

# Financials - 2016

(Auditors' Report to the Shareholders)



## Independent Auditor's Report

### To the Shareholders of The Premier Bank Limited

We have audited the accompanying consolidated financial statements of The Premier Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of The Premier Bank Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2016, and the consolidated and separate profit and loss account, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards 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 in 2013) and the Bangladesh Bank regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and 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, except for the effects of the matters discussed in notes 14.5 and 28 relating to "provision for corporate taxation" and "rent taxes, insurance electricity etc. (VAT on office rent)", 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 2016, 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 3.15.

### 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 in 2013) and the rules and regulations issued by Bangladesh Bank and the Bangladesh Bank Letter No.: DBI-1/118/2017-1331 dated 16 April 2017; 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, internal control and risk management arrangements of the Group and the Bank as disclosed in note 3.11 appeared to be adequate with immaterial control deficiencies;
  - ii) nothing has come to our attention regarding material instances of forgeries or irregularities or administrative error and exception or anything detrimental committed by employee of the Bank and its related entities;
- (c) financial statements of subsidiary companies of the Bank Namely Premier Bank Securities Limited has been audited by us. These financial statements have been properly reflected in the consolidated financial statements of the Bank so far as it appeared from the review of the audited financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in note 3.15, as well as with related guidance, circulars issued by Bangladesh Bank;
- (h) provisions have been made for loans and advances (Note – 14.1) which are, in our opinion are doubtful of recovery and provision for off-balance sheet item (Note – 14.3), other assets (Note – 14.4.1 and 14.4.2), gratuity (Note – 14.2) and investment in shares (Note – 14.4.3) have been made in line with the Bangladesh Bank Letter No.: DBL-1/118/2017-1331 dated 16 April 2017;
- (i) in our opinion, proper books of accounts as required by law have been kept by Premier Bank Limited 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 79 branches not visited by us;
- (j) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (k) the information and explanation required by us have been received and found satisfactory;
- (l) 80% of the risk-weighted assets have been audited covering 20 branches; and
- (m) we have spent approximately 4,850 man hours for the audit of the books and accounts of the bank.

Place: Dhaka  
Dated: 26 April 2017

  
**K. M. HASAN & CO.**  
Chartered Accountants

# The Premier Bank Limited

Consolidated Balance Sheet as at 31 December 2016

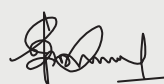
		Amount in Taka	
	Notes	2016	2015
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	4(a)	<b>10,035,167,151</b>	<b>8,534,064,596</b>
In hand (including foreign currencies)	4.1(a)	1,207,373,971	1,150,706,019
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.2	8,827,793,180	7,383,358,577
<b>Balance with other banks and financial institutions</b>	5(a)	<b>1,100,594,938</b>	<b>1,451,506,552</b>
In Bangladesh		846,769,364	1,044,913,872
Outside Bangladesh		253,825,574	406,592,680
<b>Money at call and short notice</b>	6	-	-
<b>Investments</b>	7(a)	<b>23,301,143,562</b>	<b>24,426,394,826</b>
Government securities	7.1	16,263,333,802	18,568,585,083
Others	7.2(a)	7,037,809,760	5,857,809,743
<b>Loans, advances and lease/ investments</b>	8(a)	<b>113,777,562,064</b>	<b>91,318,508,129</b>
Loans, cash credits, overdrafts, etc.		108,019,159,866	85,085,336,753
Bills purchased and discounted		5,758,402,198	6,233,171,376
<b>Fixed assets including premises, furniture and fixtures</b>	9(a)	<b>2,408,410,725</b>	<b>2,423,971,952</b>
<b>Other assets</b>	10(a)	<b>4,544,409,242</b>	<b>3,542,457,222</b>
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b>155,167,287,682</b>	<b>131,696,903,277</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11(a)	<b>4,869,857,372</b>	<b>4,915,876,816</b>
<b>Non-convertible Subordinated Bond</b>	12	<b>6,000,000,000</b>	<b>3,000,000,000</b>
<b>Deposits and other accounts</b>	13(a)	<b>125,640,370,898</b>	<b>108,875,127,732</b>
Savings / Mudaraba Saving deposits		7,487,133,469	5,699,948,740
Fixed deposits/Mudaraba term deposits		81,593,259,775	73,138,962,031
Current deposits and other accounts		34,880,162,796	28,901,710,782
Bills payable		1,679,814,858	1,134,506,179
<b>Other liabilities</b>	14(a)	<b>6,743,819,530</b>	<b>4,242,228,686</b>
<b>Total Liabilities</b>		<b>143,254,047,800</b>	<b>121,033,233,234</b>
<b>Capital/ Shareholders' Equity</b>			
Paid-up capital	15	6,820,810,730	6,200,737,030
Statutory reserve	16	3,342,002,303	2,878,188,929
Other reserve	17(a)	175,461,059	527,945,768
Retained earnings	18(a)	1,574,941,692	1,056,775,547
Non controlling interest	18(b)	24,098	22,769
<b>Total Shareholders' Equity</b>		<b>11,913,239,882</b>	<b>10,663,670,043</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>155,167,287,682</b>	<b>131,696,903,277</b>

# The Premier Bank Limited


Consolidated Balance Sheet as at 31 December 2016

		Amount in Taka	
	Notes	2016	2015
<b>OFF- BALANCE SHEET ITEMS</b>			
<b>Contingent Liabilities</b>		<b>78,089,695,996</b>	<b>65,888,690,325</b>
Acceptances and endorsements		12,904,751,385	11,188,269,345
Letters of guarantee	19.1	41,066,918,409	19,885,827,241
Irrevocable letters of credit		14,759,463,040	10,602,873,577
Bills for collection		9,358,563,162	24,211,720,162
Other contingent liabilities	19.2	-	-
<b>Other commitments</b>		<b>157,465,600</b>	<b>-</b>
Documentary credits and short term trade-related transactions		-	-
Forward assets purchase and forward deposits placement	20	157,465,600	-
Spot and forward foreign exchange contracts		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total Off-Balance Sheet Items including contingent liabilities:</b>		<b>78,247,161,596</b>	<b>65,888,690,325</b>

These Financial Statements should be read in conjunction with the annexed notes



Chairman



Director



Director



Director



Managing Director

See annexed auditors' report of even date

Dated: Dhaka  
26 April 2017

  
**K. M. HASAN & CO.**  
Chartered Accountants

# The Premier Bank Limited

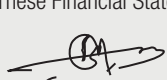
Consolidated Profit and Loss Account for the year ended 31 December 2016

		Amount in Taka	
	Notes	2016	2015
<b>OPERATING INCOME</b>			
Interest income/profit on islamic investments	22(a)	10,378,877,712	9,864,865,010
Interest/profit paid on deposits, borrowings, etc	23(a)	(7,518,445,665)	(7,516,734,923)
<b>Net interest income/ net profit on investments</b>		<b>2,860,432,047</b>	<b>2,348,130,087</b>
Investment income	24(a)	2,572,066,116	1,668,990,837
Commission, exchange and brokerage	25(a)	1,439,677,530	1,018,945,262
Other operating income	26(a)	511,157,761	435,954,488
		<b>4,522,901,407</b>	<b>3,123,890,587</b>
<b>Total Operating Income (A)</b>		<b>7,383,333,454</b>	<b>5,472,020,674</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	27(a)	1,358,660,421	1,210,470,323
Rent, taxes, insurance, electricity, etc.	28(a)	1,226,309,159	1,163,289,056
Legal expenses	29(a)	37,048,944	32,986,310
Postage, stamps, telecommunication, etc.	30(a)	72,520,279	62,961,845
Stationery, printing, advertisement, etc.	31(a)	503,540,370	573,811,575
Chief executive's salary and fees	32	12,450,000	12,150,000
Directors' fees	33	4,009,000	3,203,000
Auditors' fee		617,000	1,194,250
Depreciation and repair of Bank's assets	34(a)	287,617,770	241,434,705
Other expenses	35(a)	534,916,103	198,919,371
Losses on disposal of subsidiary	36(b)	2,500,510	-
<b>Total Operating Expenses (B)</b>		<b>4,040,189,556</b>	<b>3,500,420,435</b>
<b>Profit before provision (C = A-B)</b>		<b>3,343,143,898</b>	<b>1,971,600,239</b>
Specific Provision	36(a)	910,000,000	250,000,000
General Provision	36(a)	20,000,000	-
Provision for off-balance sheet items	14.3	10,000,000	-
Provision for investment in shares	14.4.3	40,000,000	-
Other provisions	14.4	21,156,857	5,000,000
<b>Total provision (D)</b>		<b>1,001,156,857</b>	<b>255,000,000</b>
<b>Profit before taxation (C-D)</b>		<b>2,341,987,041</b>	<b>1,716,600,239</b>
<b>Provision for taxation</b>			
Current Tax	14.5(aa)	1,071,524,381	707,656,806
Deferred tax expense/(income)	10.1.2.1	(331,591,888)	47,386,289
		<b>739,932,493</b>	<b>755,043,095</b>
<b>Profit after taxation</b>		<b>1,602,054,548</b>	<b>961,557,144</b>
<b>Retained earnings brought forward (restated)</b>	18(aa)	<b>1,056,775,547</b>	<b>581,647,253</b>
<b>Profit available for appropriation</b>		<b>2,658,830,095</b>	<b>1,543,204,397</b>
<b>Appropriations</b>			
Statutory reserve	16	463,813,374	341,639,792
Issue of bonus shares	18	620,073,700	563,703,360
Non controlling interest	18(b)	1,329	537
		<b>1,083,888,403</b>	<b>905,343,689</b>
<b>Retained earnings carried forward</b>		<b>1,574,941,692</b>	<b>637,860,708</b>
<b>Earnings per share (EPS)</b>	37(a)	<b>2.35</b>	<b>1.41</b>

These Financial Statements should be read in conjunction with the annexed notes



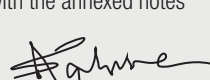
Chairman



Director



Director



Director



Managing Director

See annexed auditor's report of even date

Dated: Dhaka  
26 April 2017

  
**K. M. HASAN & CO.**  
Chartered Accountants

# The Premier Bank Limited

Consolidated Statement of Changes in Equity for the year ended 31 December 2016

Particulars	Equity attributable to shareholder of Premier Bank Ltd.					Amount in Taka	
	Paid-up capital	Statutory reserve	Other reserve	Retained earnings	Total	Non Controlling Interest	Total
<b>Balance as at 01 January 2016</b>	6,200,737,030	2,878,188,929	527,945,768	637,860,708	10,244,732,435	22,769	10,244,755,204
Prior period adjustment	-	-	-	418,914,839	418,914,839	-	418,914,839
<b>Restated balance</b>	6,200,737,030	2,878,188,929	527,945,768	1,056,775,547	10,663,647,274	22,769	10,663,670,043
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	(352,484,709)	-	(352,484,709)	-	(352,484,709)
Currency translation differences	-	-	-	-	-	-	-
Net profit for the year ended	-	-	-	-	-	-	-
Payment of cash dividend	-	-	-	1,602,054,548	1,602,054,548	1,329	1,602,055,877
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer to general and other reserve	-	463,813,374	-	(463,813,374)	-	-	-
Issue of bonus shares for 2015	620,073,700	-	-	(620,073,700)	-	-	-
Non controlling interest	-	-	-	(1,329)	(1,329)	-	-
<b>Balance as at 31 December 2016</b>	6,820,810,730	3,342,002,303	175,461,059	1,574,941,692	11,913,215,784	24,098	11,913,239,882
<b>Balance as at 31 December 2015</b>	6,200,737,030	2,878,188,929	527,945,768	637,860,708	10,244,732,435	22,769	10,244,755,204

These Financial Statements should be read in conjunction with the annexed notes

  
Chairman

  
Director

  
Director

  
Director

  
Managing Director

Dated: Dhaka  
26 April 2017



# The Premier Bank Limited

Consolidated Cash Flow Statement for the year ended 31 December 2016

	Notes	Amount in Taka	
		2016	2015
<b>Cash Flows from Operating Activities</b>			
Interest received in cash		12,946,293,172	11,537,320,006
Interest paid		(7,518,445,665)	(7,516,734,923)
Fee and commission received in cash		838,876,452	536,536,017
Payments to employees		(1,371,110,421)	(1,244,507,615)
Payments to suppliers		(601,038,230)	(639,261,606)
Income taxes paid		(965,605,794)	(639,310,374)
Receipts from other operating activities		511,157,761	435,954,488
Payments for other operating activities		(1,876,731,479)	(1,462,546,572)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>		<b>1,963,395,796</b>	<b>1,007,449,421</b>
<b>Increase/decrease in operating assets and liabilities</b>			
Loans and advances to customers		(22,459,053,935)	(21,254,783,336)
Other assets		(670,360,132)	2,279,838,829
Deposits from other banks		(46,019,444)	769,330,358
Deposits from customers		16,765,243,166	16,159,839,181
Other liabilities		1,397,416,647	278,664,789
		<b>(5,012,773,698)</b>	<b>(1,767,110,179)</b>
<b>Net cash from operating activities (A)</b>		<b>(3,049,377,902)</b>	<b>(759,660,758)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase/sale of trading securities, shares, bonds, etc.		(1,180,000,017)	45,003,915
Purchase of property, plant and equipment		(173,998,790)	(942,145,411)
<b>Net cash used in investing activities (B)</b>		<b>(1,353,998,807)</b>	<b>(897,141,496)</b>
<b>Cash Flows from Financing Activities</b>			
Dividend paid		-	-
Issue of shares		-	-
Issue of non-convertible variable coupon rate bond		3,000,000,000	1,000,000,000
<b>Net cash from financing activities (C)</b>		<b>3,000,000,000</b>	<b>1,000,000,000</b>
<b>Net increase in cash (A+B+C)</b>		<b>(1,403,376,709)</b>	<b>(656,802,254)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>600,801,078</b>	<b>482,409,245</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>28,071,596,428</b>	<b>28,245,989,437</b>
<b>Cash and cash equivalents for the period ended (*)</b>		<b>27,269,020,797</b>	<b>28,071,596,428</b>
(*) Cash and cash equivalents at the end of the period:			
Cash in hand (including foreign currencies)	4.1(a)	1,207,373,971	1,150,706,019
Investments in government securities		16,133,258,708	18,086,025,280
Money at call on short notice	6	-	-
Balance with Bangladesh Bank and its agent bank(s)	4.2	8,827,793,180	7,383,358,577
Balance with other banks and financial institutions	5(a)	1,100,594,938	1,451,506,552
		<b>27,269,020,797</b>	<b>28,071,596,428</b>
<b>Net operating cash flow per share (NOCFPS)</b>	37.1(a)	<b>2.88</b>	<b>1.51</b>

These Financial Statements should be read in conjunction with the annexed notes



Chairman



Director



Director



Director



Managing Director

Date: Dhaka  
26 April 2017



# The Premier Bank Limited

Consolidated Statement of Liquidity Analysis (Maturity of Assets and Liabilities) as at 31 December 2016

Particulars	Amount in Taka				
	Up to 1 month's maturity	1-3 month's maturity	3-12 month's maturity	1-5 years' maturity	More than 5 years' maturity
<b>Assets</b>					
Cash	1,831,587,234	-	-	-	8,203,579,917
Balance with other banks and financial institutions	34,168,953	1,053,825,574	-	-	12,600,411
Money at call on short notice	-	-	-	-	-
Investments	2,600,000,000	1,702,600,000	5,443,100,000	6,353,900,000	7,201,543,562
Loans and advances	23,869,403,147	24,536,904,727	31,786,646,603	22,874,673,304	10,709,934,283
Fixed assets including premises, furniture and fixtures	-	-	342,123,330	1,368,493,318	697,794,077
Other assets	1,869,792,158	554,205,756	831,308,635	1,147,767,737	141,334,956
Non-banking assets	-	-	-	-	-
<b>Total Assets (A)</b>	<b>30,204,951,492</b>	<b>27,847,536,057</b>	<b>38,403,178,568</b>	<b>31,744,834,359</b>	<b>26,966,787,206</b>
<b>Liabilities</b>					
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	1,500,000,000	608,400,000	1,484,936,837	1,276,520,535	-
Non-convertible Subordinated bonds	-	-	-	6,000,000,000	-
Deposits and other accounts	8,706,900,000	41,483,697,624	60,470,200,000	9,319,800,000	5,659,773,274
Provision and other liabilities	298,207,727	2,860,490,131	431,469,240	254,285,183	2,899,367,249
<b>Total Liabilities (B)</b>	<b>10,505,107,727</b>	<b>44,952,587,755</b>	<b>62,386,606,077</b>	<b>16,850,605,718</b>	<b>8,559,140,523</b>
<b>Net Liquidity Excess/(Shortage) (C=A-B)</b>	<b>19,699,843,765</b>	<b>(17,105,051,698)</b>	<b>(23,983,427,509)</b>	<b>14,894,228,641</b>	<b>18,407,646,683</b>



Chairman



Director



Director



Director



Managing Director

Dated: Dhaka  
26 April 2017

# The Premier Bank Limited

Balance Sheet as at 31 December 2016

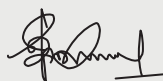
		Amount in Taka	
	Notes	2016	2015
PROPERTY AND ASSETS			
Cash	4	10,035,099,256	8,533,979,320
In hand (including foreign currencies)	4.1	1,207,306,076	1,150,620,743
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.2	8,827,793,180	7,383,358,577
Balance with other banks and financial institutions	5	1,087,994,527	1,446,488,084
In Bangladesh	5.1	834,168,953	1,039,895,404
Outside Bangladesh	5.2	253,825,574	406,592,680
Money at call and short notice	6	-	-
Investments	7	22,471,047,470	23,596,298,741
Government securities	7.1	16,263,333,802	18,568,585,083
Others	7.2	6,207,713,668	5,027,713,658
Loans, advances and lease/ investments	8	113,723,813,918	91,217,453,215
Loans, cash credits, overdrafts, etc.	8.1.1	107,965,411,720	84,984,281,839
Bills purchased and discounted	8.1.2	5,758,402,198	6,233,171,376
Fixed assets including premises, furniture and fixtures	9	2,406,155,616	2,421,404,912
Other assets	10	4,856,335,275	4,049,885,013
Non-banking assets		-	-
Total Assets		154,580,446,062	131,265,509,285
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	4,869,857,372	4,915,876,816
Non-convertible Subordinated Bond	12	6,000,000,000	,000,000,000
Deposits and other accounts	13	125,490,120,818	108,700,542,280
Savings / Mudaraba Saving deposits		7,487,133,469	5,699,948,740
Fixed deposits/Mudaraba term deposits		81,593,259,775	73,138,962,031
Current deposits and other accounts		34,729,912,716	28,727,125,330
Bills payable		1,679,814,858	1,134,506,179
Other liabilities	14	6,305,820,708	3,969,042,006
Total Liabilities		142,665,798,898	120,585,461,102
Capital/ Shareholders' Equity			
Paid-up capital	15	6,820,810,730	6,200,737,030
Statutory reserve	16	3,342,002,303	2,878,188,929
Other reserve	17	173,729,521	526,214,230
Retained earnings	18	1,578,104,610	1,074,907,994
Total Shareholders' Equity		11,914,647,164	10,680,048,183
Total Liabilities and Shareholders' Equity		154,580,446,062	131,265,509,285

# The Premier Bank Limited

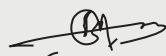
Balance Sheet as at 31 December 2016

		Amount in Taka	
	Notes	2016	2015
OFF- BALANCE SHEET ITEMS			
Contingent Liabilities		78,089,695,996	65,888,690,325
Acceptances and endorsements		12,904,751,385	11,188,269,345
Letters of guarantee	19.1	41,066,918,409	19,885,827,241
Irrevocable letters of credit		14,759,463,040	10,602,873,577
Bills for collection		9,358,563,162	24,211,720,162
Other contingent liabilities	19.2	-	-
Other commitments		157,465,600	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchase and forward deposits placement	20	157,465,600	-
Spot and forward foreign exchange contracts		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet Items including contingent liabilities:		78,247,161,596	65,888,690,325

These Financial Statements should be read in conjunction with the annexed notes



Chairman



Director



Director



Director



Managing Director

See annexed auditors' report of even date

Dated: Dhaka  
26 April 2017

  
**K. M. HASAN & CO.**  
Chartered Accountants

# The Premier Bank Limited

Profit and Loss Account for the year ended 31 December 2016

		Amount in Taka	
	Notes	2016	2015
<b>OPERATING INCOME</b>			
Interest income/profit on Islamic investments	22	10,259,668,964	9,773,174,802
Interest/profit paid on deposits, borrowings, etc.	23	(7,518,445,665)	(7,516,734,923)
<b>Net interest income/ net profit on investments</b>		<b>2,741,223,299</b>	<b>2,256,439,879</b>
Investment income	24	2,562,273,612	1,668,990,837
Commission, exchange and brokerage	25	1,411,191,591	984,386,759
Other operating income	26	502,625,307	424,650,766
		<b>4,476,090,510</b>	<b>3,078,028,362</b>
<b>Total Operating Income (A)</b>		<b>7,217,313,809</b>	<b>5,334,468,241</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	27	1,343,814,749	1,189,118,866
Rent, taxes, insurance, electricity, etc.	28	1,109,161,323	1,074,040,945
Legal expenses	29	37,002,444	32,077,164
Postage, stamps, telecommunication, etc.	30	71,513,824	61,450,917
Stationery, printing, advertisement, etc.	31	503,060,082	573,236,686
Chief executive's salary and fees	32	12,450,000	12,150,000
Directors' fees	33	4,009,000	3,203,000
Auditors' fee		552,000	1,144,250
Depreciation and repair of Bank's assets	34	287,234,040	240,577,931
Other expenses	35	525,792,110	184,269,521
Losses on disposal of subsidiary	36(b)	2,500,510	-
<b>Total Operating Expenses (B)</b>		<b>3,897,090,082</b>	<b>3,371,269,280</b>
<b>Profit before provision (C = A-B)</b>		<b>3,320,223,727</b>	<b>1,963,198,961</b>
Specific Provision	36(a)	910,000,000	250,000,000
General Provision	36(a)	20,000,000	-
Provision for off-balance sheet items	14.3	10,000,000	-
Provision for investment in shares	14.4.3	40,000,000	-
Other provision	14.4	21,156,857	5,000,000
<b>Total provision (D)</b>		<b>1,001,156,857</b>	<b>255,000,000</b>
<b>Profit before taxation (C-D)</b>		<b>2,319,066,870</b>	<b>1,708,198,961</b>
<b>Provision for taxation</b>			
Current tax	14.5	1,063,575,068	699,613,711
Deferred tax expense/(income)	10.1.2.1	(331,591,888)	47,386,289
		<b>731,983,180</b>	<b>747,000,000</b>
<b>Profit after taxation</b>		<b>1,587,083,690</b>	<b>961,198,961</b>
Retained earnings brought forward (Restated)	18	1,074,907,994	600,137,346
<b>Profit available for appropriation</b>		<b>2,661,991,684</b>	<b>1,561,336,307</b>
<b>Appropriations</b>			
Statutory reserve	16	463,813,374	341,639,792
Issue of bonus shares	18	620,073,700	563,703,360
		1,083,887,074	905,343,152
<b>Retained earnings carried forward</b>		<b>1,578,104,610</b>	<b>655,993,155</b>
<b>Earnings per share (EPS)</b>	37	<b>2.33</b>	<b>1.41</b>

