion, the Bank has opened Corporate Social Affairs Department. Bank takes following CSR activities:

- Promotion of Environment ■ Environment Awareness
- Education Support Programme

Social Services through Islami Bank Foundation

- Health Care Services ■ Islami Bank Hospitals
- Islami Bank Community Hospitals ■ Mobile Eye Camp
- Charitable Dispensaries ■ Islami Bank Homeopathy Clinic

Health Education

- Islami Bank Medical College
- Islami Bank Medical College Nursing Training Institute
- Islami Bank Health Technology Institute
- Midwifery Training Program

General Education

- Islami Bank International School and College
- Islami Bank Model School and College
- Islami Bank Mohila Madrasa
- Scholarship Program
- Model Forquania Maktab

Technical Education

- Islami Bank Institute of Technology

Other Programs

- Bangladesh Sangskritik Kendra
- Islami Bank Women Rehabilitation Centre
- Islami Bank Service Centre
- Monoram-Islami Bank Crafts and Fashions

Modern Services of IBBL

- Largest On-line network in banking sector
- ATM Services ■ Spot Cash
- SMS Banking ■ Web Portal
- i Banking
- Electronic Integrated Banking System
- SWIFT ■ REUTERS
- Locker Services etc.

10 more new branches will be opened very soon at Mohiheel & Badda (Dhaka), Matlab (Chandpur), Bhandaria (Pirojpur), Sreenagar (Munshigonj), Mohadevpur (Naogaon), Chandina (Comilla), Zindabazar (Syhet), Raozan (Chittagong), Baragola (Bogra)