These Financial Statements should be read in conjunction with the annexed notes



Chairman



Director



Director



Director



Managing Director

See annexed auditors' report of even date

Dated: Dhaka  
26 April 2017

  
**K. M. HASAN & CO.**  
Chartered Accountants

# The Premier Bank Limited

Statement of Changes in Equity for the year ended 31 December 2016

Amount in Taka					
Particulars	Paid-up capital	Statutory reserve	Other reserve	Retained earnings	Total
<b>Balance as at 01 January 2016</b>					
Prior year's adjustment	6,200,737,030	2,878,188,929	526,214,230	655,993,155	10,261,133,344
	-	-	-	418,914,839	418,914,839
<b>Restated balance as at 01 January 2016</b>	<b>6,200,737,030</b>	<b>2,878,188,929</b>	<b>526,214,230</b>	<b>1,074,907,994</b>	<b>10,680,048,183</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	(352,484,709)	-	(352,484,709)
Currency translation differences	-	-	-	-	-
Adjustment of deferred tax income	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-
Net profit for the year	-	-	-	1,587,083,690	1,587,083,690
Payment of cash dividend	-	-	-	-	-
Transfer to statutory reserve	-	463,813,374	-	(463,813,374)	-
Transfer to general and other reserve	-	-	-	-	-
Issue of bonus shares for the year 2015	620,073,700	-	-	(620,073,700)	-
New issue of shares through RPO	-	-	-	-	-
<b>Balance as at 31 December 2016</b>	<b>6,820,810,730</b>	<b>3,342,002,303</b>	<b>173,729,521</b>	<b>1,578,104,610</b>	<b>11,914,647,164</b>
<b>Balance as at 31 December 2015</b>	<b>6,200,737,030</b>	<b>2,878,188,929</b>	<b>526,214,230</b>	<b>655,993,155</b>	<b>10,261,133,344</b>

These Financial Statements should be read in conjunction with the annexed notes

  
Chairman

  
Director

  
Director

  
Director

  
Managing Director

Dated: Dhaka  
26 April 2017

# The Premier Bank Limited

Cash Flow Statement for the year ended 31 December 2016

		Amount in Taka	
		2016	2015
<b>Cash Flows from Operating Activities</b>			
Interest received in cash		12,888,806,749	11,504,187,758
Interest paid		(7,580,167,990)	(7,575,292,883)
Fee and commission received in cash		810,390,513	501,977,514
Payments to employees		(1,356,264,749)	(1,223,156,158)
Payments to suppliers		(600,557,942)	(638,295,882)
Income taxes paid		(965,605,794)	(639,310,374)
Receipts from other operating activities		502,625,307	424,650,766
Payments for other operating activities		(1,751,091,105)	(1,356,701,498)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>		<b>1,948,134,989</b>	<b>998,059,243</b>
<b>Increase/decrease in operating assets and liabilities</b>			
Loans and advances to customers		(22,506,360,703)	(21,399,312,751)
Other assets		(474,858,374)	2,286,233,250
Deposits from other banks		(46,019,444)	769,330,358
Deposits from customers		16,789,578,538	16,231,547,283
Other liabilities		1,232,510,723	374,399,817
		<b>(5,005,149,260)</b>	<b>(1,737,802,043)</b>
<b>Net cash from operating activities (A)</b>		<b>(3,057,014,271)</b>	<b>(739,742,800)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase/sale of trading securities, shares, bonds, etc.		(1,180,000,010)	45,000,000
Purchase of property, plant and equipment		(173,926,990)	(942,134,011)
<b>Net cash used in investing activities (B)</b>		<b>(1,353,927,000)</b>	<b>(897,134,011)</b>
<b>Cash Flows from Financing Activities</b>			
Dividend paid		-	-
Issue of shares		-	-
Issue of non- convertible variable coupon rate bond		3,000,000,000	1,000,000,000
<b>Net cash from financing activities (C)</b>		<b>3,000,000,000</b>	<b>1,000,000,000</b>
<b>Net increase in cash (A+B+C)</b>		<b>(1,410,941,271)</b>	<b>(636,876,811)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>600,801,078</b>	<b>482,409,245</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>28,064,761,146</b>	<b>28,219,228,712</b>
<b>Cash and cash equivalents for the period ended (*)</b>		<b>27,254,620,953</b>	<b>28,064,761,146</b>
(*) Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currencies)	4.1	1,207,306,076	1,150,620,743
Investments in government securities		16,131,527,170	18,084,293,742
Money at call on short notice	6	-	-
Balance with Bangladesh Bank and its agent bank(s)	4.2	8,827,793,180	7,383,358,577
Balance with other banks and financial institutions	5	1,087,994,527	1,446,488,084
		<b>27,254,620,953</b>	<b>28,064,761,146</b>
<b>Net operating cash flow per share (NOCFPS)</b>	37.1	<b>2.86</b>	<b>1.50</b>

These Financial Statements should be read in conjunction with the annexed notes



Chairman



Director



Director



Director



Managing Director

Dated: Dhaka  
26 April 2017

# The Premier Bank Limited

Statement of Liquidity Analysis (Maturity of Assets and Liabilities) as at 31 December 2016

Amount in Taka					
Particulars	Up to 1 month's maturity	1-3 month's maturity	3-12 month's maturity	1-5 years' maturity	More than 5 years' maturity
<b>Assets</b>					
Cash	1,831,587,234	-	-	-	10,035,099,256
Balance with other banks and financial institutions	34,168,953	1,053,825,574	-	-	1,087,994,527
Money at call on short notice	-	-	-	-	-
Investments	2,600,000,000	1,702,600,000	5,443,100,000	6,353,900,000	22,471,047,470
Loans and advances	23,869,403,147	24,536,904,727	31,786,646,603	22,874,673,304	113,723,813,918
Fixed assets including premises, furniture and fixtures	-	-	342,123,330	1,368,493,318	2,406,155,616
Other assets	1,869,792,158	554,205,756	831,308,635	1,147,767,737	4,856,335,275
Non-banking assets	-	-	-	-	-
<b>Total Assets (A)</b>	<b>30,204,951,492</b>	<b>27,847,536,057</b>	<b>38,403,178,568</b>	<b>31,744,834,359</b>	<b>154,580,446,062</b>
<b>Liabilities</b>					
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	1,500,000,000	608,400,000	1,484,936,837	1,276,520,535	4,869,857,372
Non-convertible Subordinated bonds	-	-	-	6,000,000,000	6,000,000,000
Deposits and other accounts	8,706,900,000	41,483,697,624	60,470,200,000	9,319,800,000	125,490,120,818
Provision and other liabilities	298,207,727	2,860,490,131	431,469,240	254,285,183	6,305,820,708
<b>Total Liabilities (B)</b>	<b>10,505,107,727</b>	<b>44,952,587,755</b>	<b>62,386,606,077</b>	<b>16,850,605,718</b>	<b>142,665,798,898</b>
<b>Net Liquidity Excess/(Shortage) (C=A-B)</b>	<b>19,699,843,765</b>	<b>(17,105,051,698)</b>	<b>(23,983,427,509)</b>	<b>14,894,228,641</b>	<b>11,914,647,164</b>

  
Chairman

  
Director

  
Director

  
Director

  
Managing Director

Dated: Dhaka  
26 April 2017



# The Premier Bank Limited

Notes to Financial Statements for the year ended December 31, 2016

## 1 The Bank and its activities

### 1.1 The Premier Bank Limited

The Premier Bank Limited ("the Bank") is one of the second generation private commercial bank incorporated in Bangladesh on 10 June 1999 as a public company limited by shares under the Companies Act, 1994, governed by the Banking Companies Act, 1991. The Bank went for public issue of its share by initial public offering in 2007 and its share is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The Registered office of the company is located at Iqbal center, 42 Kemal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh.

At present the Bank has 99 branches including 12 SME Service Centers/Agricultural Branches and 21 own ATM booths with no overseas branch. The Bank has one subsidiary companies namely, Premier Bank Securities Limited. The Bank also operates one Offshore Banking Unit (OBU) after obtaining its license from Bangladesh Bank on 10 November 2009.

### 1.2 Principal activities

The principal activities of the Bank are to provide all kinds of conventional and Islamic commercial banking services to its customers which includes deposit, loans and advances, export & import financing, inland and international remittance facility etc. through its branches, Islamic windows, SME centers, and vibrant alternative delivery channels (ATM booths, internet banking) in Bangladesh.

### 1.3 Islamic Banking Unit

The Bank obtained permission from Bangladesh Bank to operate Islamic Banking Unit vide Bangladesh Bank's letter no. BRPD(P-3)745(53)/2008-4804 dated 17 December, 2008. The Bank commenced operation of this Unit from 24 December 2008. The Islamic Banking Unit is governed under the rules and regulations of Bangladesh Bank. Out of the 99 branches, 2 branches are designated Islamic Banking branch complying with the rules of Islamic Shariah the modus operandi of which is substantially different from other branches run on commercial conventional basis.

### 1.4 Offshore Banking Units

The Bank obtained two off-shore banking units permission from Bangladesh Bank vide its letter no. BRPD(P-3)744(102)/2009-4138 dated 10 November 2009 in Dhaka Export Processing Zone and Chittagong Export Processing Zone. Operation of these units commenced from 07 December 2009 from the Bank's Head Office. Presently one unit is operating at full-fledged from Banani Branch premises from July 2011. Off-shore banking unit is governed under the rules and regulations of Bangladesh Bank.

## 1.5 The Bank has 01(One) operational subsidiary with following details as presented in note 1.5(a) and 1.5(b).

### 1.5 (a) Premier Bank Securities Limited

Premier Bank Securities Limited, a majority owned subsidiary company of The Premier Bank Limited was incorporated as a private company limited by share in Bangladesh on 23 June 2010 bearing certificate of incorporation no. C-85332/10 under the Companies Act, 1994 having its registered office at Iqbal Centre(3rd Floor), 42 Kamal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh. which commenced its business from the 17 April 2011.

### 1.5 (b) Premier Money Transfer Company Limited

Premier Money Transfer Company Limited was a 100% own subsidiary company of the Bank. As per decision of the executive committee of the Board of Directors, the Company ceased its operation from August 2015. As per Bangladesh Bank letter reference no. BOIMUBI/729/BIBIDHO/2016-3464 dated 28 December 2016, all outstanding liabilities of company will be adjusted within 31 December 2018.

## 2 Significant accounting Policies & basis of preparation of financial statements

### 2.1 Basis of preparation of the financial statements

These financial statements of the Bank have been prepared in accordance with the "First Schedule (Section 38) of the Banking Companies Act 1991 as amended by Banking Regulation and Policy Department (BRPD) circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) named as Bangladesh Financial Reporting Standards (BFRS). The bank complied with the requirements of the following regulatory and legal authorities: The Bank Companies Act 1991 (As amended in 2013), The Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Commission Act 1993, Bangladesh Securities and Exchange Commission (Public Issues) Rules 2006, Income Tax Ordinance 1984, Value Added Tax Act 1991, Rules, regulation and circulars issued by the Bangladesh Bank from time to time, DSE, CSE and CDBL rules and regulation and other laws and rules applicable thereto. Wherever appropriate, such principles are explained in succeeding notes.

### 2.2 Basis of measurement

These financial statements of the Bank are prepared on the basis of historical cost except for investment in shares and treasury bills and treasury bonds which have been "Marked to market" in accordance with the DOS Circular 05 (28 January 2009) and represent the financial performance and financial position of the branches in operation within Bangladesh.

### 2.3 Use of estimates and judgment and changes of estimate

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively. Changes in estimate applied with BAS-8.

### 2.4 Islamic banking

The Bank operates Islamic banking in 2 branches designated for the purpose in complying with the rules of Islamic Shariah. The Financial Statements of the branches have also been prepared as per Bangladesh Financial Reporting Standards and Bangladesh Bank circular. A separate balance sheet and profit and loss account are shown in **Annexure-H** and figures under different heads appearing in the annexure have been converted into relevant heads of accounts under conventional banking for consolidation and incorporation.

### 2.5 Basis of Consolidation

The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard (BAS) 27: Separate financial statements and Bangladesh Financial Reporting Standard (BFRS) 10: Consolidated Financial Statements, for the year than ended 31 December 2016.

The financial statements includes the main operation of The Premier Bank Ltd and its two business units namely, Islamic banking Unit and Offshore Banking Unit operating in Bangladesh.

The consolidated financial statements include the financial statements of The Premier Bank Limited and its subsidiaries which consists of Premier Bank Securities Limited up to the end of the financial year.

#### 2.5.1 Basis of Consolidation

Intra-group balances, and income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

#### 2.5.2 Non-controlling interest

For each business combination, the Group elects to measure any non-controlling interests in the acquire either:

- a) at fair value; or
- b) at their proportionate share of the acquirer's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries are the entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

## 2.6 Foreign currency transaction

### 2.6.a Functional and presentation currencies

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements of the Bank are presented in Bangladesh Taka (BDT) which is the Bank's functional and presentation currency. Functional currency for Off-shore banking unit is US Dollar. Except as indicated, financial information have been rounded off to the nearest Taka.

### 2.6.b Foreign currency transactions

- (a) According to BAS 21 "The Effects of Changes in Foreign Exchange Rates" transactions in foreign currencies are recorded in the functional currency at the rate of exchange prevailing on the date of the transactions.
- (b) Assets and liabilities in foreign currencies as at 31 December 2016 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "balances with other banks and financial institution" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD (R) 717/2004-959 dated 21 November 2004.
- (c) Differences arising through buying and selling transactions of foreign currencies on different dates of the Year have been adjusted by debiting /crediting exchange gain or loss account in the Profit and Loss Statement.

### 2.6.c Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in the financial statements have been translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies have been expressed in Taka currency at the rate of notional rate.

### 2.6.d Translation gain / losses

Gains/ losses arising out of translation of foreign exchange have been included in the profit and loss statement, except those arising on the translation of net investment in foreign subsidiaries.

### 2.6.e Foreign operation

As per BAS 21 "The Effect of changes in foreign exchange rates" the result of financial statements of the Bank whose functional currency is not Bangladesh taka are translated into Bangladesh taka as follows:

- i. Asset and Liabilities for each statement of Balance sheet have been translated at notional rate on the date of the Balance sheet.
- ii. Income and expenditure for profit and Loss statement have been translated at average rate.
- iii. All resulting exchange difference have been recognized as a separate components of equity.

## 2.7 Statement of Cash flows

Generally statement of cash flows is prepared in accordance with BAS 7: "Statements of cash flows"; however, Statement of Cash Flows are prepared and presented for the Banks under direct method as per guidelines of BRPD circular no. 14 dated 25 June 2003 issued by Bangladesh Bank.

## 2.8 Liquidity statement

The liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on 31 December 2016 and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25th June 2003.

## 2.9 Reporting period

These financial statements cover one calendar year from 01 January 2016 to 31 December 2016.

## 3 Significant Accounting Policies

The accounting policy set out below have applied consistently to all the periods presented in the financial statements and have been applied consistently by the bank. Any changes in accounting policy are complied with BAS 8: Accounting policies, changes in accounting estimate and errors.

### 3.1 Assets and basis of their valuation

### 3.1.1 Cash and cash equivalent

Cash and cash equivalent includes cash in hand, balance with Bangladesh Bank and its agent Bank, balance with other Banks and financial institution, money at call on short notice and prize bonds.

### 3.1.2 Investment

Investment in securities (bills and bonds) are initially recognized at purchased price excluding commission and accrued coupon interest. Investments are segregated in two broad categories i.e. held to maturity (HTM) and held for trading (HFT).

#### 3.1.2.a Held to Maturity (HTM)

Securities that a firm has intention to hold until maturity. Thereof these are reported at amortized cost and which is not affected by the market fluctuation.

#### 3.1.2.b Held for trading (HFT)

Securities that a firm has intention to sell in order to generate profit. HFT securities are revalued at market price.

#### 3.1.2.c Revaluation of bond

As per Bangladesh Bank DOS circular letter no. 5 dated 28 January 2009, HFT securities are revalued each week using Marked to market concept and HTM securities are amortized once a year according to Bangladesh Bank guideline. The HTM securities are also revalued if these are reclassified to HFT category with the Board approval.

Value of investment has been enumerated as follows:

#### Items

Government Treasury Bills & Bonds (HTM)  
Government Treasury Bills & Bonds (HFT)  
Prize Bonds  
Unquoted Shares  
Quoted Shares

#### Applicable accounting value

At present value (applying marked to market concept)  
At present value ( applying amortization concept)  
At cost  
At cost  
At cost

### 3.1.3 Investment in quoted shares

Investment in quoted shares are bought and held primarily for the purpose of selling them in future or held for dividend income. Such share measured at cost. Unrealized gains are not recognized in the profit and loss statement, but provision kept for unrealized loss (diminution in value of investment).

### 3.1.4 Investment in unquoted share

Investment in unquoted share is reported at cost. Adjustment is given for any shortage of book value over cost for determining the carrying amounts of investment in unquoted share.

### 3.1.5 Investment in subsidiary

Investment in subsidiaries are accounted for under the cost method of accounting in the Bank's financial statements in accordance with BAS 27: "Separate Financial Statements" BFRS 3: "Business Combinations" and BFRS 10: "Consolidated Financial Statements".

### 3.1.6 Property Plant and Equipment

#### 3.1.6.a Recognition and Measurement

- Fixed assets have been shown at cost less accumulated depreciation as per BAS 16: "Property Plant and Equipment" except land, which is measured at cost.
- The cost of an item of property plant and equipment is recognized as an assets if and only if: It is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

#### 3.1.6.b Initial cost

The initial cost of an item of property plant and equipment includes its purchase price, and any directly attributable cost such as import duties, non-refundable vat/taxes, duties and any cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

#### 3.1.6.c Subsequent cost

The cost of replacing part of an item of fixed assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of fixed assets are recognized in profit or loss as incurred.

**3.1.6.d Depreciation**

Depreciation is charged at the following rates on reducing balance method on all fixed assets other than vehicles, which are depreciated on straight-line method. For additions during the period, depreciation is charged for the remaining days of the period and in case of disposal, depreciation is charged up to the date of disposal. No depreciation is charged on land.

Asset categories	Rate of depreciation	Method of depreciation
Vehicles	20%	Straight-line
Furniture and fixtures	10%	Reducing balance
Equipment and computers	20%	Reducing balance
Land & Building	2.5%	Reducing balance

**3.1.6.e Impairment of assets**

As per BAS 36: "Impairment of assets", at each balance sheet date, the Bank assess whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognized as an expense in the profit and loss statement unless the asset is carried at revalued amount in accordance with Bangladesh Accounting Standard (BAS) 16 - Property, Plant and Equipment, in which case any impairment loss of a revalued asset should be treated as a revaluation decrease under that Accounting Standard. No impairment loss was recognized for the year than ended 31 December 2016. as there were no such indication existed as on Balance Sheet date.

**3.1.6.f Disposal of Assets:**

On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sale proceeds.

**3.1.6. g Usage & Maintenance of Bank's Vehicles**

Total 33 (thirty three) no. of vehicles are under the possession of Bank. Out of those, 01 Jeep has been allocated for Honorable Chairman of the Bank, 02 cars for the Managing Director, 01 car for the Advisor, 01 Jeep for Additional Managing Directors, 02 cars for Deputy Managing Director, 04 (four) cars for 04 (four) Branches. The remaining 22 (twenty two) cars are being used in Bank's pool. During the period from 01-01-2016 to 31-12-2016, total Tk. 46,65,401.00 only has been incurred towards repairing and maintenance (including yearly payment of Tax Token, Fitness Certificate, A.I.T.) for the above pool Vehicles of the Bank.

**3.1.7 Loans and advances/investments**

Loans and advances of conventional banking and investments of Islamic banking branches are stated in the balance sheet on gross basis.

Interest/profit is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest/profit on classified loans and advances/investments is kept in interest/profit suspense account as per BRPD circular no. 14 dated September 23, 2012 on Master Circular: Loan Classification and Provisioning. Interest/ profit is not charged on bad and loss loans and advances/ investments as per guidelines of Bangladesh Bank. Records of such interest/profit amounts are kept in separate memorandum accounts.

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

Provision for loans and advances is made on the basis of periodical review by the management through following instruction contained in the Bangladesh Bank BRPD Circular no. 5 dated 29 May 2013, BRPD Circular no.14 dated 23 September 2012 and BRPD 19 dated 27 December 2012. The rates of provision are given below:

Types of loans and advances		Provision				
		UC	SMA	SS	DF	BL
Consumer	House building and professional	2%	2%	20%	50%	100%
	Other than housing finance & professionals to setup business	5%	5%	20%	50%	100%
Provision for loan to broker house, merchant banks, stock dealers, etc.		2%	2%	20%	50%	100%
Short-term agri-credit and micro credit		2.50%	-	5%	5%	100%
Small and medium enterprise finance		0.25%	0.25%	20%	50%	100%
Others		1%	1%	20%	50%	100%

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

### 3.1.8 Inventories

Inventories are measured as per BAS 2: "Inventories", at the lower of cost and net realizable value.

### 3.1.8.a Receivables

Receivables are recognized when there is a contractual right to receive cash or another financial assets from another entity.

### 3.1.9 Other assets

Other assets include all other financial assets and include fees and other unrealized income receivable, advance for operating and capital expenditure and stocks of stationery and stamps. **Details are shown in Note - 10.**

### 3.1.9.a Non-Banking Assets

Non-banking assets are acquired on account of the failure of a borrower to repay the loan on time after receiving the decree from the Court regarding the right and title of the mortgage property. The Bank have no non -banking assets at the end of the year 31 December 2016.

## 3.2 Liabilities and basis of their valuation

### 3.2.1 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents includes call money deposit, borrowings, Bangladesh Bank refinance borrowing and other term borrowings from banks. These items are brought to financial statements at the gross value of the outstanding balance. **Details are shown in Note - 11.**

### 3.2.2 Deposit and other accounts

Deposits are recognized when the banks enter into contractual provisions of the arrangements with the counterparties on arrangements date and initially measured at the consideration received. Which includes non interest-bearing current deposit redeemable at call, bills payable, interest bearing on demand and special notice deposits, savings deposit and fixed deposit. These items are brought to financial statements at the gross value of the outstanding balance. **Details are shown in Note - 13.**

### 3.2.3 Other liabilities

As per BAS 37 "Provisions, Contingent Liabilities and Contingent Assets" the Bank recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

### 3.2.3.a Provisions on balances with foreign banks and financial institutions (Nostro accounts)

Provisions for unsettled transactions on nostro accounts made are reviewed semi - annual basis by management and certified by our external auditors in accordance with Bangladesh Bank Foreign Exchange Policy Department (FEPD) Circular No. 677 (13 September, 2005).

### 3.2.3.b Provisions for off balance sheet exposures

BRPD Circular No.10 dated 18 September 2007 requires a general provision for off balance sheet exposures to be calculated at 1% on all off balance sheet exposures as defined in BRPD Circular No.10 dated 24 November 2002. Accordingly the bank has recognized a provision of 1% on the following off balance sheet items:

- \* Acceptance and endorsements
- \* Letters of guarantee
- \* Irrevocable letters of credit
- \* Foreign exchange contracts

### 3.2.3.c Provisions for other assets

BRPD Circular No.14 dated 25 June 2001 requires a provision of 100% on other assets which are outstanding for one year and above.

### 3.3 Shareholders' equity

#### 3.3.a Share Capital

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

#### 3.3.1 Authorized capital

Authorized capital is the maximum amount of share capital that the Bank is authorized by its Memorandum and Articles of Association.

#### 3.3.2 Paid-up capital

Paid up capital represents total amount of share capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to receive any residual proceeds of liquidation. **Details are shown in Note - 15.**

#### 3.3.3 Statutory reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Banking Companies Act 1991 until such reserve equal to its paid-up capital together with the share premium.

#### 3.3.4 Revaluation reserve

As per BAS 16: "Property, Plant and Equipment" revaluation surplus on fixed assets directly transferred to equity under the head of revaluation reserve and subsequently the reserve will be transferred to retained earnings Proportionately year by year. Another revaluation reserve arises from the revaluation of Treasury bills and bonds (HFT & HTM) in accordance with the Bangladesh Bank DOS circular no. 5 dated 26 May 2008. The tax effects on revaluation gain are measured and recognized in the financial statements as per BAS 12: Income Taxes.

#### 3.3.5 Non-controlling interest

Non-controlling interest in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the Non controlling interest in The Premier Bank Securities Limited, a majority owned subsidiary (99.99%) of The Premier Bank Limited is very insignificant. Non-controlling interest belongs to a sponsor Director of the Bank and is reported on the consolidated balance sheet to reflect the claim on assets belonging to the other non-controlling shareholders. Also, non-controlling interest is reported on the consolidated income statement as a share of profit belonging to the Non-controlling shareholder.

#### 3.3.6 (a) Non Convertible Subordinated Bonds - 1

The Bank issued Non Convertible Subordinated Bond for amount of Taka 200.00 crore in the year 2014 as Supplementary Capital (Tier-2) of the Bank under Basel - III for a term of 05 (Five) years to strengthen the capital base of the Bank after obtaining approval from Bangladesh Bank and Bangladesh Securities and exchange Commission vide their letter Ref. no. BRPD(BIC)661/14B(P)/2013/2497 dated 29 December 2013 and BSEC/CI/DS-03/2013/2912 dated 24 December 2013 respectively.

#### 3.3.6 (b) Non Convertible Subordinated Bonds - 2

The Bank issued Non Convertible Subordinated Bond for amount of Taka 200.00 crore (Taka 100.00 crore was executed in 2015 and the remaining amount of Taka 100.00 crore will be executed by 2016) as Supplementary Capital (Tier-2) of the Bank under Basel - III for a term of 07 (seven) years to strengthen the capital base of the Bank after obtaining approval from Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) vide their letter ref. no. BRPD(BFIS)661/14B(P)/2015/18087 dated 27 December 2015 and BSEC/CI/DS-03/2013/601 dated 30 November 2015 respectively.

#### 3.3.6 (c) Non Convertible Subordinated Bonds - 3

The Bank issued Non Convertible Subordinated Bond for an amount of Taka 500.00 crore (Taka 200.00 crore was executed in 2016 and the remaining amount of Taka 300.00 crore will be executed by 2017) as Supplementary Capital (Tier-2) of the Bank under Basel - III for a term of 05 (five) years to strengthen the capital base of the Bank after obtaining approval from Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) vide their letter ref. no. BRPD(BFIS)661/14B(P)/2016-8384 dated 26 December 2016 and BSEC/CI/DS-03/2013/723 dated 21 December 2016 respectively.



### 3.4 Contingent liabilities

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or any present obligation that arises from past events but is not recognized because:

- i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognized in the financial statements as this may result in the recognition of income which may never be realized.

### 3.5 Revenue recognition

The accounting policies adopted for the recognition of revenue as prescribed by BAS 18 "Revenues" and Bangladesh Bank guideline are as follows:

#### 3.5.1 Interest income

- (a) Interest is calculated on daily product basis on unclassified loans and advances but charged on quarterly basis.
- (b) Interest is charged on classified loans and advances as per BCD and BRPD circulars of Bangladesh Bank and such interests were not taken into income.
- (c) **Profit on investment (Islamic Banking)**  
Mark-up on investment is taken into income account proportionately from profit receivable account. Overdue charge/compensation on classified investments is transferred to profit suspense account instead of income account.
- (d) **Fees and commission income**  
Commission and discounts on bills purchased and discounted are recognized at the time of realization.
- (e) **Investment income**  
Investment income is recognized on accrual basis. Income on investments is recognized on accrual basis. Investment income includes discount on treasury bills and zero coupon bonds, interest on treasury bonds, debentures and fixed deposits with other banks. Capital gain on investments in shares and dividend on investment in shares are also included in investment income.

#### 3.5.2 Dividend income on shares

As per BAS 18 "Revenues", dividend income from investment in shares is recognized when the Bank's right to receive dividend is established. It is recognized when:

- a. It is probable that the economic benefits associated with the transaction will flow to the entity; and
- b. the amount of the revenue can be measured reliably.

#### 3.5.3 Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the BAS 1 "Presentation of Financial Statements".

#### 3.5.4 Interest and fees receivable on credit cards

Interest and fees receivable on credit cards are recognized on accrual basis. Interest and fees cease to be taken into income when the recovery of interest and fees is in arrear for over three months. Thereafter, interest and fees are accounted for on cash basis.

### 3.6 Number of employees

The number of employees employed in the Bank as on 31 December 2016 were 1,511.

### 3.7 Employee benefits

#### 3.7.1 Short-term employee benefits

Short-term employee benefits are employee benefits, which fall due wholly within twelve months after the end of the period in which the employees render the related service including salaries, bonuses and other allowances. Payments are charged as an expense in the profit and loss account as they fall due. Payments due are accrued as a liability in "Provisions for liabilities and charges" on an undiscounted basis.

**3.7.2 Long term employee benefits**

The Bank operates a contributory provident fund for its eligible employees. The Commissioner of Income Taxes, Dhaka has approved the provident fund as a recognized provident fund as per section 2(1) of Part B of the First Schedule of Income Tax Ordinance 1984. The Fund is administered by a Board of Trustees consisting 4 (four) members and funded by contributions both from employees and Bank @10% of basic salary. Interest earned from the investment is credited to the members' accounts annually. Provident fund benefits are given to the employees of the Bank in accordance with provident fund rules of the Bank.

**3.7.3 Gratuity Fund**

Provision for gratuity has been made for past services of the employees which would be payable at the time of their retirement/time of eligibility.

**3.8 Reconciliation of books of account**

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch transactions are reconciled and no material difference was found which may affect the financial statements significantly. There exist no reconciled revenue items in Nostro accounts as at 31 December 2016.

**3.9 Related party transactions**

- a) As on the Balance Sheet date, the Bank had the following transactions with the related parties in respect of banking business like, loans and advances, guarantees and commitments.

Name of Directors interested in the Company / Firm	Name of the company/ firm/ Individual	Nature of Advance	Amount in lac
Dr.H.B.M Iqbal	Beacon Travels International Ltd, Premier Hotel Management Ltd, Premier Hotel & Resort, Bengal Tiger Cement Ltd	Funded & Non funded	1,896.55
Mr. Abdus Salam Murshedy	Envoy Textile	Funded	659.30
MR.B.H. Haroon MP	Individual	Credit Card	6.97
Mr. Mohammad Imran Iqbal	Individual	Credit Card	1.84
Mr. Shah Md. Nayhan Haroon	Individual	Credit Card	2.33
Mrs. Shaila Shelly Khan	Individual	Credit Card	2.61

- b) The Bank entered into transactions with the following related party, other than banking business for Purchase and repairs of computers, Money counting machine etc.

Name of service provider	Particulars of service	Figure in lac
		Value/ Taka
National System Solutions (Pvt) Ltd	Mr. Kutubuddin Ahmed, Shareholder and Mr. Abdus Salam Murshedy, Director of the Bank are the Chairman and Managing Director respectively of National System Solutions (Pvt) Ltd .	91.18

- b) i. As per Bangladesh Bank approval, the Bank has taken lease of 41,600 sft. Floor space @ TK. 350 per sft. per month at 2nd, 4th, 5th, 7th, 10th and 15th floor of "Iqbal Centre", 42 Kemal Attaturk avenue, Banani, Dhaka-1213 from Dr. H.B.M. Iqbal, honorable Chairman of the Bank for use of its Head Office.
- b) ii. As per Bangladesh Bank approval the Bank has taken lease of 3500 sft @ TK. 137.50 per sft per month at 1st floor and 152 sft. Tk. 34,200 at ground floor(ATM Booth) of "Envoy Towers Limited" a sister concern of Envoy Group for use of its Panthapath branch and Panthapath ATM booth respectively. Mentionable that our Honorable director Mr. Abdus Salam Murshedi is the Managing director of the Envoy Group.
- b) iii. Bank has taken lease of 1,000 sft. floor space @Tk 350.00 per sft. at ground floor (main entrance), 7000 sft. Floor space @ Tk 250.00 per sft. for car parking and generator room and 4,520 sft. floor space @Tk 400.00 per sft at ground floor and 1st floor of " Iqbal Centre", 42 Kemal Ataturk Avenue, Banani, Dhaka-1213 from Mr. Arif Alam, Honorable Director of the Bank for use of our Head office and Banani Branch.

- b)iv. Bank has taken lease of 35,750 sft. Floor space @ Tk 350.00 per sft. at 3rd, 6th, 8th, 9th, 12th and 7,150 sft. @ Tk 300.00 per sft. at 19th floor of "Iqbal centre", 42 Kemal Attaturk Avenue, Banani Dhaka-1213 and also taken lease 25,000 sft space @ Tk 72.00 per sft. at 135, Tejgaon, I/A, Dhaka from Mrs. Fauzia Rekza Banu, Honorable Director of the Bank for use of our Head Office & Central Godown respectively.

### 3.10 Segment Reporting

Segment report are prepared in accordance with IFRS 8: "Operating Segments" in respect of the Bank and its Group considering business segment and geographical location.

The Bank business segments includes products and services whose risk and return are different from those of other business segments. These segments comprises Conventional banking, Islamic banking, Off-shore banking unit and Premier Bank Securities Ltd.

Inter segmental transaction are generally based on inter - branch fund transfer measures as determined by the management. Income, expense, assets and liabilities are specially identified with individual segments based on such allocation, segment balance sheet as on 31 December 2016 and segmental profit and loss account for the year than ended 31 December 2016 have been prepared.

### 3.11 Core risk management

Bangladesh Bank has identified 6 (six) core risks for management of the banks and has provided the necessary guidelines for their implementation. The risks are:

Credit risk  
Foreign exchange risk  
Asset liability/ balance sheet risks  
Money laundering risk  
Internal control and compliance risk  
ICT Risk

The prime objective of the risk management is that the Bank takes well calculated business risk to safeguard its capital, financial resources and growth of sustainable profitability. In this context, the Bank has formed a management committee (MANCOM) to overview proper implementation and regular monitoring of those critical areas.

#### 3.11.1 Credit risk

Credit risk is one of the major risks faced by the Bank. This can be described as potential loss arising from the failure of a counter party to perform with agreed terms with the Bank. To assess and to mitigate the credit risk, the management has implemented Credit Risk Management (CRM) Manual, which is considered an important tool for retaining the quality and performance of the assets. Accordingly, Bank's credit risk management functions have been designed to address all these issues including risk that arises from global changes in banking, finance and related issues.

The Bank has segregated duties of the officers/ executives engaged in the credit related activities. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, four separate units have been formed within the Credit Department. These are:

- (i) Credit Risk Management Unit,
- (ii) Credit Administration Unit, and
- (iii) Credit Monitoring and Recovery Unit
- (iv) Credit Recovery Division.

#### 3.11.2 Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings arising due to unfavorable change in exchange rates. Treasury front office conducts deal for commercial purpose and back office of treasury keeps record and passes entries in books of account. The main risks in treasury and foreign exchange business are exchange rates risk, fund management and liquidity risk. As per Bangladesh Bank guidelines, the Treasury Department is operationally and physically divided into front office and back office to mitigate the risk. Separate telephone and fax lines has been installed in the dealing room to meet Bangladesh Bank guidelines.

#### 3.11.3 Asset liability/ balance sheet risks

The Bank has an Asset Liability Committee (ALCO) which is responsible for managing short-term and long-term liquidity to ensure that the Bank has adequate liquidity at all times at the most appropriate funding cost. ALCO reviews liquidity requirements of the Bank, maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan. The Asset Liability Committee also monitors Balance Sheet risk. The Balance Sheet risk is defined as potential changes in earnings due to changes in rate of interest and exchange rates which are not of trading nature and the Bank is completely maintaining the risks.

**3.11.4 Money laundering risk**

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risk, the Bank has designated Chief Compliance Officer at Head Office and Compliance Officers at Branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for Prevention of Money Laundering have been established and transaction profile has been introduced. Training has been continuously given to all the categories of Executives and Officers for developing awareness and skill for identifying suspicious transactions and other activities relating to money laundering.

**3.11.5 Internal control and compliance risk**

Operational loss may arise from errors and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of the statutory requirements. The Audit Committee of the Board subsequently reviews the report of the Internal Control and Compliance Division and guides the Division effectively to monitor the risks.

**3.11.6 Information Communication and Technology (ICT) risk**

ICT risk management is embedded in Internal Control and Compliance Policy of the Bank which are widely used for managing the union between business processes and information systems effectively. However, this control emphasizes both business and technological regulation and monitoring which in turn support business requirement and governance and at the same time ensure that ICT risks are properly identified and managed. According to Central Bank ICT Guidelines, the Bank ICT Policies have been prepared and reviewed on regular basis based on which operating procedures for all ICT functions are carried out. Besides, in order to assure the appropriate usage of resources and information, the Bank IT Audit Policy ensures that the IT systems are properly protected and is free from unauthorized access illegal tempering and malicious actions and all these actions are continuously monitored and supervised by Bank's IT auditor.

**3.11.7 Market Risk**

The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk and equity risk.

**Foreign exchange risk**

As described in note no. 3.11.2

**Interest rate risk**

Interest rate risk may arise either from trading portfolio or non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills of 28 days maturity. The short-term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

**Equity Risk**

Equity risk arises from movement in market value of equities held. The risks are monitored by Investment Committee under a well designed policy framework.

**3.12 Report on the activities of the Audit Committee 2016****1. Constitution of the Audit Committee:**

The Board of Directors in its 155th Meeting held on 29 February 2016 re-constituted the Audit Committee in line with the Bangladesh Bank BRPD Circular No. # 11 dated October 27, 2013 and BSEC Notification dated 07 August 2012. The Audit Committee comprises of the following members:

Sl. No.	Names	Status with the Committee	Educational qualification	Status with the Board
1	Mrs. Faiza Rahman	Chairman	Business Graduate	Independent Director
2	Mr. Mohammad Imran Iqbal	Member	Business Graduate	Vice Chairman
3	Mr. Shah Md. Nahyan Haroon	Member	Bar-at-law	Director
4	Mr. Chowdhury Jafarullah Sharafat	Member	Business Graduate	Independent Director

The profiles of the members of the Committee are given in the Annual Report.

The Company Secretary of the Bank is the Secretary to the Audit Committee. A separate Audit Cell has been formed to assist the Audit Committee to effectively perform its duty. Senior Management and Executives of the Bank attend the meetings on invitation as and when required.

**2. Objectives of the Audit Committee:**

The Audit Committee is formed to assist the Board of Directors of the Bank in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plan set by the Board for effective functioning of the Bank.

**3. Meetings:**

The Audit Committee of the Board conducted 09 (Nine) Meetings during January to December 2016. Minutes of the Audit Committee Meetings have been reported to the Board of Directors.

**4. Roles & Responsibilities of Audit Committee:**

The Audit Committee of Board performed the following roles and responsibilities:

**A. Internal Control Systems:**

i. The Audit Committee evaluated compliance culture of the Bank. All the employees of the Bank must have good understanding of importance of internal control and their roles and responsibilities.

ii. It reviewed the compliances of the laws and regulation framed by the regulatory authorities and internal regulations approved by the Board. It also reviewed management information system including computerization such as the Core Banking Solution, Internet Banking, SMS Banking, Disaster Recovery and Business Continuity Planning.

iii. The Audit Committee reviewed the implementation of Internal Control strategies recommended by the Internal and External Auditors.

iv. The Audit Committee reviewed Existing Risk Management procedure for ensuring effective internal control.

v. The Audit Committee reviewed corrective measures against fraud-forgery, deficiencies in internal control system in the Bank.

vi. The Audit Committee reviewed and recommended Audit Plan of the Bank. The Committee reviewed the organization structure and efficiencies of the internal audit functions.

**B. Financial Reporting:**

The Audit Committee recommends for Appointment/Re-appointment of External Auditor every year.

**C. Internal Audit and Inspection Reports:**

The Audit Committee reviewed Internal Audit and Inspection reports of the Branches and Divisions of Head Office. After reviewing, the Committee advised the Management to rectify the deficiencies and advised not to repeat any deficiency and to improve operational performance and compliance.

**D. Bangladesh Bank Inspection Reports:**

The Committee advised the Management to rectify all the deficiencies as mentioned in the Bangladesh Bank inspection report and submit compliance to Bangladesh Bank in time. The Committee also advised the Management to implement all the suggestions and recommendations of Bangladesh Bank inspections team.

**3.13 Taxation**

Income tax expenses represent the sum of the tax currently payable and deferred tax.

**3.13.1 Current tax**

Provision for current income tax for the year has been made @ 40% as prescribed in the Finance Act 2016 on the accounting Profit made after considering some of the taxable add back income and disallowance of expenditure.

### 3.13.2 Deferred tax

The Bank has adopted deferred tax accounting policy as per Bangladesh Accounting Standard (BAS) 12. Accordingly, deferred tax liability/asset is accounted for all temporary timing differences arising between the tax base of the assets and liabilities and their carrying value for financial reporting purpose. Deferred tax is computed at the prevailing tax rate as per Finance Act, 2016. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the Profit and Loss Account as per BAS-12 "Income Taxes" (Note 10.1.2.1).

### 3.14 Departures from BFRS

The consolidated financial statements of the Group and the Separate financial statements of the Bank as at and for the year ended 31 December 2016 have been prepared under the historical cost convention except investments and in accordance with the "First Schedule" (section 38) of the Bank Companies Act 1991, as amended by Bangladesh Bank (the Central Bank of Bangladesh) through BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange's listing regulations. In case any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities, the provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Group and the Bank have departed from those contradictory requirements of BFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

#### i) Investment in shares and Securities

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

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

#### ii) Revaluation gain/loss on Government securities

**BFRS:** As per requirement of BAS 39 where securities T-bills and T-bonds will fall under the category of "held for trading", any change in the fair value of held for trading assets is recognized through profit and loss account.

Securities T-bills designated as held to maturity are measured at amortized cost method and interest income is recognized through the profit & loss account.

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

iii) **Provision for loans and advances**

**BFRS:** As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets 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 and BRPD circular no. 05 dated 29 May 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) **Recognition of interest in suspense**

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

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

iv) **Other comprehensive income**

**BFRS:** As per BAS 1 Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single 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 (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. As such the company does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity.

v) **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. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the accounts.

vi) **Repo transactions**

**BFRS:** When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between selling price and repurchase price will be treated as interest expense.

**Bangladesh Bank:** As per BRPD guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

vii) **Financial guarantees**

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



**Bangladesh Bank:** As per BRPD 14, financial guarantees such as L/C, L/G will be treated as Off-Balance Sheet items. No liability is recognized for the guarantee except the cash margin.

**viii) Cash and cash equivalent**

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

**Bangladesh Bank:** Some cash and cash equivalent items such as 'money at call and on short notice', Treasury bills, Prize bond are not shown as cash and cash equivalent. Money at call and short notice presented on the face of the balance sheet, and Treasury bills, Prize bonds are shown in Investments.

**ix) Non-banking asset**

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

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

**x) Cash flow statement**

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

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

**xi) Balance with Bangladesh Bank: (CRR)**

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

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

**xii) Presentation of intangible asset**

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

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

**xiii) Off-balance sheet items**

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

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

**xiv) Disclosure of appropriation of profit**

**BFRS:** There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

**Bangladesh Bank:** As per BRPD 14, an appropriation of profit should be disclosed in the face of profit and loss account.

**xv) Loans and advances net of provision**

**BFRS:** Loans and advances should be presented net of provisions.

**Bangladesh Bank:** As per BRPD 14, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

**xv) Recovery of written off loans**

**BFRS:** As per BAS 1 an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an BFRS. Again recovery of written off loans should be charged to profit & loss account as per BAS 18.

**Bangladesh Bank:** As per BRPD 14, recoveries of amount previously written off should be adjusted with the specific provision for loans and advances.

The financial statements of the Islamic banking branches have also been prepared as per Bank Companies Act 1991, BFRSs and other prevailing laws and regulations applicable in Bangladesh.

### 3.15 Statement of compliance with Bangladesh Financial Reporting Standards:

Name of the standards	Ref.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS-1	Not applicable
Share-based Payment	BFRS-2	Not applicable
Business Combinations	BFRS-3	Applied
Insurance Contracts	BFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	BFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	BFRS-6	Not applicable
Financial Instruments: Disclosures	BFRS-7	Applied with some departure
Operating Segments	BFRS-8	Applied with some departure
Consolidated Financial Statements	BFRS-10	Applied
Joint Arrangements	BFRS-11	Not applicable
Disclosure of Interests in other Entities	BFRS-12	Applied
Fair Value Measurement	BFRS-13	Applied
Presentation of Financial Statements	BAS-1	Applied with some departure
Inventories	BAS-2	Applied
Statement of Cash Flows	BAS-7	Applied with some departure
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the Reporting Period	BAS-10	Applied
Construction Contracts	BAS-11	Not Applicable
Income Taxes	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied with some departure
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	BAS-21	Applied
Borrowing Costs	BAS-23	Applied
Related Party Disclosures	BAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	Not Applicable
Separate Financial Statements	BAS-27	Applied
Investments in Associates & Joint venture	BAS-28	Not Applicable
Interests in Joint Ventures	BAS-31	Not Applicable
Financial Instruments: Presentation	BAS-32	Applied with some departure
Earnings per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairment of Assets	BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied with some departure
Intangible Assets	BAS-38	Applied with some departure
Financial Instruments: Recognition and Measurement	BAS-39	Applied with some departure
Investment property	BAS-40	Not Applicable
Agriculture	BAS-41	Not Applicable

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>4</b>	<b>Cash</b>		
	Cash in hand (Note - 4.1)	1,207,306,076	1,150,620,743
	Balance with Bangladesh Bank and its agent bank(s) (Note - 4.2)	8,827,793,180	7,383,358,577
		<b>10,035,099,256</b>	<b>8,533,979,320</b>
<b>4(a)</b>	<b>Consolidated Cash and Balance With Bangladesh Bank and its agent Bank(s) In Bangladesh</b>		
	Premier Bank Limited (Note - 4)	10,035,099,256	8,533,979,320
	Premier Money Transfer Company Ltd.	-	-
	Premier Bank Securities Limited (Note - 4.1(a))	67,895	85,276
		<b>10,035,167,151</b>	<b>8,534,064,596</b>
<b>4.1</b>	<b>Cash in hand (including foreign currency)</b>		
	In local currency	1,192,052,902	1,130,785,918
	In foreign currency	15,253,174	19,834,825
		<b>1,207,306,076</b>	<b>1,150,620,743</b>
<b>4.1(a)</b>	<b>Consolidated Cash in hand In Bangladesh</b>		
	Premier Bank Limited (Note - 4.1)	1,207,306,076	1,150,620,743
	Premier Money Transfer Company Ltd.	-	-
	Premier Bank Securities Limited	67,895	85,276
		<b>1,207,373,971</b>	<b>1,150,706,019</b>
<b>4.2</b>	<b>Balance with Bangladesh Bank and its agent bank(s)</b>		
	Balance with Bangladesh Bank		
	In local currency	8,499,355,621	6,944,720,907
	In foreign currency	185,234,808	240,557,225
		<b>8,684,590,429</b>	<b>7,185,278,132</b>
	Sonali Bank(as an agent bank of Bangladesh Bank)- local currency	143,202,751	198,080,445
		<b>8,827,793,180</b>	<b>7,383,358,577</b>

## 4.3 Statutory deposits

### Cash reserve requirement (CRR) and statutory liquidity ratio (SLR)

Cash reserve requirement and statutory liquidity ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991 and MPD Circular No.01 dated December 01, 2010 and MPD Circular no. 01 dated 23 June 2014.

Cash reserve requirement required on the Bank's time and demand liabilities at the rate of 6% daily and 6.5% bi-weekly has been calculated and maintained with Bangladesh Bank in current account (Taka) and 13% for conventional Banking & 5.50% for Islamic Banking statutory liquidity ratio on the same liabilities is also maintained in the form of treasury bills and bonds including balance with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

### For Conventional Banking

#### (a) Cash reserve requirement/ratio (Daily 6%)

Required reserve	6,973,759,000	5,790,069,000
Actual reserve maintained (6.69%)	7,781,564,462	6,698,603,000
Surplus / (Deficit)	807,805,462	908,534,000

#### (b) Statutory liquidity reserve (13%)

Required reserve	15,109,811,795	12,545,150,000
Actual reserve maintained (16.14%)	18,762,732,270	20,386,924,000
Surplus / (Deficit)	3,652,920,475	7,841,774,000

### For Islamic Banking

#### (a) Cash reserve requirement/ratio (Daily 6%)

Required reserve	306,663,000	222,583,000
Actual reserve maintained (6.57%)	335,933,714	249,924,000
Surplus / (Deficit)	29,270,714	27,341,000

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>(b) Statutory liquidity reserve (5.5%)</b>			
Required reserve		281,108,121	204,035,000
Actual reserve maintained (6.70%)		342,500,975	279,164,000
Surplus / (Deficit)		<b>61,392,854</b>	<b>75,129,000</b>
<b>5 Balance with other banks and financial institutions</b>			
In Bangladesh (Note - 5.1)		834,168,953	1,039,895,404
Outside Bangladesh (Note - 5.2)		253,825,574	406,592,680
		<b>1,087,994,527</b>	<b>1,446,488,084</b>
<b>5(a) Consolidated balance with other banks and financial institutions</b>			
In Bangladesh			
Premier Bank Limited (Note - 5.1)		834,168,953	1,039,895,404
Premier Bank Securities Limited		658,918,032	488,525,905
		<b>1,493,086,985</b>	<b>1,528,421,309</b>
Less: Inter Company transaction		646,317,621	483,507,437
		<b>846,769,364</b>	<b>1,044,913,872</b>
<b>Outside Bangladesh</b>			
Premier Bank Limited (Note - 5.2)		253,825,574	406,592,680
Premier Bank Securities Limited		-	-
Premier Money Transfer Company Ltd.		-	-
		<b>253,825,574</b>	<b>406,592,680</b>
		<b>1,100,594,938</b>	<b>1,451,506,552</b>
<b>5.(aa) Account type-wise</b>			
Current account		33,538,195	39,721,286
STD account		630,758	174,118
Fixed deposit		800,000,000	1,000,000,000
		<b>834,168,953</b>	<b>1,039,895,404</b>
<b>5.1 In Bangladesh</b>			
Janata Bank Limited		100,540	-
Jamuna Bank Limited		-	300,000,000
Standard Chartered Bank		33,406,568	27,253,716
Sonali Bank Limited		-	11,765,331
National Bank Limited		261,960	174,118
United Commercial Bank Limited		-	669,990
Islami Bank Bangladesh Limited		31,087	32,249
Rupali Bank limited		368,798	-
Mercantile Bank Ltd		400,000,000	-
Brac Bank Ltd		400,000,000	-
AB Bank Limited		-	400,000,000
Industrial and Infrastructure Development Finance Company Limited		-	150,000,000
Phoenix Finance and Investment limited		-	150,000,000
Off-Shore Banking Unit		-	-
		<b>834,168,953</b>	<b>1,039,895,404</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>5.2</b>	<b>Outside Bangladesh</b>		
	Mashreq Bank NY	21,332,337	82,182,109
	Standard Chartered Bank NY	49,618,650	155,478,676
	Commerz Bank Frankfurt	34,471,409	12,088,710
	Bank of China	1,066,001	-
	Bank of Ceylon, Srilanka	1,649,043	2,901,824
	Standard Chartered Bank Kolkata	2,381,936	16,084,792
	United Bank Ltd, Pkistan	8,222,571	3,973,089
	State Bank of India	1,887,408	1,870,721
	ICICI Bank Mumbai	14,457,652	14,229,115
	Himalayan Bank, Nepal	214,723	212,824
	Commerz Bank Frankfrut	501,587	5,660,752
	Westpac Banking Corporation, Sydney	1,892,114	1,511,105
	Mashreqbank psc, London	2,690,156	4,897,516
	Bank of Tokyo Mitsubishi Ltd	3,130,036	4,506,737
	Habib Bank AG Zurich Switzerland	4,720,002	4,144,457
	Al Rajhi Bank KSA	1,438,542	9,251,565
	National Commercial Bank, Ksa	4,549,320	4,321,194
	AB Bank Ltd, Mumbai	5,328,319	862,916
	Bank Al Jazira	130,935,213	-
	Habib american Bank, NY	51,798,537	59,846,602
	Mashreq Bank PSC, Mumbai	17,760,211	22,567,976
	Off-shore Banking Unit	4,233,291,870	2,217,456,420
		<b>4,593,337,637</b>	<b>2,624,049,100</b>
	<b>Less: Inter Company Transaction</b>	<b>4,339,512,063</b>	<b>2,217,456,420</b>
		<b>253,825,574</b>	<b>406,592,680</b>
<b>5.3</b>	<b>Maturity grouping of balance with other banks and financial institutions</b>		
	Repayable on demand	34,168,953	446,488,084
	Not more than 3 months	1,053,825,574	1,000,000,000
	More than 3 months but not more than 1 year	-	-
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		<b>1,087,994,527</b>	<b>1,446,488,084</b>
<b>5.3(a)</b>	<b>Consolidated maturity grouping of Balance with other banks and financial institutions</b>		
	Repayable on demand	34,168,953	445,898,346
	Not more than 3 months	1,053,825,574	1,005,608,206
	More than 3 months but not more than 1 year	-	-
	More than 1 year but not more than 5 years	-	-
	More than 5 years	12,600,411	-
		<b>1,100,594,938</b>	<b>1,451,506,552</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>6</b>	<b>Money at call and short notice</b>	-	-
<b>7</b>	<b>Investments</b>		
	Government (Note - 7.1)	16,263,333,802	18,568,585,083
	Others (Note - 7.2)	6,207,713,668	5,027,713,658
		<b>22,471,047,470</b>	<b>23,596,298,741</b>
<b>7(a)</b>	<b>Consolidated Investment</b>		
	Premier Bank Limited (Note - 7)	22,471,047,470	23,596,298,741
	Premier Bank Securities Limited	830,096,092	830,096,085
		<b>23,301,143,562</b>	<b>24,426,394,826</b>
<b>7.1</b>	<b>Government</b>		
	Treasury bills (Note - 7.1.1)	975,489,310	5,161,380,902
	Treasury bonds (Note - 7.1.1.1)	15,286,363,392	13,405,357,381
	Reverse Repo	-	-
	Prize bonds	1,481,100	1,846,800
		<b>16,263,333,802</b>	<b>18,568,585,083</b>
<b>7.1.1</b>	<b>Treasury bills</b>		
	91 day Treasury bills	-	253,627,977
	182 day Treasury bills	-	1,481,731,087
	364 day Treasury bills	975,489,310	2,826,856,622
	30 day Bangladesh Bank bills	-	599,165,216
		<b>975,489,310</b>	<b>5,161,380,902</b>
<b>7.1.1.1</b>	<b>Treasury bonds</b>		
	Bangladesh Bank Islamic Investment Bond	300,000,000	240,000,000
	2 years Bangladesh Government treasury bonds	2,460,927,910	2,630,937,327
	5 years Bangladesh Government treasury bonds	6,751,757,884	6,683,135,936
	10 years Bangladesh Government treasury bonds	3,108,170,198	1,978,238,392
	15 years Bangladesh Government treasury bonds	1,652,462,179	900,009,859
	20 years Bangladesh Government treasury bonds	1,013,045,221	973,035,867
		<b>15,286,363,392</b>	<b>13,405,357,381</b>
<b>7.2</b>	<b>Others</b>		
	In shares and bonds (quoted and unquoted)		
	<u>Quoted</u>		
	Investment in Shares - Islami	1,320,635,817	1,320,635,817
	Investment in shares - General	3,271,224,200	3,256,224,200
		<b>4,591,860,017</b>	<b>4,576,860,017</b>
	<u>Unquoted</u>		
	Central Depository Bangladesh Limited	5,138,890	5,138,890
	SWIFT Membership	1,214,751	1,214,751
	Energy Prima Limited	9,500,000	9,500,000
	Lanka Bangla Securities Limited	5,000,000	5,000,000
	SEML Lecture fund	-	50,000,000
	Bangladesh fixed Income special purpose vehicle	1,500,000,000	-
	Runner Automobiles Ltd	35,000,010	-
	Commercial Paper	-	300,000,000
	Corporate Bond	60,000,000	80,000,000
		<b>1,615,853,651</b>	<b>450,853,641</b>
		<b>6,207,713,668</b>	<b>5,027,713,658</b>

Details of investment in share are shown in **Annexure - H**

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>7.2(a) Consolidated Others Investment</b>			
Premier Bank Limited (Note - 7.2)	6,207,713,668	5,027,713,658	
Premier Bank Securities Limited	830,096,092	830,096,085	
	<b>7,037,809,760</b>	<b>5,857,809,743</b>	
<b>7.3 Investments classified as per Bangladesh Bank circular</b>			
Held for trading (HFT)	2,665,356,221	4,755,307,910	
Held to maturity (HTM)	13,296,496,481	13,811,430,373	
Other securities	6,509,194,768	5,029,560,458	
	<b>22,471,047,470</b>	<b>23,596,298,741</b>	
<b>7.4 Maturity grouping of Investment</b>			
Not more than 1 month	2,600,000,000	5,177,872,033	
Not more than 3 months	1,702,600,000	253,627,977	
More than 3 months but not more than 1 year	5,443,100,000	4,848,587,709	
More than 1 year but not more than 5 years	6,353,900,000	9,458,573,263	
More than 5 years	6,371,447,470	3,857,637,759	
	<b>22,471,047,470</b>	<b>23,596,298,741</b>	
<b>7.4(a) Consolidated Maturity grouping of Investment</b>			
Not more than 1 month	2,600,000,000	5,177,872,033	
Not more than 3 months	1,702,600,000	253,624,062	
More than 3 months but not more than 1 year	5,443,100,000	5,678,687,709	
More than 1 year but not more than 5 years	6,353,900,000	9,458,573,263	
More than 5 years	7,201,543,562	3,857,637,759	
	<b>23,301,143,562</b>	<b>24,426,394,826</b>	
<b>8 Loans, advances and lease/investments</b>	<b>113,723,813,918</b>	<b>91,217,453,215</b>	
<b>8(a) Consolidated Loans, advances and lease/investments</b>			
Premier Bank Limited (Note - 8.1.1)	107,965,411,720	84,984,281,839	
Premier Bank Securities Ltd.	2,753,565,464	2,466,876,701	
	<b>110,718,977,184</b>	<b>87,451,158,540</b>	
Less: Inter Company Transaction	2,699,817,318	2,365,821,787	
	<b>108,019,159,866</b>	<b>85,085,336,753</b>	
<b>Consolidated bills purchased and discounted</b>			
Premier Bank Limited (Note - 8.1.2)	5,758,402,198	6,233,171,376	
Premier Bank Securities Ltd.	-	-	
	<b>5,758,402,198</b>	<b>6,233,171,376</b>	
	<b>113,777,562,064</b>	<b>91,318,508,129</b>	
<b>8.1 Breakup of Loans, advances and lease/investments</b>			
Loans, cash credits, overdrafts, etc. (Note 8.1.1)	107,965,411,720	84,984,281,839	
Bills purchased and discounted (Note 8.1.2)	5,758,402,198	6,233,171,376	
	<b>113,723,813,918</b>	<b>91,217,453,215</b>	
<b>8.1.1 Broad category-wise breakup of Loans, cash credits, overdrafts, etc. In Bangladesh</b>			
Loans	64,029,361,986	47,935,564,214	
Overdrafts	28,256,062,502	25,398,371,688	
Cash credits	14,557,344,806	10,997,410,485	
	<b>106,842,769,294</b>	<b>84,331,346,387</b>	



# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>Outside Bangladesh</b>			
Loans	-	-	-
Overdrafts	-	-	-
Cash credits	-	-	-
Off-shore Banking Units	1,122,642,426	652,935,452	
	<b>1,122,642,426</b>	<b>652,935,452</b>	
	<b>107,965,411,720</b>	<b>84,984,281,839</b>	
<b>8.1.1.1 Maturity grouping Loans, cash credits, overdrafts, etc.</b>			
Repayable on demand	21,647,065,050	11,584,455,138	
Not more than 3 months	22,553,974,508	21,411,269,529	
More than 3 months but not more than 1 year	30,716,159,634	28,470,032,007	
More than 1 year but not more than 5 years	22,392,026,391	16,175,035,008	
More than 5 years	10,656,186,137	7,343,490,157	
	<b>107,965,411,720</b>	<b>84,984,281,839</b>	
<b>8.1.2 Bills purchased and discounted</b>			
In Bangladesh	474,912,792	3,496,710,086	
Outside Bangladesh	1,191,825,586	1,172,725,076	
Off-shore Banking Units	4,091,663,820	1,563,736,214	
	<b>5,758,402,198</b>	<b>6,233,171,376</b>	
<b>8.1.2.1 Maturity grouping of bills purchased &amp; discounted</b>			
Payable within 1 month	2,222,338,097	2,382,941,417	
Over 1 month but below 3 months	1,982,930,219	2,056,323,237	
Over 3 months but below 6 months	1,070,486,969	1,263,463,838	
6 months or over	482,646,913	530,442,884	
	<b>5,758,402,198</b>	<b>6,233,171,376</b>	
<b>8.1.3(a) Consolidated Maturity grouping of Loans, advances and lease/investments</b>			
Repayable on demand	23,869,403,147	16,045,284,664	
Not more than 3 months	24,536,904,727	21,446,305,862	
More than 3 months but not more than 1 year	31,786,646,603	29,755,044,205	
More than 1 year but not more than 5 years	22,874,673,304	16,195,035,162	
More than 5 years	10,709,934,283	7,876,838,236	
	<b>113,777,562,064</b>	<b>91,318,508,129</b>	
<b>8.2 Industry wise concentration of Loans &amp; Advances including bills purchased &amp; discounted</b>			
Advances to allied concerns of directors	237,820,827	170,751,681	
Advances to chief executives and senior executives	107,801,555	96,255,000	
<b>Advances to industries</b>			
Textile & RMG industries	20,600,100,000	10,371,400,000	
Cement and ceramic industries	782,000,000	1,201,500,000	
Food and allied industries	2,777,200,000	753,500,000	
Transport and communication industries	998,400,000	1,355,800,000	
Iron and steel industries	3,715,300,000	3,537,063,000	
Other industries	16,377,000,000	10,436,971,522	
	<b>45,250,000,000</b>	<b>27,656,234,522</b>	

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

Notes to financial statements for the year ended December 31, 2016

	Amount in Taka	
	2016	2015
<b>Advances to other customer groups</b>		
Commercial lending	29,379,000,000	18,949,400,000
Export financing	7,718,800,000	7,271,400,000
House building	3,492,100,000	1,781,786,908
Consumer credit	2,364,800,000	3,807,200,000
Small and medium enterprises	17,854,900,000	16,535,064,039
Other staff loan	460,700,000	337,079,000
Other customers	6,857,891,536	14,612,282,065
	<b>68,128,191,536</b>	<b>63,294,212,012</b>
	<b>113,723,813,918</b>	<b>91,217,453,215</b>
<b>8.2 (a) Consolidated Industry wise concentration of Loans &amp; Advances including bills purchased &amp; discounted</b>		
Advances to allied concerns of directors	<b>237,820,827</b>	<b>170,751,681</b>
Advances to chief executives and senior executives	<b>107,801,555</b>	<b>96,255,000</b>
<b>Advances to industries</b>		
Textile & RMG industries	20,600,100,000	10,371,400,000
Cement and ceramic industries	782,000,000	1,201,500,000
Food and allied industries	2,777,200,000	753,500,000
Transport and communication industries	1,308,493,276	1,355,800,000
Iron and steel industries	3,715,300,000	3,537,063,000
Other industries	16,377,000,000	10,436,971,522
	<b>45,560,093,276</b>	<b>27,656,234,522</b>
<b>Advances to other customer groups</b>		
Commercial lending	29,379,000,000	18,949,400,000
Export financing	7,718,800,000	7,271,400,000
House building	3,492,100,000	1,781,786,908
Consumer credit	2,364,800,000	3,807,200,000
Small and medium enterprises	17,854,900,000	16,535,064,039
Other staff loan	460,700,000	337,079,000
Other customers	6,601,546,406	14,713,336,979
	<b>67,871,846,406</b>	<b>63,395,266,926</b>
	<b>113,777,562,064</b>	<b>91,318,508,129</b>
<b>8.3 Geographical location-wise (division) distribution of Loans, advances and lease/investments</b>		
<b>Urban</b>		
Dhaka Division	91,154,100,722	71,391,714,622
Chittagong Division	14,079,226,454	13,761,961,351
Khulna Division	1,653,162,748	1,349,579,456
Sylhet Division	298,498,832	237,964,816
Rajshahi Division	939,373,960	823,042,260
Barisal Division	130,611,724	142,072,510
Rangpur Division	288,533,356	268,192,157
	<b>108,543,507,796</b>	<b>87,974,527,172</b>
<b>Rural</b>		
Dhaka Division	3,771,626,286	2,314,029,132
Chittagong Division	1,408,229,017	928,896,911
Rajshahi Division	450,819	-
	<b>5,180,306,122</b>	<b>3,242,926,043</b>
	<b>113,723,813,918</b>	<b>91,217,453,215</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

Amount in Taka

	2016	2015
<b>8.3 (a) Consolidated Geographical location-wise (division) distribution of Loans, advances and lease/investments</b>		
<b>Urban</b>		
Dhaka Division	91,207,848,868	71,492,769,536
Chittagong Division	14,079,226,454	13,761,961,351
Khulna Division	1,653,162,748	1,349,579,456
Sylhet Division	298,498,832	237,964,816
Rajshahi Division	939,373,960	823,042,260
Barisal Division	130,611,724	142,072,510
Rangpur Division	288,533,356	268,192,157
	<b>108,597,255,942</b>	<b>88,075,582,086</b>
<b>Rural</b>		
Dhaka Division	3,771,626,286	2,314,029,132
Chittagong Division	1,408,229,017	928,896,911
Rajshahi Division	450,819	-
	<b>5,180,306,122</b>	<b>3,242,926,043</b>
	<b>113,777,562,064</b>	<b>91,318,508,129</b>
<b>8.4 Classification of Loans, advances and lease/investments</b>		
<b>Unclassified</b>		
Standard	104,690,074,918	83,163,507,605
Special mention account	3,151,906,000	1,992,651,747
	<b>107,841,980,918</b>	<b>85,156,159,352</b>
<b>Classified</b>		
Substandard	504,935,000	123,307,341
Doubtful	277,087,000	117,160,034
Bad/Loss	5,099,811,000	5,820,826,488
	<b>5,881,833,000</b>	<b>6,061,293,863</b>
	<b>113,723,813,918</b>	<b>91,217,453,215</b>
<b>8.4 (a) Consolidated Classification of Loans, advances and lease/investments</b>		
<b>Unclassified</b>		
Standard	104,743,823,064	83,264,562,519
Special mention account	3,151,906,000	1,992,651,747
	<b>107,895,729,064</b>	<b>85,257,214,266</b>
<b>Classified</b>		
Substandard	504,935,000	123,307,341
Doubtful	277,087,000	117,160,034
Bad/Loss	5,099,811,000	5,820,826,488
	<b>5,881,833,000</b>	<b>6,061,293,863</b>
	<b>113,777,562,064</b>	<b>91,318,508,129</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

Amount in Taka

## 8.5 Particulars of required provision for Loans, advances and lease/investments

<u>Unclassified</u>	<u>Base for provision</u>	<u>Rate (%)</u>	2016	2015
Standard	104,690,074,918	(*) Various	1,031,137,000	836,899,749
Special mentioned account	3,151,906,000	(*) Various	29,393,000	20,454,000
Sub-total (A)			<b>1,060,530,000</b>	<b>857,353,749</b>

(\*) General provision is kept @ 2% on loan for professional, 2% on housing loan, 5% on consumer financing and 2% on Brokerage House, 0.25% on small and medium enterprise financing (both standard and SMA category) and at the rate of 1% on all other unclassified loans and advances.

### Status

<u>Classified</u>	<u>Base for provision</u>	<u>Rate(%)</u>		
Substandard	282,413,000	20	56,482,600	18,113,767
Doubtful	82,798,000	50	41,400,400	26,309,861
Bad/loss	2,810,903,000	100	2,810,903,000	4,098,522,623
Unclassified loan (stay order)			3,981,247,000	-
Sub-total (B)			<b>6,890,033,000</b>	<b>4,142,946,251</b>
Required provision for loans and advances (C=A+B)			<b>7,950,563,000</b>	<b>5,000,300,000</b>
Total provision maintained (Note - 14.1)			2,386,636,502	1,451,494,654
Chargeable during next year as per Bangladesh Bank letter			5,563,926,498	3,548,805,346
Excess/(Shortfall) provision at 31 December 2016			-	-

## 8.6 Particulars of Loans, advances and lease/investments

(i) Loans considered good in respect of which the Bank is fully secured;	74,029,035,360	43,784,377,543
(ii) Loans considered good against which the Bank holds no security other than the debtors' personal security;	17,013,940,528	28,277,410,497
(iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal security of the debtors.	22,680,838,030	19,155,665,175
(iv) Loans adversely classified but provision not maintained there against;	-	-
	<b>113,723,813,918</b>	<b>91,217,453,215</b>
(v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons;	479,839,417	435,001,752
(vi) Loans due from companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or in case of private companies, as members;	237,820,827	170,751,681
(vii) Maximum total amount of advances, including temporary advances made any time during the year to directors or managers or officers of the Bank or any of them either separately or jointly with any other persons;	479,839,417	435,001,752
(viii) Maximum total amount of advances, including temporary advances granted during the year to companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in case of private companies, as members;	237,820,827	170,751,681
(ix) Due from banking companies;	-	-
(x) Amount of classified loans on which interest has not been charged	5,881,833,000	6,061,293,863
(a) Increase/decrease of provision (specific)		
Amount of loan written off	-	-
Amount realised against loan previously written off	5,141,848	3,464,159
(b) Provision kept against loans classified as bad /loss	1,962,428,946	1,047,287,098
(c) Interest charged in interest suspense account	2,234,224,608	1,001,310,086
(xi) Written off loan		
Opening balance	1,714,010,650	1,714,010,650
During the year	-	-
Closing balance	<b>1,714,010,650</b>	<b>1,714,010,650</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>8.7</b>	<b>Details of pledged collaterals received against Loans, advances and lease/investments</b>		
	Collateral of movable/immovable assets	68,234,288,351	54,274,384,663
	Local banks and financial institutions guarantee	1,137,238,139	1,094,609,439
	Government guarantee	-	182,434,906
	Foreign Banks guarantee	-	-
	Export documents	9,053,273,554	6,385,221,725
	Fixed deposit receipts	5,794,747,009	5,108,177,380
	Personal guarantee	7,960,666,974	6,658,874,085
	Other securities	21,543,599,891	17,513,751,017
		<b>113,723,813,918</b>	<b>91,217,453,215</b>
<b>8.7(a)</b>	<b>Consolidated details of pledged collaterals received against Loans, advances and lease/investments</b>		
	Collateral of movable/immovable assets	68,234,288,351	54,274,384,663
	Local banks and financial institutions guarantee	1,137,238,139	1,094,609,439
	Government guarantee	-	182,434,906
	Foreign Banks guarantee	-	-
	Export documents	9,053,273,554	6,385,221,725
	Fixed deposit receipts	5,794,747,009	5,108,177,380
	Personal guarantee	7,960,666,974	6,658,874,085
	Other securities	21,597,348,037	17,614,805,931
		<b>113,777,562,064</b>	<b>91,318,508,129</b>
<b>9</b>	<b>Fixed assets including premises, furniture and fixtures</b>	<b>2,406,155,616</b>	<b>2,421,404,912</b>
	Details are shown in <b>Annexure - B</b> .		
<b>9.1</b>	<b>Fixed assets including premises, furniture &amp; fixture at cost</b>		
	<b>Cost</b>		
	Land and Building	1,383,543,311	1,383,543,311
	Furniture and fixtures	1,204,796,142	1,169,273,039
	Equipment and computers	841,512,869	726,927,836
	Vehicles	93,762,794	70,781,890
		<b>3,523,615,116</b>	<b>3,350,526,076</b>
	Less: Accumulated depreciation ( <b>details are in Annexure - B</b> )	(1,117,459,500)	(929,121,164)
	<b>Net book value at the end of the year</b>	<b>2,406,155,616</b>	<b>2,421,404,912</b>
<b>9(a)</b>	<b>Consolidated fixed assets including premises, furniture and fixtures</b>		
	Premier Bank Limited (Note - 9)	2,406,155,616	2,421,404,912
	Premier Bank Securities Limited	2,255,109	2,567,040
	Premier Money Transfer Company Ltd.	-	-
		<b>2,408,410,725</b>	<b>2,423,971,952</b>
	Details are shown in <b>Annexure - A</b> .		
<b>10</b>	<b>Other assets</b>		
	Income generating assets	499,980,000	533,260,992
	Non-income generating assets	4,356,355,275	3,516,624,021
		<b>4,856,335,275</b>	<b>4,049,885,013</b>
<b>10(a)</b>	<b>Consolidated other assets</b>		
	Premier Bank Limited (Note - 10)	4,856,335,275	4,049,885,013
	Premier Bank Securities Limited	221,334,959	25,833,201
	Premier Money Transfer Company Ltd.	-	-
		<b>5,077,670,234</b>	<b>4,075,718,214</b>
	<b>Less: intercompany adjustment</b>		
	Investment in Premier Bank Securities Ltd.	499,980,000	499,980,000
	Investment in Premier Money Transfer Company (UK) Ltd.	33,280,992	33,280,992
		<b>4,544,409,242</b>	<b>3,542,457,222</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>10.1 Breakup of other assets:</b>			
Adjusting account	856,477,190	544,914,735	
Advance office rent and maintenance	1,147,767,737	1,509,588,624	
Advance against interior decoration	-	10,060,000	
Head office general account	-	155,627,953	
Investment in share of subsidiary Companies (Note- 10.1.1)	533,260,992	533,260,992	
Stationery, stamps, printing materials, etc.	24,360,996	19,174,390	
Protested bills	17,808,465	14,833,401	
Receivable on Sanchaya Patras (from Bangladesh Bank)	180,081,950	88,930,402	
Security deposits	2,908,714	2,281,508	
Off-shore Banking Units	7,264,168	7,199,945	
Others (Note - 10.1.2)	2,086,405,063	1,164,013,063	
	<b>4,856,335,275</b>	<b>4,049,885,013</b>	
<b>10.1.1 Investment in share of subsidiary Companies</b>			
Premier Bank Securities Limited	499,980,000	499,980,000	
Premier money transfer co. Limited, UK	33,280,992	33,280,992	
	<b>533,260,992</b>	<b>533,260,992</b>	
<b>10.1.2 Others</b>			
Sundry debtors	1,113,232,548	709,974,550	
Prepaid expenses	272,281,843	104,430,296	
Clearing adjustment account	-	290,466	
Advance against petty cash	801,860	1,371,063	
Advance against suits/ cases	45,479,049	25,431,175	
Deferred tax asset (Note-10.1.2.1)	590,558,413	258,966,525	
Advance against proposed branch	3,908,224	20,901,412	
Cash remittance	19,052,418	4,000,190	
Advance payment for remittance	40,719,008	38,305,755	
Advance against postage	10,000	5,000	
Advance against TA/DA	354,200	326,850	
Other sundry debtors	3,000	-	
DD paid without advice	4,500	1,000	
Income tax deducted at source on BGTB bonds	-	8,781	
	<b>2,086,405,063</b>	<b>1,164,013,063</b>	
<b>10.1.2.1 Deferred tax asset</b>			
<b>(a) Deferred tax Asset on provision for classified loans and advance</b>			
Provision for classified loans and advance	1,962,428,946	1,047,287,098	
Provision for gratuity	76,407,532	-	
Total provision	2,038,836,478		
Tax base of provision	-	-	
Total Temporary difference	2,038,836,478	1,047,287,098	
Effective tax rate @ 40%	-	-	
Closing balance of deferred tax asset	815,534,591	418,914,839	
Opening balance of deferred tax asset	418,914,839	-	
Deferred tax income(expense)	396,619,752	418,914,839	
<b>(b) Deferred tax liability</b>			
Opening balance	159,948,314	112,562,025	
Add: Provision made during the year	65,027,864	47,386,289	
Less: adjustment	-	-	
Closing balance	<b>224,976,178</b>	<b>159,948,314</b>	
Net Deferred tax Income(expense)	<b>331,591,888</b>	-	
Net deferred tax assets (a-b)	<b>590,558,413</b>	<b>258,966,525</b>	
<b>(c) Deferred tax income included with retained earnings</b>			
Opening balance	418,914,839	-	
Add: Addition during the year	331,591,888	418,914,839	
Closing balance	<b>750,506,727</b>	<b>418,914,839</b>	

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

Amount in Taka

2016

2015

## 10.2 Head Office General account

Head Office general account represents outstanding inter Branch and Head Office transactions originated before but remaining un-reconciled as at 31 December 2016.

Aging of outstanding transactions	Number of unresponded entries		Number of unresponded entries (Amount in Taka)	
	Debit	Credit	Debit	Credit
Up to 3 months	298	97	146,607,000	186,425,000
Over 3 months but within 6 months	52	15	13,822,000	5,484,000
Over 6 months	35	12	6,719,000	185,000
<b>Total</b>	<b>385</b>	<b>124</b>	<b>167,148,000</b>	<b>192,094,000</b>

## 11 Borrowings from other banks, financial institutions and agents

In Bangladesh (Note - 11.1)

Outside Bangladesh

4,869,857,372 4,915,876,816

- -

**4,869,857,372 4,915,876,816**

### 11(a) Consolidated Borrowings from other banks, financial institutions and agents

Premier Bank Limited (Note - 11)

Premier Bank Securities Limited

Premier Money Transfer Company Ltd.

4,869,857,372 4,915,876,816

2,699,817,318 2,365,821,787

- -

7,569,674,690 7,281,698,603

2,699,817,318 2,365,821,787

**4,869,857,372 4,915,876,816**

Less: Inter Company Transaction

### 11.1 In Bangladesh

Bangladesh Bank (Refinance facility under Islamic Banking)

Bangladesh Bank (REPO)

Borrowing from other Banks

Bangladesh Bank (Refinance facility under SME)

Bangladesh Bank (EDF)

Bangladesh Bank (Refinance facility under HBL)

Bangladesh Bank (Refinance facility under Women Enterprise)

3,000,000,000 3,500,000,000

- -

- -

30,357,146 56,554,021

1,801,989,627 1,309,570,403

2,530,028 2,840,178

34,980,571 46,912,214

**4,869,857,372 4,915,876,816**

### 11.2 Analysis by security

Secured

Unsecured

4,869,857,372 4,915,876,816

- -

**4,869,857,372 4,915,876,816**

### 11.3 Repayment pattern

Repayable on demand

Repayable on maturity

- -

4,869,857,372 4,915,876,816

**4,869,857,372 4,915,876,816**



# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>12</b>	<b>Non-convertible Subordinated Bond</b>	<b>6,000,000,000</b>	<b>3,000,000,000</b>
<b>12.1</b>	<b>Premier Bank Non-convertible Subordinated Bond (1st Issue)</b>		
	Sonali Bank Limited	500,000,000	500,000,000
	Investment Corporation of Bangladesh	250,000,000	250,000,000
	ICB Unit Fund	250,000,000	250,000,000
	EBL First Mutual Fund	70,000,000	70,000,000
	Trust Bank 1st Mutual Fund	80,000,000	80,000,000
	IFIC Bank 1st Mutual Fund	100,000,000	100,000,000
	1st Janata Bank Mutual Fund	120,000,000	120,000,000
	Popular Life First Mutual Fund	120,000,000	120,000,000
	PHP First Mutual Fund	160,000,000	160,000,000
	EBL NRB Mutual Fund	50,000,000	50,000,000
	First Bangladesh Fixed Income Fund	300,000,000	300,000,000
		<b>2,000,000,000</b>	<b>2,000,000,000</b>
	<b>Premier Bank Non-convertible Subordinated Bond (2nd Issue)(Trance-1)</b>		
	Sonali Bank Limited	300,000,000	300,000,000
	Bank Asia Limited	200,000,000	200,000,000
	First Bangladesh Fixed Income Fund	300,000,000	300,000,000
	EXIM Bank 1st Mutual Fund	50,000,000	50,000,000
	AB Bank 1st Mutual Fund	150,000,000	150,000,000
		<b>1,000,000,000</b>	<b>1,000,000,000</b>
	<b>Premier Bank Non-convertible Subordinated Bond (2nd Issue)(Trance-2)</b>		
	EBL 1ST Mutual Fund	40,000,000	-
	Trust Bank 1st Mutual Fund	30,000,000	-
	IFIC Bank 1st Mutual Fund	10,000,000	-
	1st Janata Bank Mutual Fund	30,000,000	-
	Popular Life 1st Mutual Fund	30,000,000	-
	PHP 1st Mutual Fund	10,000,000	-
	EBL NRB Mutual Fund	50,000,000	-
	Bank Asia Limited	300,000,000	-
	Sonali Bank Limited	500,000,000	-
		<b>1,000,000,000</b>	<b>-</b>
	<b>Premier Bank Non-convertible Subordinated Bond (3rd Issue)(Trance-1)</b>		
	Trust Bank 1st Mutual Fund	270,000,000	-
	IFIC 1st Mutual Fund	190,000,000	-
	1st Janata Mutual Fund	100,000,000	-
	PHP 1st Mutual Fund	120,000,000	-
	Popular Life 1st Mutual Fund	250,000,000	-
	EBL NRB Mutual Fund	190,000,000	-
	AB Bank 1st Mutual Fund	100,000,000	-
	First Bangladesh Fixed Income Fund	730,000,000	-
	EXIM Bank 1st Mutual Fund	50,000,000	-
		<b>2,000,000,000</b>	<b>-</b>
<b>13</b>	<b>Deposits and other accounts</b>		
	Inter-bank deposits (Note - 13.1)	5,264,335,437	3,115,104,257
	Other deposits (Note - 13.2)	120,225,785,381	105,585,438,023
		<b>125,490,120,818</b>	<b>108,700,542,280</b>
<b>13(a)</b>	<b>Consolidated deposits and other accounts</b>		
	Premier Bank Limited (Note - 13)	125,490,120,818	108,700,542,280
	Premier Bank Securities Ltd.	796,567,701	658,092,889
		<b>126,286,688,519</b>	<b>109,358,635,169</b>
	Less: Inter Company transaction	646,317,621	483,507,437
		<b>125,640,370,898</b>	<b>108,875,127,732</b>

Amount in Taka

	2016	2015
<b>13.1 Inter-bank deposits</b>		
<b>Fixed Deposits</b>		
Al Arafat Islami Bank Ltd	500,000,000	-
Sonali Bank Ltd	1,400,000,000	-
Agrani Bank Ltd	1,000,000,000	-
Mutual Trust Bank Ltd	400,000,000	-
Uttara bank Ltd	500,000,000	-
Bangladesh development Bank Ltd	150,000,000	-
Janata Bank Ltd	500,000,000	-
NCC Bank Ltd	300,000,000	-
Mercantile Bank Ltd	500,000,000	-
Farmers Bank Limited	-	3,086,857,120
Dhaka Bank Ltd	-	13,342,218
	<b>5,250,000,000</b>	<b>3,100,199,338</b>
<b>Special Notice Deposits</b>		
Meghna Bank Limited	6,153,036	6,149,099
Basic Bank	10,994	-
Exim Bank Ltd	74,239	-
Farmers Bank Limited	3,900,358	3,819,009
	<b>10,138,627</b>	<b>9,968,108</b>
<b>Current Deposits</b>		
Farmers Bank Limited	450,209	451,859
Trust Bank Ltd	764,837	-
Midland Bank Ltd	2,981,764	4,484,952
	<b>4,196,810</b>	<b>4,936,811</b>
	<b>5,264,335,437</b>	<b>3,115,104,257</b>
<b>13.1.1 Maturity analysis of inter-bank deposits</b>		
Repayable on demand	4,196,810	4,936,811
Repayable within 1 month	706,141,444	9,968,108
Over 1 month but within 3 months	403,703,742	13,342,218
Over 3 months but within 1 year	4,150,293,441	3,086,857,120
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
Unclaimed deposits for 10 years or more	-	-
	<b>5,264,335,437</b>	<b>3,115,104,257</b>
<b>13.2 Other deposits</b>		
<b>Savings / Mudaraba Saving deposits</b>	<b>7,487,133,469</b>	<b>5,699,948,740</b>
<b>Fixed deposits:</b>		
One month	8,482,803,237	8,953,708,833
Three months	34,266,702,425	30,996,388,618
Six months	14,334,916,717	14,197,315,055
One year	13,427,587,796	14,971,296,766
Two years	2,536,279,012	902,551,633
Three years but not more than five years	3,294,970,588	17,501,788
	<b>76,343,259,775</b>	<b>70,038,762,693</b>
<b>Others:</b>		
Current account	6,798,347,826	5,056,415,048
Special -notice deposits	9,424,081,695	9,608,959,174
Staff security deposits	5,143,482	5,062,790
Deposit in foreign currency	1,040,713,733	736,231,016
Monthly savings scheme	3,412,508,224	2,892,775,764
Monthly income account	1,316,869,652	640,226,359
Education savings scheme	488,180	416,830
Special deposit scheme	24,347,433	18,410,295
Double benefit scheme	4,300,023,917	3,726,524,672
Mudaraba Hajj deposit	1,250,346	1,373,155
Off-shore Banking Unit	5,260,227,348	2,215,987,043
Sundry deposits (Note - 13.3)	7,471,087,506	6,027,294,685
	<b>39,055,089,342</b>	<b>30,929,676,831</b>
Less: Inter Company transaction	4,339,512,063	2,217,456,420
	<b>34,715,577,279</b>	<b>28,712,220,411</b>
Bills payable (Note - 13.4)	1,679,814,858	1,134,506,179
	<b>120,225,785,381</b>	<b>105,585,438,023</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>13.2.1 Maturity analysis of other deposits</b>			
Repayable on demand		17,663,805,935	14,945,624,717
Repayable within 1 month		18,613,026,376	19,160,381,623
Over 1 month but within 3 months		41,079,993,882	31,006,356,726
Over 3 months but within 1 year		30,991,490,206	32,273,294,461
Over 1 year but within 5 years		5,831,249,600	4,473,255,824
Over 5 years but within 10 years		6,046,219,382	3,726,524,672
		<b>120,225,785,381</b>	<b>105,585,438,023</b>
<b>13.3 Sundry deposits</b>			
Sundry creditors		58,987,671	57,904,157
Margin on letter of credit		1,395,326,185	779,977,330
Margin on letter of guarantee		628,291,237	467,340,657
Sanchaya Patra		152,724,856	27,386,741
Interest/Profit payable on deposit		1,225,688,120	1,777,140,181
Income tax deducted at source		299,020,814	328,093,160
VAT payable to government		213,964,128	175,321,336
Margin on foreign documentary bill purchases		2,580,355	2,580,295
Advance deposits against consumer credit scheme		-	-
Other sundry deposits		3,494,504,140	2,411,550,828
		<b>7,471,087,506</b>	<b>6,027,294,685</b>
<p><b>Note:</b> Our Tax and VAT adviser, M/S Zia &amp; Associates advised us vide a letter dated March 11, 2011 not to deduct VAT on office rent and pay at source in view of VAT Act 1991 section 3(1). Subsequently a writ petition was submitted before the honourable High Court. On the basis of this advice, the Bank has not deposited any VAT on Rent collected from the Branches till to date.</p>			
<p>Honourable High Court issued a rule directing the Govt as to why SRO Nos. 202-Ain/2010/551-Mushok, dated 10/05/2010 and 105-Ain/2009/513-Musak, dated 11.06.2009 should not be declared to have been issued without lawful authority and are of no legal effect as being ultravires to the provisions of section 3(1) and Second Schedule of the Value Added Tax Act, 1991. The matter is under adjudication.</p>			
<b>13.4 Bills payable</b>			
Inside Bangladesh		1,679,814,858	1,134,506,179
Outside Bangladesh		-	-
		<b>1,679,814,858</b>	<b>1,134,506,179</b>
<b>14 Other liabilities</b>			
Head office general account		28,846,353	-
Provision against loans and advances (Note - 14.1)		2,386,636,502	1,451,494,654
Provision for gratuity (Note - 14.2)		76,407,532	56,407,532
Provision for off-balance sheet items (Note - 14.3)		235,438,830	225,438,830
Other provision (Note - 14.4)		416,218,565	375,061,708
Provision for corporate taxation (Note - 14.5)		629,840,591	531,871,317
Interest suspense account (Note - 14.6)		2,234,224,608	1,001,310,086
Adjusting account		250,588,658	293,042,576
Credit card		3,568,302	12,555,914
Investment compensation		11,151,962	8,478,379
Off-shore Banking Unit		32,898,805	13,381,010
		<b>6,305,820,708</b>	<b>3,969,042,006</b>
<b>14(a) Consolidated other liabilities</b>			
Premier Bank Limited (Note - 14)		6,305,820,708	3,969,042,006
Premier Bank Securities Ltd.		437,998,822	253,093,395
Premier Money Transfer Company Ltd. UK		-	20,093,285
		6,743,819,530	4,242,228,686
Less: intercompany adjustment		-	-
		<b>6,743,819,530</b>	<b>4,242,228,686</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>14.1</b>	<b>Accumulated provision against loans and advances</b>		
	<b>On classified loans</b>		
	Opening balance	1,047,287,098	793,822,939
	Less : Fully provided debts written off during the year	-	-
	Add : Recovery of amounts previously written off	5,141,848	3,464,159
	Add : Specific provision made during the year	910,000,000	250,000,000
	Less : Recoveries and release of provision no longer required	-	-
	Net charge to Profit and Loss Statement	-	-
	Closing balance	<b>1,962,428,946</b>	<b>1,047,287,098</b>
	<b>On unclassified loans</b>		
	Opening balance	404,207,556	404,207,556
	Less : Release for the year	-	-
	Add : Provision made during the year	20,000,000	-
	Closing balance	<b>424,207,556</b>	<b>404,207,556</b>
	Total closing balance	<b>2,386,636,502</b>	<b>1,451,494,654</b>
<p>Note: The Bank had maintained an accumulated provision of Tk. 196.24 Crore against classified loans &amp; advances and a sum of Tk. 42.42 Crore as provision against unclassified loans &amp; advances for the year ended 31 December 2016 against a provision requirement of Tk. 290.87 Crore and Tk. 106.05 Crore for classified loans and unclassified loans respectively. This results in a provision shortfall of Tk. 94.63 Crore against classified loans &amp; advances and a sum of Tk. 63.63 Crore against unclassified loans and advances. Provision requirements against stay order by Honorable High Court is Tk. 398.12 crore. However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. DBI-1/118/2017-1331 dated 16 April 2017.</p>			
<b>14.2</b>	<b>Provision for gratuity</b>		
	Opening balance	56,407,532	78,294,824
	Add: Provision made during the year	20,000,000	-
	Less: Adjustment during the year	-	21,887,292
	Closing balance	<b>76,407,532</b>	<b>56,407,532</b>
<p>Note: The Bank have been maintained an accumulated provision of Tk. 7.64 Crore upto 31 December 2016. On the basis of lump sum calculation, the required gratuity provision as at 31 December 2016 comes to Tk. 31.19 Crore resulting in a shortfall of Tk. 23.55 Crore. Bank is under process to appoint an actuary to compute the actual gratuity payable to the employees. After receiving the actuary report, the Bank will build up the gratuity provision in the following year. However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. DBI-1/118/2017-1331 dated 16 April 2017.</p>			
<b>14.3</b>	<b>Provision for off-balance sheet items</b>		
	Opening balance	225,438,830	225,438,830
	Add: Provision made during the year	10,000,000	-
	Less: Adjustment during the year	-	-
	Closing balance	<b>235,438,830</b>	<b>225,438,830</b>
<p>Note: The Bank have been maintained an accumulated provision of Tk. 23.54 Crore against Off-Balance Sheet exposure for the year ended 31 December 2016 against a provision requirement of Tk. 68.88 Crore resulting in a provision shortfall of Tk. 45.34 Crore. However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. DBI-1/118/2017-1331 dated 16 April 2017.</p>			
<b>14.4</b>	<b>Other provisions</b>		
	Provision for protested bills (Note - 14.4.1)	12,870,000	11,713,143
	Provision for suspense account (Note - 14.4.2)	5,848,565	5,848,565
	Provision for investment on shares (Note - 14.4.3)	392,500,000	352,500,000
	Provision for good borrowers (Note - 14.4.4)	5,000,000	5,000,000
		<b>416,218,565</b>	<b>375,061,708</b>
<b>14.4.1</b>	<b>Provision for protested bills</b>		
	Opening balance	11,713,143	11,713,143
	Add: Provision made during the year	1,156,857	-
	Less: Adjustment during the year	-	-
	Closing balance	<b>12,870,000</b>	<b>11,713,143</b>
<b>14.4.2</b>	<b>Provision for suspense account</b>		
	Opening balance	5,848,565	5,848,565
	Add: Provision made during the year	-	-
	Less: Adjustment during the year	-	-
	Closing balance	<b>5,848,565</b>	<b>5,848,565</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

Amount in Taka

	2016	2015
<p>Note: The Bank have been maintained an accumulated provision of Tk. 1.29 Crore and Tk. 0.58 Core against protested bills and suspense account respectively for the year ended 31 December 2016 against a provision requirement of Tk. 19.06 Crore against other assets (which comprises of protested bills and suspense account) resulting in a provision shortfall of Tk. 17.19 Crore. However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. DBI-1/118/2017-1331 dated 16 April 2017.</p>		
<b>14.4.3 Provision for investment in shares</b>		
Opening balance	352,500,000	352,500,000
Add: Provision made during the year (General)	40,000,000	-
Add: Provision made during the year (Islamic)	-	-
Less: Adjustment during the year	-	-
Closing balance	<b>392,500,000</b>	<b>352,500,000</b>
<p>Note: The Bank have been maintained an accumulated provision of Tk. 39.25 Crore against investments in shares for the year ended 31 December 2016 against a provision requirement of Tk. 71.80 Crore resulting in a provision shortfall of Tk. 32.56 Crore. However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. DBI-1/118/2017-1331 dated 16 April 2017.</p>		
<b>14.4.4 Provision for good borrowers</b>		
Opening balance	5,000,000	-
Add: Provision made during the year	-	5,000,000
Less: Adjustment during the year	-	-
Closing balance	<b>5,000,000</b>	<b>5,000,000</b>
<b>14.5 Provision for corporate taxation</b>		
Opening balance	531,871,317	447,185,251
Add: Provision made during the year		
Current tax	1,063,575,068	699,613,711
	1,063,575,068	699,613,711
Less: Adjustment during the year	965,605,794	614,927,645
Closing balance	<b>629,840,591</b>	<b>531,871,317</b>
<p>Note: Up to the assessment year 2011-2012 there is a difference of Tk. 33 Crore between the tax claimed and the tax paid thereon. Cases are pending with the Tribunal and honourable High Court. The Bank has not made any provision in this regard since the matter is under adjudication. Please refer to Annexure - D for more details.</p>		
<b>14.5(a) Consolidated provision for taxation</b>		
Premier Bank Limited (Note - 14.5)	629,840,591	579,257,606
Premier Bank Securities Limited	7,949,313	8,043,095
	<b>637,789,904</b>	<b>587,300,701</b>
<b>14.5(aa) Consolidated provision for taxation</b>		
Current Tax	1,063,575,068	699,613,711
Deferred tax liability	-	47,386,289
	1,063,575,068	747,000,000
Premier Bank Securities Limited	7,949,313	8,043,095
	<b>1,071,524,381</b>	<b>755,043,095</b>
<b>14.6 Interest suspense account</b>		
Opening balance	1,001,310,086	800,391,244
Add: Transfer during the year	1,232,914,522	200,918,842
Less: Recovery during the year	-	-
Less: Write off during the year	-	-
Closing balance	<b>2,234,224,608</b>	<b>1,001,310,086</b>
<b>15 Share Capital</b>	<b>6,820,810,730</b>	<b>6,200,737,030</b>
<b>15.1 Authorised Capital</b>		
1000,000,000 ordinary shares of Taka 10 each	<b>10,000,000,000</b>	<b>10,000,000,000</b>
<b>15.2 Issued, subscribed and paid-up capital</b>		
<b>Issued for cash</b>		
Directors and sponsors: 48,650,355 ordinary share of Taka 10 each	486,503,550	486,503,550
	<b>486,503,550</b>	<b>486,503,550</b>
<b>Issued for other than cash as bonus shares</b>		
Directors and sponsors: 270,001,246 bonus shares of Taka 10 each	2,700,012,460	2,487,824,260
	<b>2,700,012,460</b>	<b>2,487,824,260</b>
<b>No. of shares owned by other than Directors &amp; Sponsors (General shareholders)</b>		
363,429,472 ordinary shares of Taka 10 each	3,634,294,720	3,226,409,220
	<b>6,820,810,730</b>	<b>6,200,737,030</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka		
		2016	2015	
15.3	Percentage of shareholding			
		31.12.2016	31.12.2015	
Particulars	No. of shares	% of share holding	No. of shares	% of share holding
(i) Sponsors & Directors				
Local (individual)	210,924,216	30.92	284,138,211	45.82
Govt. of Bangladesh	-	-	-	-
Foreign (individual)	20,482,877	3.00	18,620,798	3.00
Independent Director	-	-	197,167	0.03
(ii) Associated companies	-	-	-	-
(iii) Govt.of Bangladesh	-	-	-	-
(iv) Corporate bodies				
Local	140,489,732	20.60	113,902,204	18.37
Foreign	-	-	-	-
(v) General investors				
Local (individual)	308,860,225	45.28	201,656,506	32.52
Non-resident Bangladeshis	1,324,023	0.19	1,558,817	0.25
Foreign individual	-	-	-	-
(vi) Others	-	-	-	-
	682,081,073	100	620,073,703	100

15.4 Names of the directors/shareholders and their shareholdings as on 31 December 2016

Sl.	Name of the Director/Shareholder	Status	Shareholding (Number of shares)	
			31.12.2016	31.12.2015
1	Dr. H. B. M. Iqbal	Chairman	26,252,791	23,866,174
2	Mr. Mohammad Imran Iqbal	Vice Chairman	13,642,267	12,402,061
3	Mr. B. H. Haroon, MP	Director	13,645,408	12,404,917
4	Mr. Abdus Salam Murshedy	Director	28,722,713	26,111,558
5	Mr. Shafiqur Rahman	Director	13,647,645	12,406,950
6	Mr. Jamal G. Ahmed	Director	21,268,732	922,906
7	Mr. Shah Md. Nahyan Haroon	Director	13,645,579	12,405,072
8	Mrs. Shaila Shelly Khan	Director	34,092,674	30,993,340
9	Mr. Yeh Cheng Min	Director	20,482,877	18,620,798
10	Mrs. Fouzia Rekza Banu	Director	17,628,650	16,026,047
11	Mrs. Faiza Rahman	Independent Director	-	197,167
12	Mr. Chowdhury Jafarullah Sharafat	Independent Director	-	-
13	Dr. Arifur Rahman	Sponsor Shareholder	23,633,238	21,484,762
14	Mr. Nurul Amin	Sponsor Shareholder	4,744,519	4,313,200
15	Mrs. Nawrin Iqbal	Sponsor Shareholder	-	12,402,173
16	Mr. Kutubuddin Ahmed	Sponsor Shareholder	-	7,828,315
17	Mr. Moin Iqbal		N/A	12,402,112
18	Mr. Arif Alam		N/A	14,623,545
19	Mr. Md. Lutfur Rahman		N/A	2,088,317
20	Mr. Md. Masud Zaman		N/A	4,723,004
21	Ms. Parsa Sanjana Amin		N/A	3,481,804
22	Mr. Sanwar Dito		N/A	13,174,561
23	Mrs. Ferdous Amin		N/A	9,730,027
24	Mr. Alif Alam		N/A	6,600,000
25	Mrs. Rashida Ahmed		N/A	545,683
26	Mrs. Sharmin Salam		N/A	2,231,115
27	Mr. Md. Miraj Rahman		N/A	11,815
28	Mr. Maruf Rahman		N/A	11,815
29	Mr. Md. Moniruzzaman		N/A	4,632,494
30	Mr. Md. Wahiduzzaman		N/A	4,632,491
31	Mrs. Asma Begum		N/A	2,628,880
32	Mr. Shah Md. Adnan Haroon		N/A	2,688,620
33	Mrs. Husne-Ara Begum		N/A	2,003,458
34	Mr. Adytta Amin		N/A	4,360,995
<b>Sub-total</b>			<b>231,407,093</b>	<b>302,956,176</b>
No. of shares owned by other than Directors & Sponsors (General shareholders)			450,673,980	317,117,527
<b>Total</b>			<b>682,081,073</b>	<b>620,073,703</b>



# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

Amount in Taka

## 15.5 Classification of shareholders by holding as on 31 December 2016

Shareholding Range	No. of Shareholders	No. of Shares	Percentage of share holding
01 - 500	20,081	3,888,757	0.57%
501 - 5000	32,447	59,264,789	8.69%
5,001 - 10,000	3,507	25,244,159	3.70%
10,001 - 20,000	1,833	25,621,896	3.76%
20,001 - 30,000	585	14,368,014	2.11%
30,001 - 40,000	268	9,356,693	1.37%
40,001 - 50,000	179	8,235,587	1.21%
50,001 - 100,000	279	20,154,850	2.95%
100,001 - 1,000,000	250	62,232,986	9.12%
Over 1,000,000	76	453,713,342	66.52%
<b>Total</b>	<b>59,505</b>	<b>682,081,073</b>	<b>100%</b>

## 15.6 Capital to risk weighted assets ratio (CRAR)

In terms of section 13(2) of Bank Companies Act 1991 and Bangladesh Bank BRPD circulars no. 01, 14, 10 and 05 dated 08 January 1996, 16 November 1996, 25 November 2002 and 14 May 2007 respectively and DOS circular no-05/2008, required capital of the Bank at the close of business on 31 December 2016 on solo basis is Taka 13,392,015,625 as against available core capital of Taka 9,692,717,643 and supplementary capital of Taka 5,915,026,386 and consolidated basis is Taka 13,280,803,750 as against available core capital of Taka 9,689,578,823 and supplementary capital of Taka 5,915,026,386 that is, a total of Taka 2,215,728,404 on solo basis and Taka 2,323,801,459 on consolidate basis thereby showing Surplus capital/equity. Details are shown below:

### 15.6.1 Common Equity (Tier I)

Paid-up capital	6,820,810,730	6,200,737,030
Statutory reserve	3,342,002,303	2,878,188,929
Retained earnings	1,578,104,610	655,993,155
<b>Total Core capital (Tier I)</b>	<b>11,740,917,643</b>	<b>9,734,919,114</b>
<b>Less: Regulatory adjustment</b>	<b>2,048,200,000</b>	<b>4,023,300,000</b>
<b>Eligible Tier 1 Capital</b>	<b>9,692,717,643</b>	<b>5,711,619,114</b>

### 15.6.1(a) Consolidated Common Equity (Tier I)

Paid-up capital	6,820,810,730	6,200,737,030
Statutory reserve	3,342,002,303	2,878,188,929
Retained earnings	1,574,941,692	637,860,708
Minority interest	24,098	22,769
<b>Total Consolidated Common Equity (Tier I)</b>	<b>11,737,778,823</b>	<b>9,716,809,436</b>
<b>Less: Regulatory adjustment</b>	<b>2,048,200,000</b>	<b>4,023,300,000</b>
<b>Eligible Tier 1 Capital</b>	<b>9,689,578,823</b>	<b>5,693,509,436</b>

### 15.6.2 Supplementary capital (Tier II)

General provision (unclassified loans) (Note - 14.1)	424,207,556	404,207,556
Provision for off-balance sheet items (Note - 14.3)	235,438,830	225,438,830
Revaluation Reserve for Securities (50%) (Note - 17)	92,300,000	71,266,881
Revaluation Reserves for Fixed Assets (50%) (Note-17)	-	20,961,445
Subordinate bond	5,200,000,000	2,600,000,000
<b>Total Supplementary capital (Tier II)</b>	<b>5,951,946,386</b>	<b>3,321,874,712</b>
<b>Less: Regulatory adjustment</b>	<b>36,920,000</b>	<b>18,460,000</b>
<b>Eligible Tier ii Capital</b>	<b>5,915,026,386</b>	<b>3,303,414,712</b>
<b>Total Tire I &amp; Tire II</b>	<b>15,607,744,029</b>	<b>11,443,125,045</b>

(A) Total assets including off-Balance Sheet items	232,827,607,658	196,895,233,085
(B) Total risk-weighted assets	126,042,500,000	100,008,642,500
(C) Required capital (10% of risk-weighted assets)	12,604,250,000	10,000,864,250
(D) Capital Conservation Buffer Requirement (0.625% of RWA)	787,765,625	-
(E) Minimum Total Capital plus Capital Conservation Buffer (C+D)	13,392,015,625	10,000,864,250
<b>(F) Actual capital maintained</b>		
Core capital, Tier I (Note - 15.6.1)	9,692,717,643	5,711,619,114
Supplementary capital, Tier II (Note - 15.6.2)	5,915,026,386	3,303,414,712
	<b>15,607,744,029</b>	<b>9,015,033,826</b>
<b>(G) Surplus/(Deficit) (F-E)</b>	<b>2,215,728,404</b>	<b>(985,830,424)</b>

Capital adequacy ratio

12.38%

9.01%



# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
15.6.2(a)	Consolidated Supplementary capital (Tier II)		
	General provision (unclassified loans) (Note - 14.1)	424,207,556	404,207,556
	Provision for off-balance sheet items (Note - 14.3)	235,438,830	225,438,830
	Revaluation Reserve for Securities (50%) (Note - 17)	92,300,000	71,266,881
	Revaluation Reserves for Fixed Assets (50%) (Note - 17)	-	20,961,445
	Subordinate bond	5,200,000,000	2,600,000,000
		5,951,946,386	3,321,874,712
	Less: Regulatory adjustment	36,920,000	18,460,000
	Eligible Tier ii Capital	5,915,026,386	3,303,414,712
	Total Tier i & Tier ii Capital	15,604,605,209	11,425,831,785
	(A) Total assets including off-Balance Sheet items	233,414,449,278	197,326,627,077
	(B) Total risk-weighted assets (RWA)	124,995,800,000	98,729,852,500
	(C ) Minimum Capital Requirement (10% of RWA)	12,499,580,000	9,872,985,250
	(D ) Capital Conservation Buffer Requirement (0.625% of RWA)	781,223,750	-
	(E ) Minimum Total Capital plus Capital Conservation Buffer (C+D)	13,280,803,750	9,872,985,250
	(F) Actual capital maintained		
	Core capital, Tier I (Note - 15.6.1(a))	9,689,578,823	5,693,509,436
	Supplementary capital, Tier II (Note - 15.6.2(a))	5,915,026,386	3,303,414,712
		15,604,605,209	8,996,924,148
	(G ) Surplus/(Deficit) (F-E)	2,323,801,459	(876,061,102)
	Capital adequacy ratio	12.48%	9.11%
15.7	Capital requirement		
		2016 Under Basel-III	
		Required	Holding
	Tier I capital	5.50%	7.69%
	Minimum Total Capital plus Capital Conservation Buffer	10.625%	12.38%
		2015 Under Basel-III	
		Required	Holding
	Tier I capital	5.00%	5.71%
	Minimum Total Capital plus Capital Conservation Buffer	10.00%	9.01%
15.7(a)	Consolidated Capital requirement		
		2016 Under Basel-III	
		Required	Holding
	Tier I capital	5.00%	7.75%
	Minimum Total Capital plus Capital Conservation Buffer	10.625%	12.48%
		2015 Under Basel-III	
		Required	Holding
	Tier I capital	5.00%	5.77%
	Minimum Total Capital plus Capital Conservation Buffer	10.00%	9.11%
16	Statutory reserve		
	An amount equivalent to 20% of the profit before tax has been transferred to the statutory reserve fund as under:		
	Opening balance	2,878,188,929	2,536,549,137
	Prior period adjustment	-	-
	Adjusted Opening Balance	2,878,188,929	2,536,549,137
	Add : Addition during the year (20% of profit before tax)	463,813,374	341,639,792
	Closing balance	3,342,002,303	2,878,188,929
17	Other reserve		
	Revaluation on HFT securities Trasury bond (Note - 17.1)	129,129,925	433,606,089
	Revaluation on HFT securities Treasury bill (Note - 17.2)	101,765	23,269,050
	Amortization Reserve on HTM Treasury Bond (Note - 17.3)	2,574,942	315,250
	Amortization Reserve on HTM Treasury Bill (Note - 17.4)	-	27,100,952
	Fixed Assets Revaluation (Note - 17.5)	41,922,889	41,922,889
		173,729,521	526,214,230

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>17.1</b>	<b>Revaluation on HFT securities Trasury bond</b>		
	Opening balance	433,606,089	80,050,825
	Add : Addition during the year	-	353,555,264
	Less : Adjustment during the year	304,476,164	-
	Closing balance	<b>129,129,925</b>	<b>433,606,089</b>
<b>17.2</b>	<b>Revaluation on HFT securities Treasury bill</b>		
	Opening balance	23,269,050	508,432
	Add : Addition during the year	-	22,760,618
	Less : Adjustment during the year	23,167,285	-
	Closing balance	<b>101,765</b>	<b>23,269,050</b>
<b>17.3</b>	<b>Amortization Reserve on HTM Treasury Bond</b>		
	Opening balance	315,250	357,737
	Add : Addition during the year	2,259,692	-
	Less : Adjustment during the year	-	42,487
	Closing balance	<b>2,574,942</b>	<b>315,250</b>
<b>17.4</b>	<b>Amortization Reserve on HTM Treasury Bill</b>		
	Opening balance	27,100,952	61,616,767
	Add : Addition during the year	-	-
	Less : Adjustment during the year	27,100,952	34,515,815
	Closing balance	<b>-</b>	<b>27,100,952</b>
<b>17.5</b>	<b>Fixed Assets Revaluation</b>		
	Opening balance	41,922,889	41,922,889
	Add : Addition during the year	-	-
	Less : Adjustment during the year	-	-
	Closing balance	<b>41,922,889</b>	<b>41,922,889</b>
<b>17(a)</b>	<b>Consolidated Other reserve</b>		
	Premier Bank Limited (Note - 17)	173,729,521	526,214,230
	Premier Money Transfer Company Ltd.	1,731,538	1,731,538
		<b>175,461,059</b>	<b>527,945,768</b>
<b>18</b>	<b>Retained earnings</b>		
	Opening balance	1,074,907,994	600,137,346
	Add: Post-tax profit for the year	1,587,083,690	961,198,961
	Less: Transfer to statutory reserve	463,813,374	341,639,792
	Add: Adjustment of deferred tax income	-	418,914,839
	Add: Currency difference for investment in subsidiary	-	-
	Less: Issue of bonus shares	620,073,700	563,703,360
	Closing balance	<b>1,578,104,610</b>	<b>1,074,907,994</b>
<b>18(a)</b>	<b>Consolidated retained earnings</b>		
	Opening balance (Note - 18(aa))	1,056,775,547	581,647,253
	Add: Post-tax profit for the year	1,602,054,548	961,557,144
	Less: Transfer to statutory reserve	463,813,374	341,639,792
	Add: Currency difference for investment in subsidiary	-	-
	Add: Adjustment of deferred tax income	-	418,914,839
	Less: Issue of bonus shares	620,073,700	563,703,360
	Less: Non controlling interest	(1,329)	537
	Closing balance	<b>1,574,941,692</b>	<b>1,056,775,547</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>18(aa)</b>	<b>Restated Consolidated opening Balance</b>		
	Opening balance	1,056,775,547	583,786,684
	Less: Adjustment of investment in share portfolios.	-	-
	Add: Prior year adjustments	-	-
	Add: Currency difference for investment in subsidiary	-	(2,139,431)
	Add: Prior year Adjustment for Premier Money Transfer Company Ltd.	-	-
	Less: Cash Dividend to Premier Bank Ltd.	-	-
	Add: Prior year Adjustment with Minority interest	-	-
		<b>1,056,775,547</b>	<b>581,647,253</b>
<b>18(b)</b>	<b>Non-controlling interest</b>		
	Opening balance	22,769	22,232
	Add : Addition during the year	1,329	537
	Less : Adjustment during the year	-	-
	Closing balance	<b>24,098</b>	<b>22,769</b>
<b>19</b>	<b>Contingent Liabilities</b>		
<b>19.1</b>	<b>Letters of guarantee</b>		
	Money for which the Bank is contingently liable in respect of guarantees issued favouring:		
	Directors	5,223,000	5,223,000
	Government	-	-
	Banks and other financial institutions	76,390,710	76,390,710
	Others	40,985,304,699	19,804,213,531
		<b>41,066,918,409</b>	<b>19,885,827,241</b>
<b>19.2</b>	<b>Other contingent liabilities</b>		
	Litigation pending against the Bank	-	-
	Value of traveller's cheques	-	-
		-	-
<b>20</b>	<b>Other Commitments</b>		
	Documentary credits and short term trade-related transactions	-	-
	Forward assets purchase and forward deposits placement	157,465,600	-
	Undrawn formal standby facilities, credit lines and commitments to lend	-	-
	Below 3 months	-	-
	Over 3 months but below 1 year	-	-
	Over 1 year but below 5 years	-	-
	Over 5 years	-	-
	Spot and forward foreign exchange contracts	-	-
	Other exchange contracts	-	-
		<b>157,465,600</b>	<b>-</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>21</b>	<b>Income</b>		
	Interest, discount and similar income	10,259,668,964	9,773,174,802
	Dividend income	71,342,759	70,542,925
	Fee, commission and brokerage	809,835,787	501,977,514
	Gains less losses arising from dealing in foreign currencies	600,801,078	482,409,245
	Investment income	2,490,930,853	1,598,447,912
	Income from non banking assets	-	-
	Other operating income	502,625,307	424,650,766
		<b>14,735,204,748</b>	<b>12,851,203,164</b>
	<b>Expenses</b>		
	Interest, fee and commission	7,518,445,665	7,516,734,923
	Losses on loans and advances	-	-
	Administrative expenses	3,181,007,066	3,011,481,024
	Other operating expenses	525,792,110	184,269,521
	Depreciation on banking assets	189,736,180	175,518,735
		<b>11,414,981,021</b>	<b>10,888,004,203</b>
		<b>3,320,223,727</b>	<b>1,963,198,961</b>
<b>22</b>	<b>Interest income/profit on Islamic investments</b>		
	Interest on call loans	2,292,306	36,897,181
	Interest received from other banks and financial institutions	66,572,954	116,661,731
	Interest received from foreign banks and Bangladesh Bank F/C accounts	53,048,054	77,844,349
	Interest received from customers, other than banks	10,027,510,272	9,489,535,360
	Interest income from PBSL	-	-
	Interest income on Off-shore Banking Unit	171,967,703	110,794,141
		<b>10,321,391,289</b>	<b>9,831,732,762</b>
	Less: Inter Company Transaction	61,722,325	58,557,960
		<b>10,259,668,964</b>	<b>9,773,174,802</b>
<b>22(a)</b>	<b>Consolidated Interest income/profit on Islamic investments</b>		
	Premier Bank Limited (Note - 22)	10,259,668,964	9,773,174,802
	Premier Bank Securities Ltd.	231,505,898	257,091,798
		<b>10,491,174,862</b>	<b>10,030,266,600</b>
	Less: Inter Company Transaction	112,297,150	165,401,590
		<b>10,378,877,712</b>	<b>9,864,865,010</b>
<b>23</b>	<b>Interest/profit paid on deposits, borrowings, etc.</b>		
	Interest paid on deposits	6,957,239,379	7,018,512,720
	Interest paid on borrowings	552,977,206	496,052,098
	Interest paid on repo	8,229,080	2,170,105
	Interest paid on Deposit, Off- shore Banking Unit	61,722,325	58,557,960
		<b>7,580,167,990</b>	<b>7,575,292,883</b>
	Less: Inter Company Transaction	61,722,325	58,557,960
		<b>7,518,445,665</b>	<b>7,516,734,923</b>
<b>23(a)</b>	<b>Consolidated interest/profit paid on deposits, borrowings, etc.</b>		
	Premier Bank Limited (Note - 23)	7,518,445,665	7,516,734,923
	Premier Bank Securities Ltd.	112,297,150	165,401,590
		<b>7,630,742,815</b>	<b>7,682,136,513</b>
	Less: Inter Company Transaction	112,297,150	165,401,590
		<b>7,518,445,665</b>	<b>7,516,734,923</b>
<b>24</b>	<b>Investment income</b>		
	Interest on treasury bills, Bangladesh Bank bills, repo & R.repo	167,911,699	321,537,988
	Interest on treasury bonds, corporate bonds	1,969,002,474	1,196,668,362
	Interest income on corporate investment	2,001,104	-
	Dividend Income	71,342,759	70,542,925
	Capital gain on govt securities	327,527,668	46,162,315
	Capital gain on sale of investment in shares (Note - 24.1)	24,487,908	34,079,247
		<b>2,562,273,612</b>	<b>1,668,990,837</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>24(a) Consolidated Investment income</b>			
Premier Bank Limited (Note - 24)		2,562,273,612	1,668,990,837
Premier Bank Securities Ltd.		9,792,504	-
		<b>2,572,066,116</b>	<b>1,668,990,837</b>
<b>24.1 Gain on sale of shares</b>			
Investment in portfolio		24,487,908	34,079,247
		<b>24,487,908</b>	<b>34,079,247</b>
<b>25 Commission, exchange and brokerage</b>			
Commission		809,835,787	501,977,514
Commission on Off-shore units		554,726	-
Exchange earnings		600,801,078	482,409,245
		<b>1,411,191,591</b>	<b>984,386,759</b>
<b>25(a) Consolidated Commission exchange and brokerage</b>			
Premier Bank Limited (Note - 25)		1,411,191,591	984,386,759
Premier Bank Securities Ltd.		28,485,939	28,556,530
Premier Money Transfer Company Ltd.		-	6,001,973
		<b>1,439,677,530</b>	<b>1,018,945,262</b>
<b>26 Other operating income</b>			
Services and other charges		124,908,097	135,496,578
Income from rent of lockers		2,193,681	3,418,440
Postage recoveries		27,846,961	26,121,390
Fax/e-mail charges received		64,046,108	53,348,403
Incidental charges		44,921,249	39,946,006
Revaluation for HFT TR Bill		-	-
Income sale of Bank Property		30,000	10,000
Revaluation for assets		-	-
Rent on property		11,274,380	9,959,233
Miscellaneous earnings		227,404,831	156,349,162
Other income on Off-shore Banking Unit		-	1,554
		<b>502,625,307</b>	<b>424,650,766</b>
<b>26(a) Consolidated other operating income</b>			
Premier Bank Limited (Note - 26)		502,625,307	424,650,766
Premier Bank Securities Ltd.		8,532,454	11,269,123
Premier Money Transfer Company Ltd.		-	34,599
		<b>511,157,761</b>	<b>435,954,488</b>
<b>27 Salary and allowances</b>			
Basic pay		522,475,284	470,276,734
Allowances		616,479,383	547,619,864
Bonus		111,758,057	128,590,984
Provident fund contribution		47,628,423	42,631,284
Retirement benefits and gratuity		45,473,602	-
		<b>1,343,814,749</b>	<b>1,189,118,866</b>
<b>27(a) Consolidated salary and allowances</b>			
Premier Bank Limited (Note - 27)		1,343,814,749	1,189,118,866
Premier Bank Securities Ltd.		14,845,672	15,479,199
Premier Money Transfer Company Ltd.		-	5,872,258
		<b>1,358,660,421</b>	<b>1,210,470,323</b>
<b>28 Rent, taxes, insurance, electricity, etc.</b>			
Rent, rates and taxes		936,388,312	931,728,173
Insurance		84,329,105	59,232,885
Electricity, gas, water, etc.		88,443,906	83,079,887
		<b>1,109,161,323</b>	<b>1,074,040,945</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

Amount in Taka

		2016	2015
<p><b>Note:</b> Our Tax and VAT adviser, M/S Zia &amp; Associates advised us vide a letter dated March 11, 2011 not to deduct VAT on office rent and pay at source in view of VAT Act, 1991 section 3(1). Subsequently a writ petition was submitted before the honourable High Court. On the basis of this advice, the Bank has not accounted for any VAT expenses for the period from 2012 to 2016.</p> <p>Honourable High Court issued a rule directing the Govt as to why SRO Nos. 202-Ain/2010/551-Mushok, dated 10/05/2010 and 105-Ain/2009/513-Musak, dated 11.06.2009 should not be declared to have been issued without lawful authority and are of no legal effect as being ultravires to the provisions of section 3(1) and Second Schedule of the Value Added Tax Act, 1991. The matter is under adjudication.</p>			
<b>28(a)</b>	<b>Consolidated Rent, taxes, insurance, electricity, etc.</b>		
	Premier Bank Limited (Note - 28)	1,109,161,323	1,074,040,945
	Premier Bank Securities Ltd.	117,147,836	85,081,856
	Premier Money Transfer Company Ltd.	-	4,166,255
		<b>1,226,309,159</b>	<b>1,163,289,056</b>
<b>29</b>	<b>Legal expenses</b>		
	Law charges	458,611	946,864
	Other professional charges	36,543,833	31,130,300
		<b>37,002,444</b>	<b>32,077,164</b>
<b>29(a)</b>	<b>Consolidated Legal expenses</b>		
	Premier Bank Limited (Note- 29)	37,002,444	32,077,164
	Premier Money Transfer Company Ltd.	-	908,946
	Premier Bank Securities Ltd.	46,500	200
		<b>37,048,944</b>	<b>32,986,310</b>
<b>30</b>	<b>Postage, stamps, telecommunication, etc.</b>		
	Telephone	11,899,545	9,752,054
	Postage, stamp and swift charges	40,109,922	33,436,382
	Telegram, internet, fax and e-mail	19,504,357	18,262,481
		<b>71,513,824</b>	<b>61,450,917</b>
<b>30(a)</b>	<b>Consolidated Postage, stamps, telecommunication, etc.</b>		
	Premier Bank Limited (Note - 30)	71,513,824	61,450,917
	Premier Bank Securities Ltd.	1,006,455	1,360,102
	Premier Money Transfer Company Ltd.	-	150,826
		<b>72,520,279</b>	<b>62,961,845</b>
<b>31</b>	<b>Stationery, printing, advertisement, etc.</b>		
	Printing and stationery	182,239,420	185,547,219
	Publicity, advertisement, contribution, etc.	320,820,662	387,689,467
		<b>503,060,082</b>	<b>573,236,686</b>
<b>31(a)</b>	<b>Consolidated Stationery, printing, advertisement, etc.</b>		
	Premier Bank Limited (Note- 31)	503,060,082	573,236,686
	Premier Bank Securities Ltd.	480,288	556,241
	Premier Money Transfer Company Ltd.	-	18,648
		<b>503,540,370</b>	<b>573,811,575</b>
<b>32</b>	<b>Chief executive's salary and fees</b>		
	Basic pay	6,600,000	6,450,000
	Bonus	1,650,000	1,100,000
	Other Allowances	4,200,000	4,600,000
		<b>12,450,000</b>	<b>12,150,000</b>
<b>33</b>	<b>Directors' fees</b>		
		4,009,000	3,203,000
		<b>4,009,000</b>	<b>3,203,000</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

Amount in Taka

	2016	2015
<b>34 Depreciation and repair of Bank's assets</b>		
<b>Repairs:</b>		
Furniture and fixtures	6,298,581	6,908,503
Office equipment	27,084,120	24,420,185
Renovation and maintenance of premises	64,115,159	33,730,508
	<b>97,497,860</b>	<b>65,059,196</b>
<b>Depreciation: (Annexure - B)</b>		
Vehicles	9,461,335	4,778,279
Furniture and fixtures	75,881,666	76,342,683
Equipment & Computer	71,362,219	65,057,694
Land and building	32,412,118	28,824,377
Amortisation of license fee	618,842	515,702
	<b>189,736,180</b>	<b>175,518,735</b>
<b>Total Depreciation and repair of Bank's assets</b>	<b>287,234,040</b>	<b>240,577,931</b>
<b>34(a) Consolidated Depreciation and repair of Bank's assets</b>		
<b>Repairs:</b>		
Premier Bank Limited (Note - 34)	97,497,860	65,059,196
Premier Bank Securities Ltd.	-	388,724
Premier Money Transfer Company Ltd.	-	2,111
	<b>97,497,860</b>	<b>65,450,031</b>
<b>Depreciation: (Annexure - A)</b>		
Premier Bank Limited (Note- 34)	189,736,180	175,518,735
Premier Bank Securities Ltd.	383,730	465,939
	<b>190,119,910</b>	<b>175,984,674</b>
	<b>287,617,770</b>	<b>241,434,705</b>
<b>35 Other expenses</b>		
Training expenses	3,092,736	4,364,680
Car maintenance	13,397,538	11,965,127
Washing and cleaning	6,150,636	3,493,898
Subscription	10,100,627	6,043,983
Entertainment	37,621,250	25,561,662
Travelling	8,473,564	6,285,290
Conveyance	7,386,201	6,113,720
Cartage and freight	51,860	40,620
Liveries and uniform	843,550	611,540
Cash carrying charges	13,173,495	10,431,810
Credit card fees	56,428,375	49,988,951
Security and auxiliary service	7,239,849	-
Losses of property	81,517	-
Loss for Revaluation	309,116,111	22,839,300
Loss on revaluation for HFT TB	33,590	14,474,590
Loss on Amortization for HTM TB	22,504,607	2,320,363
AGM expenses	7,908,321	7,772,495
Remittance charges	746,988	864,584
Sundry expenses	21,441,295	11,096,908
	<b>525,792,110</b>	<b>184,269,521</b>
<b>35(a) Consolidated other expenses</b>		
Premier Bank Limited (Note - 35)	525,792,110	184,269,521
Premier Bank Securities Ltd.	9,123,993	7,485,951
Premier Money Transfer Company Ltd.	-	7,163,899
	<b>534,916,103</b>	<b>198,919,371</b>
<b>36 (a) Provision against loans and advances</b>		
Specific provision	910,000,000	250,000,000
General provision	20,000,000	-
	<b>930,000,000</b>	<b>250,000,000</b>



# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>36 (b)</b>	<b>Losses on disposal of subsidiary</b>	<b>2,500,510</b>	<b>-</b>
Premier Money Transfer Company Limited was a 100% own subsidiary company of the Bank. As per decision of the executive committee of the Board of Directors, the Company ceased its operation from August 2015. As per Bangladesh Bank letter reference no. BOIMUBI/729/BIBIDHO/2016-3464 dated 28 December 2016, all outstanding liabilities of company will be adjusted within 31 December 2018. Accordingly an amount of Tk. 25,00,510.19 recognise as expense in the current year.			
<b>37</b>	<b>Earnings per share (EPS)</b>		
	Net profit after taxation (Numerator)	1,587,083,690	961,198,961
	Number of ordinary shares outstanding (Denominator)	682,081,073	682,081,073
	Earnings per share (EPS)	<b>2.33</b>	<b>1.41</b>
Earnings per share (EPS) has been calculated in accordance with BAS - 33 : "Earnings per share (EPS)". Previous year's EPS has been restated due to issue of bonus share. Actual EPS for 2015 was Taka 1.55.			
<b>37(a)</b>	<b>Consolidated earnings per share (CEPS)</b>		
	Net profit after taxation (Numerator)	1,602,054,548	961,557,144
	Number of ordinary shares outstanding (Denominator)	682,081,073	682,081,073
	Consolidated earnings per share (CEPS)	<b>2.35</b>	<b>1.41</b>
Consolidated earnings per share (CEPS) has been calculated in accordance with BAS - 33 : "Earnings per share (EPS)". Previous year's CEPS has been restated due to issue of bonus share. Actual CEPS for 2015 was Taka 1.55			
<b>37.1</b>	<b>Net operating cash flow per share (NOCFPS)</b>		
	Cash generated from operating activities	1,948,134,989	1,022,441,972
	Average number of ordinary shares outstanding	682,081,073	682,081,073
	Net operating cash flow per share (NOCFPS)	<b>2.86</b>	<b>1.50</b>
Net operating cash flow per share (NOCFPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on 31 December 2016 as per Notification of Securities & Exchange Commission (SEC). Previous year's NOCFPS has been restated due to issue of bonus share. Actual NOCFPS for 2015 was Taka 1.61			
<b>37.1(a)</b>	<b>Consolidated net operating cash flow per share (CNOCFPS)</b>		
	Cash generated from operating activities	1,963,395,796	1,031,832,150
	Average number of ordinary shares outstanding	682,081,073	682,081,073
	Consolidated net operating cash flow per share (CNOCFPS)	<b>2.88</b>	<b>1.51</b>
Consolidated net operating cash flow per share (CNOCFPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on 31 December 2016 as per Notification of Securities & Exchange Commission (SEC). Previous year's CNOCFPS has been restated due to issue of bonus share. Actual CNOCFPS for 2015 was Taka 1.62			
<b>38</b>	<b>Number of Employees</b>		
The number of employees engaged for the whole year or part thereof who received total remuneration of Tk. 36,000 p.a. or above were 1,511.			

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>39</b>	<b>Highlights of Activities</b>		
	Paid-up capital	6,820,810,730	6,200,737,030
	Total capital	15,607,744,029	9,015,033,826
	Capital surplus/(shortfall)	2,215,728,404	(985,830,424)
	Total assets	154,580,446,062	131,006,542,760
	Total deposits	125,490,120,818	108,700,542,280
	Total loans and advances	113,723,813,918	91,217,453,215
	Total contingencies	78,247,161,596	65,888,690,325
	Loan-deposit ratio	90.62%	83.92%
	Ratio of classified loans against total loans	5.17%	6.64%
	Profit after tax and provision	1,587,083,690	961,198,961
	Provision against classified loans	1,962,428,946	1,047,287,098
	Provision surplus (Deficit)	-	-
	Cost of funds	6.12%	7.52%
	Profit-earning assets	136,194,861,388	114,813,751,956
	Non-profit earning assets	18,385,584,674	16,192,790,804
	Return on investments	11.40%	6.33%
	Return on assets (ROA)	1.11%	0.79%
	Income from investment	2,562,273,612	1,668,990,837
	Earnings per share	2.33	1.41
	Net income per share	2.33	1.41
	Net operating cash flow per share (NOCFPS)	2.86	1.50
	Price earning ratio (approximate)	4.21 Times	5.54 Times
<b>39(a)</b>	<b>Consolidated Highlights of Activities</b>		
	Paid-up capital	6,820,810,730	6,200,737,030
	Total capital	15,604,605,209	8,996,924,148
	Capital surplus/(shortfall)	2,323,801,459	(876,061,102)
	Total assets	155,167,287,682	131,437,936,752
	Total deposits	125,640,370,898	108,875,127,732
	Total loans and advances	113,777,562,064	91,318,508,129
	Total contingencies	78,247,161,596	65,888,690,325
	Loan-deposit ratio	90.56%	83.87%
	Ratio of classified loans against total loans	5.17%	6.64%
	Profit after tax and provision	1,602,054,548	961,557,144
	Provision against classified loans	1,962,428,946	1,047,287,098
	Provision surplus (Deficit)	-	-
	Cost of funds	6.12%	7.52%
	Profit-earning assets	137,078,705,626	115,744,902,955
	Non-profit earning assets	18,088,582,056	15,693,033,797
	Return on investments	11.04%	6.83%
	Return on assets (ROA)	1.12%	0.87%
	Income from investment	2,562,273,612	1,668,990,837
	Earnings per share	2.35	1.41
	Net income per share	2.35	1.41
	Net operating cash flow per share (NOCFPS)	2.88	1.51
	Price earning ratio (approximate)	4.17 Times	5.54 times

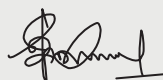
# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2016

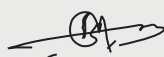
- 40 Assets and liabilities at 31 December 2016 denominated in foreign currencies have been converted to local currency Bangladesh Taka (BDT) at the following exchange rates:

<u>Currency</u>	<u>Abbreviation and unit</u>		<u>Equivalent BDT</u>
British Pound Sterling	GBP	1.00	96.9380
European Currency	EURO	1.00	82.6272
Canadian Dollar	CAD	1.00	58.4620
Australian Dollar	AUD	1.00	56.9864
Japanese Yen	JPY	1.00	0.6780
US Dollar	USD	1.00	79.1750
Chinese yuan	CNY	1.00	11.3840
Saudi Arabian Riyal	SAR	1.00	21.1527
Swiss Franc	CHF	1.00	77.0823

- 41 Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- 42 The Board of Directors (BoD) in its 181<sup>st</sup> meeting held on 26 April 2017 has recommended Cash dividend @ 10% and stock dividend @ 2%, subject to the approval of the shareholders at the AGM.  
Except for the matter described above, no other material events have occurred after the Balance Sheet date that could affect the values reported in the financial statements.
- 43 Wherever considered necessary, previous year figures have been rearranged for the purpose of comparison with current year presentation without causing any impact on the profit as well as value of assets and liabilities as reported in the said financial year.
- 44 These notes form an integral part of the said financial statements and accordingly are to be read in conjunction therewith.



Chairman



Director



Director



Director



Managing Director

Dated: Dhaka  
26 April 2017

# The Premier Bank Limited

Consolidated schedule of fixed assets including premises, furniture and fixtures as at 31 December 2016

**Annexure -A**  
Amount in Taka

Asset Category	Cost			Rate (%)	Depreciation			Written Down Value at 31 December 2016
	As at 01 Jan 2016	Additions during the year	Adjustment during the year		As at 31 December 2016	Charge for the year	Adjustment for disposal during the year	As at 31 December 2016
Land and Building	1,384,393,311	-	-	2.5	1,384,393,311	32,431,551	-	119,562,822
Furniture and fixtures	1,169,486,173	35,523,103	-	10	1,205,009,276	75,897,103	-	481,534,902
Equipment and computers	730,499,388	115,486,783	837,950	20	845,148,221	71,711,080	779,002	470,127,250
Vehicles	70,781,890	22,988,904	-	20	93,770,794	9,461,335	-	48,685,903
<b>Total at 31 December 2016</b>	<b>3,355,160,762</b>	<b>173,998,790</b>	<b>837,950</b>		<b>3,528,321,602</b>	<b>189,501,069</b>	<b>779,002</b>	<b>1,119,910,877</b>
<b>Total at 31 December 2015</b>	<b>2,418,333,057</b>	<b>942,145,411</b>	<b>5,317,706</b>		<b>3,355,160,762</b>	<b>175,468,972</b>	<b>3,074,524</b>	<b>931,188,810</b>

Schedule of fixed assets including premises, furniture and fixtures as at 31 December 2016

**Annexure -B**  
Amount in Taka

Asset Category	Cost			Rate (%)	Depreciation			Written Down Value at 31 December 2016
	As at 01 Jan 2016	Additions during the year	Adjustment during the year		As at 31 December 2016	Charge for the year	Adjustment for disposal during the year	As at 31 December 2016
Land and Building	1,383,543,311	-	-	2.5	1,383,543,311	32,412,118	-	119,470,696
Furniture and fixtures	1,169,273,039	35,523,103	-	10	1,204,796,142	75,862,442	-	481,240,760
Equipment and computers	726,927,836	115,422,983	837,950	20	841,512,869	71,381,443	779,002	468,062,141
Vehicles	70,781,890	22,980,904	-	20	93,762,794	9,461,335	-	48,685,903
<b>Total as at 31 December 2016</b>	<b>3,350,526,076</b>	<b>173,926,990</b>	<b>837,950</b>		<b>3,523,615,116</b>	<b>189,117,338</b>	<b>779,002</b>	<b>1,117,459,500</b>
<b>Total as at 31 December 2015</b>	<b>2,408,392,065</b>	<b>942,134,011</b>	<b>-</b>		<b>3,350,526,076</b>	<b>175,003,033</b>	<b>-</b>	<b>929,121,164</b>

## The Premier Bank Limited

Balance with other banks and financial institutions - Outside Bangladesh As at 31 December 2016

Annexure - c

Name of the Bank	Location	Currency	31.12.2016			31.12.2015		
			Amount in foreign currency	Conversion rate	Amount in Taka	Amount in foreign currency	Conversion rate	Amount in Taka
Mashreq Bank Ny	New York	USD	269,432.74	79.1750	21,332,337	1,047,239.36	78.4750	82,182,109
Standard Chartered Bank	New York	USD	626,695.93	79.1750	49,618,650	1,981,251.05	78.4750	155,478,676
Commerz Bank AG	Frankfurt	EURO	435,382.49	79.1750	34,471,409	154,045.36	78.4750	12,088,710
Bank of Ceylon	Srilanka	ACUD	20,827.82	79.1750	1,649,043	36,977.69	78.4750	2,901,824
Standard Chartered Bank	Kolkata	ACUD	30,084.45	79.1750	2,381,936	204,967.09	78.4750	16,084,792
United Bank Ltd	Karachi	ACUD	103,853.12	79.1750	8,222,571	50,628.72	78.4750	3,973,089
Bank of China	China	CNY	93,640.28	11.3840	1,066,001	-	0.0000	-
State Bank of India	Kolkata	ACUD	23,838.43	79.1750	1,887,408	23,838.43	78.4750	1,870,721
ICICI Bank	Mumbai	ACUD	182,603.75	79.1750	14,457,652	181,320.36	78.4750	14,229,115
Himalayan Bank	Nepal	ACUD	2,712.01	79.1750	214,723	2,712.00	78.4750	212,824
Commerz Bank AG	Frankfurt	USD	6,070.48	82.6272	501,587	66,020.91	85.7418	5,660,752
Baye-Hypo-und Vereinsbank AG	Muenchen	EURO	-	82.6272	-	-	85.7418	-
Westpac Banking Corporation	Sydney	AUD	32,509.82	58.2013	1,892,114	26,368.87	57.3064	1,511,105
Mashreqbank psc	London	GBP	27,751.30	96.9380	2,690,156	42,111.02	116.3001	4,897,516
The Bank of Nova Scotia	Toronto	CAD	-	58.4620	-	-	56.5892	-
Bank of Tokyo Mitsubishi Ltd	Tokyo	JPY	4,616,572.27	0.6780	3,130,036	6,916,416.51	0.6516	4,506,737
Habib Bank AG Zurich Switzerland	Zurich	CHF	61,233.28	77.0823	4,720,002	52,220.87	79.3640	4,144,457
Al Rajhi Banking & Investment Corp.	Riyadh	SAR	68,007.49	21.1527	1,438,542	441,317.77	20.9635	9,251,565
National Commercial Bank	Jeddah	SAR	215,070.42	21.1527	4,549,320	206,129.42	20.9635	4,321,194
Mashreq Bank PSC	Mumbai	ACUD	224,315.89	79.1750	17,760,211	287,581.73	78.4750	22,567,976
Bank Al-zazira	Zeddah	SAR	6,190,000.00	21.1527	130,935,213	-	0.0000	-
AB Bank Ltd	Mumbai	ACUD	67,298.00	79.1750	5,328,319	10,996.06	78.48	862,916
Habib American Bank	New York	USD	654,228.44	79.1750	51,798,537	762,619.97	78.48	59,846,602
Off-shore Banking Unit					4,233,291,870			2,217,456,420
<b>Grand Total</b>					<b>4,593,337,637</b>			<b>2,624,049,100</b>

## The Premier Bank Limited

Status of provision for income tax as at 31 December 2016

Annexure-D

Accounting Year	Assessment Year	Presect status
2004	2005-2006	Appeal filed with High Court
2005	2006-2007	Appeal filed with Tribunal
2006	2007-2008	Appeal filed with High Court
2007	2008-2009	Appeal filed with Tribunal
2008	2009-2010	Appeal filed with Tribunal
2009	2010-2011	Appeal filed with Tribunal
2010	2011-2012	Appeal filed with High Court
2011	2012-2013	Appeal filed with High Court
2012	2013-2014	Appeal filed with ADR
2013	2014-2015	Return filed but assessment not yet completed
2014	2015-2016	Return filed but assessment not yet completed
2015	2016-2017	Return filed but assessment not yet completed
2016	2017-2018	Return yet to submitted

## The Premier Bank Limited

Details of Large Loan As at 31 December 2016

Annexure-E

(Taka in crore)

Sl. No.	Name of Parties	Limit			Status
		Funded	Non-Funded	Total	
1	Jaj Bhuiyan	155.00	280.00	435.00	UC
2	VOSTA LMG-KARNAFULY Joint Venture Consortium Limited	150.00	430.00	580.00	UC
3	Fakir Apparels Ltd	214.30	170.00	384.30	UC
4	BRAC	170.00	0.00	170.00	UC
5	Abdul Monem	170.00	205.00	375.00	UC
6	Saad Musa Group	240.00	0.00	240.00	UC
7	Shasha	157.89	130.51	288.40	UC
8	ABA Group	161.78	290.96	452.74	UC
	<b>Total</b>	<b>1,418.97</b>	<b>1,506.47</b>	<b>2,925.44</b>	

# The Premier Bank Limited

Segment reporting

The Bank reports its operations under the following business segment as per Bangladesh Financial Reporting Standards (BFRS) 8 "Operating Segment"

For the year ended 31 December 2016

Annexure F  
Amount in Taka

Particulars	The Premier Bank Limited				Group		
	Inside Bangladesh				Inside Bangladesh		
	Conventional Banking	Islamic banking branches	Off-shore banking Unit	Inter Company adjustment	Total	PBSL	Inter company adjustment
Interest income/profit on Islamic investments	9,546,236,134	603,187,452	171,967,703	(61,722,325)	10,259,668,964	231,505,898	(112,297,150)
Interest/profit paid on deposits, borrowings, etc.	(7,110,765,356)	(407,680,309)	(61,722,325)	61,722,325	(7,518,445,665)	(112,297,150)	(7,518,445,665)
Net interest income/ net profit on investments	2,435,470,778	195,507,143	110,245,378	-	2,741,223,299	119,208,748	-
Investment income	2,562,273,612	-	-	-	2,562,273,612	9,792,504	-
Commission, exchange and brokerage	1,399,186,731	10,283,445	1,721,415	-	1,411,191,591	28,485,939	-
Other operating income	492,099,394	10,525,913	-	-	502,625,307	8,532,454	-
<b>Total Operating Income (A)</b>	6,889,030,515	216,316,501	111,966,793	-	7,217,313,809	166,019,645	-
Salary and allowances	1,316,452,677	29,012,072	-	-	1,345,464,749	14,845,672	-
Rent, taxes, insurance, electricity, etc.	1,095,824,833	13,336,490	-	-	1,109,161,323	117,147,836	-
Legal expenses	37,002,444	-	-	-	37,002,444	46,500	-
Postage, stamps, telecommunication, etc.	70,008,024	1,505,800	-	-	71,513,824	1,006,455	-
Stationery, printing, advertisement, etc.	502,338,589	721,493	-	-	503,060,082	480,288	-
Chief executive's salary and fees	10,800,000	-	-	-	10,800,000	-	-
Directors' fees	4,009,000	-	-	-	4,009,000	-	-
Auditors' fee	552,000	-	-	-	552,000	65,000	-
Depreciation and repair of Bank's assets	284,187,245	3,046,795	-	-	287,234,040	383,730	-
Losses on disposal of subsidiary	2,500,510	-	-	-	2,500,510	-	-
Other expenses	524,582,038	1,210,072	-	-	525,792,110	9,123,993	-
<b>Total Operating Expenses (B)</b>	3,848,257,360	48,832,722	-	-	3,897,090,082	143,099,474	-
<b>Profit before provision (C = A-B)</b>	3,040,773,155	167,483,779	111,966,793	-	3,320,223,727	22,920,171	-
Provision for loans and advances/ Investments	930,000,000	-	-	-	930,000,000	-	-
Provision for off-balance sheet items	10,000,000	-	-	-	10,000,000	-	-
Provision for investment in shares	40,000,000	-	-	-	40,000,000	-	-
Other provisions	21,156,857	-	-	-	21,156,857	-	-
<b>Total provision (D)</b>	1,001,156,857	-	-	-	1,001,156,857	-	-
<b>Profit before taxation (E=C-D)</b>	2,039,616,298	167,483,779	111,966,793	-	2,319,066,870	22,920,171	-
Provision for taxation (F)	731,983,180	-	-	-	731,983,180	7,949,313	-
<b>Profit after tax</b>	<b>1,307,633,118</b>	<b>167,483,779</b>	<b>111,966,793</b>	-	<b>1,587,083,690</b>	<b>14,970,858</b>	-



# The Premier Bank Limited

Segment reporting

The Bank reports its operations under the following business segment as per Bangladesh Financial Reporting Standards (BFRS) 8 "Operating Segment"

As at 31 December 2016

Annexure F  
Amount in Taka

Particulars	The Premier Bank Limited				Group		
	Inside Bangladesh				Inside Bangladesh		
	Conventional Banking	Islamic banking branches	Off-shore banking Unit	Inter Company adjustment	Total	PBSL	Inter company adjustment
<b>PROPERTY AND ASSETS</b>							
Cash	10,007,680,896	27,418,360	-	-	10,035,099,256	67,895	10,035,167,151
Balance with other banks and financial institutions	5,243,984,059	-	183,522,531	(4,339,512,063)	1,087,994,527	658,918,032	1,100,594,938
Money at call on short notice	-	-	-	-	-	-	-
Investments	20,850,411,653	1,620,635,817	-	-	22,471,047,470	830,096,092	23,301,143,562
Loans, advances, and lease/ investments	103,791,388,326	4,718,119,34	5,214,306,246	-	113,723,813,918	2,753,565,464	113,777,562,064
Fixed assets including premises, furniture and fixtures	2,394,741,944	11,413,672	-	-	2,406,155,616	2,255,109	2,408,410,725
Other assets	2,707,442,216	2,141,628,891	7,264,168	-	4,856,335,275	221,334,959	4,544,409,242
Non-banking assets	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>144,995,649,093</b>	<b>8,519,216,086</b>	<b>5,405,092,946</b>	<b>(4,339,512,063)</b>	<b>154,580,446,062</b>	<b>4,466,237,551</b>	<b>155,167,287,682</b>
<b>LIABILITIES AND CAPITAL</b>							
Liabilities							
Borrowings from other banks, financial institutions and agents	1,869,857,372	3,000,000,000	-	-	4,869,857,372	2,699,817,318	4,869,857,372
Non-convertible variable coupon rate bonds	6,000,000,000	-	-	-	6,000,000,000	-	6,000,000,000
Deposits and other accounts	119,252,984,354	5,316,421,179	5,260,227,348	(4,339,512,063)	125,490,120,818	796,567,701	125,640,370,898
Other liabilities	6,070,126,996	202,794,907	32,898,805	-	6,305,820,708	437,998,822	6,743,819,530
Total Liabilities	133,192,968,722	8,519,216,086	5,293,126,153	(4,339,512,063)	142,665,798,898	3,934,383,841	143,254,047,800
Shareholders' Equity	11,802,680,371	-	111,966,793	-	11,914,647,164	531,853,710	11,913,239,882
<b>Total Liabilities and Shareholders' Equity</b>	<b>144,995,649,093</b>	<b>8,519,216,086</b>	<b>5,405,092,946</b>	<b>(4,339,512,063)</b>	<b>154,580,446,062</b>	<b>4,466,237,551</b>	<b>155,167,287,682</b>

## The Premier Bank Limited

Name of Directors and the entities in which they had interest as at 31 December 2016

### Annexure -G

Sl. No.	Name	Designation	Entities where they had interest	Position	Interest (%)
1.	Dr. H. B. M. Iqbal	Chairman	Premier Group of Companies Ltd. Premier Hotel & Resort Ltd. Premier Hotel Management Co. Ltd. Bengal Tiger Cement Industries Ltd Premier Technology & Holdings Ltd. ATAB Centre Ltd. Air Concern International Bukhara Restaurant (Pvt) Ltd. Banani Travels & Tours Ltd. Aero Bengal Centre Ltd. The Premier Tele Link Ltd. IBC Power Ltd. Beacon Travel In't Ltd. Centaur Limited. Nawrin Electronics Ltd. Iqbal Centre Concern International	Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Managing Director Managing Director Managing Director Proprietor Proprietor	
2.	Mr. Mohammad Imran Iqbal	Vice-Chairman	Premier Property Development Co. Ltd. Bentley Sweater Ltd. Premier Group of Companies Ltd. Premier Hotel & Resort Ltd. Premier Hotel Management Co. Ltd. Nawrin Electronics Ltd. Bukhara Restaurant (Pvt) Ltd. ATAB Centre Ltd. Al-Khalij Travels Ltd.	Managing Director Add. Managing Director Director Director Director Director Director Director Director	-       - -
3.	Mr. B. H. Haroon, MP	Director	Al Arab Enterprise International Rajbithi Travels Ltd. Purabi General Insurance Al-Humyra Group : Al-Humyra Health Center Ltd. Al-Humyra Development Ltd.	Proprietor Chairman Sponsor Director  Chairman Chairman	100 20 5  50 50
4.	Mr. Abdus Salam Murshedy	Director	Envoy Garments Ltd. Armour Garments Ltd. Nadia Garments Ltd. Pastel Apparels Ltd. Astras Garments Ltd. Regal Garments Ltd. Epoch Garments Ltd. Supreme Apparels Ltd. Dornick Apparels Ltd. Fontina Fashions Ltd. Manta Apparels Ltd. Envoy Fashions Ltd. Envoy Design Ltd. Taxes Dresses Ltd. Laundry Industries Ltd.	Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director	50 50 50 50 50 50 50 50 50 50 50 50 50 50 50

## The Premier Bank Limited

Name of Directors and the entities in which they had interest as at 31 December 2016

### Annexure -G

Sl. No.	Name	Designation	Entities where they had interest	Position	Interest (%)
			Envoy Textiles Ltd.	Managing Director	4
			Orex Network Ltd.	Managing Director	50
			National System Solutions (Pvt) Ltd.	Managing Director	50
			Regional Power Ltd.	Managing Director	25
			OIA Global Logistics (BD) Ltd.	Managing Director	38
			Advanced Comtech Machines Ltd.	Managing Director	50
			Lunar International Ltd.	Managing Director	33
			Emerald Trading Ltd.	Managing Director	33
			Geocentric Ltd.	Managing Director	20
			Pinata Air International Ltd.	Managing Director	33
			Peridot International Ltd.	Managing Director	50
			KSM Preserves Ltd.	Managing Director	33
			Envoy Shipping Ltd.	Managing Director	50
			Envoy LPG Products Ltd.	Managing Director	50
			Machinery Products Ltd.	Managing Director	50
			Niloy Apartment Ltd.	Managing Director	50
			New Energy Solutions Ltd.	Managing Director	40
			Envoy Air Services Ltd.	Managing Director	30
			Envoy Products Ltd.	Managing Director	50
			Envoy Packages Ltd.	Managing Director	50
			Envoy Towers Ltd.	Managing Director	50
			Olio Apparels Ltd.	Managing Director	50
			Building Products Ltd.	Managing Director	50
			Sharmin Holdings Ltd.	Managing Director	19
			Sports Media Ltd.	Managing Director	25
			Donier Textile Mills Ltd	Managing Director	45
			Treasure Securities Ltd	Chairman	25
			Sheltech Suit (Pvt) Ltd.	Director	8
			Sheltech Cond. (Pvt) Ltd.	Director	14
			Square Hospitals Ltd.	Director	5
5.	Mr. Shafiqur Rahman	Director	Rupsha Tyres & Chemical Ltd.	Managing Director	40
6.	Mr. Shah Md. Nahyan Haroon	Director	Rajbithi Travels Ltd.	Managing Director	25
7.	Mr. Jamal G. Ahmed	Director	Premier Group of Companies Ltd.	Director	-
			Bentley Sweater Ltd.	Managing Director	-
			ATAB Centre Ltd.	Director	-
			Premier Property Development Co. Ltd.	Director	-
8.	Mrs. Shaila Shelly Khan	Director	N/A	-	-
9.	Mrs. Fauzia Rekza Banu	Director	N/A	-	-
10.	Mr. Yeh Cheng Min	Director	Alita (BD) Ltd.	Chairman	70
			Ace Bicycle (BD) Ltd.	Managing Director	70
			Van Green (BD) Ltd.	Chairman	70
11.	Mrs. Faiza Rahman	Independent Director	N/A	-	-
12.	Chowdhury Zafar Ullah Sharafat	Independent Director	Unique Group	Director	-
			Race portfolio and issue management ltd.	Chairman	-
			Cream & Milk	Director	-

# The Premier Bank Ltd

## Investment in Shares as at 31 December 2016

Annexure-H

SL. No.	Name of the company	Face value	No. of share including bonus share	Cost of holding	Average cost	Quoted rate per share as at 31.12.2016	Total market value as at 31.12.2016
		Taka		Taka	Taka	Taka	Taka
<b>A. Quoted</b>							
1	ABBANK	10	183,274	6,847,476	37.36	22.30	4,087,010
2	AAMRATECH	10	497,286	18,593,049	37.39	33.70	16,758,538
3	AFTABAUTO	10	871,320	85,355,957	97.96	56.70	49,403,844
4	APEXFOOT	10	231,520	108,278,111	467.68	330.30	76,471,056
5	APOLISPAT	10	20,000	319,683	15.98	20.50	410,000
6	ATLASBANG	10	174,609	33,812,550	193.65	109.40	19,102,225
7	BANKASIA	10	90,794	2,068,581	22.78	17.90	1,625,213
8	BAYLEASING	10	151,869	7,714,945	50.80	24.50	3,720,791
9	BBS	10	28,296	1,232,062	43.54	51.80	1,465,733
10	BEXIMCO	10	319,955	11,781,188	36.82	26.00	8,318,830
11	BGIC	10	735,485	34,399,569	46.77	19.20	14,121,312
12	BSC	100	42,980	27,486,614	639.52	470.20	20,209,196
13	BSCCL	10	1,402,120	319,313,352	227.74	118.60	166,291,432
14	CENTRALPHL	10	163,157	3,668,911	22.49	22.30	3,638,401
15	CITYBANK	10	1,208,330	37,069,446	30.68	27.20	32,866,576
16	CONFIDCEM	10	29,100	3,855,222	132.48	109.40	3,183,540
17	DACCADYE	10	2,093,421	48,487,733	23.16	9.00	18,840,789
18	DELTALIFE	10	159,062	33,519,162	210.73	100.60	16,001,637
19	DELTASPINN	10	577,500	10,461,750	18.12	10.90	6,294,750
20	DESCO	10	1,438,399	95,961,121	66.71	46.30	66,597,874
21	DHAKABANK	10	1,242,883	26,976,815	21.71	17.90	22,247,606
22	DUTCHBANGL	10	9,000	1,094,510	121.61	116.70	1,050,300
23	EASTERNINS	10	14,000	536,725	38.34	27.10	379,400
24	EASTLAND	10	1,097,195	50,260,257	45.81	23.90	26,222,961
25	EHL	10	254,677	12,818,641	50.33	42.90	10,925,643
26	ENVOYTEX	10	458,923	21,935,046	47.80	38.80	17,806,212
27	EXIMBANK	10	2,723,889	43,105,123	15.82	11.70	31,869,501
28	FAREASTFIN	10	1,000,000	12,063,520	12.06	12.30	12,300,000
29	FAREASTLIF	10	34,457	3,275,089	95.05	67.70	2,332,739
30	FASFIN	10	971,274	21,487,752	22.12	14.50	14,083,473
31	FIRSTFIN	10	1,701,594	50,086,555	29.44	10.20	17,356,259
32	FIRSTSBANK	10	995,854	16,136,180	16.20	13.90	13,842,371
33	FUWANGFOOD	10	511,300	14,489,094	28.34	16.00	8,180,800
34	GENNEXT	10	16,652	251,432	15.10	9.90	164,855
35	GHAIL	10	10,593	398,810	37.65	53.50	566,726
36	GP	10	340,810	121,274,407	355.84	284.10	96,824,121
37	GOBALLPEN	10	23,620	3,384,132	143.27	69.60	1,643,952
38	ICB	10	340,500	54,146,039	159.02	104.50	35,582,250
39	IFIC	10	2,103,579	68,755,793	32.69	20.90	43,964,801
40	ISLAMIBANK	10	77,220	2,637,000	34.15	29.70	2,293,434
41	JAMUNAOIL	10	1,078,438	248,010,208	229.97	181.60	195,844,341
42	JANATAINS	10	210,721	4,532,636	21.51	13.60	2,865,806
43	KEYACOSMET	10	239,807	6,832,678	28.49	13.30	3,189,433
44	LAFSURCEML	10	289,481	36,002,906	124.37	82.10	23,766,390
45	LANKABAFIN	10	1,052,978	69,733,082	66.22	34.80	36,643,634
46	MAKSONSPIN	10	599,275	7,787,669	13.00	8.50	5,093,838
47	MALEKSPIN	10	133,500	3,656,537	27.39	17.50	2,336,250
48	MATINSPINN	10	922,285	42,936,812	46.55	40.20	37,075,857
49	MEGHNACEM	10	80,100	11,181,960	139.60	106.10	8,498,610
50	MEGHNALIFE	10	59,598	7,663,366	128.58	55.70	3,319,609
51	MERCANBANK	10	609,738	13,090,014	21.47	15.10	9,207,044
52	MICEMENT	10	132,000	16,269,051	123.25	82.50	10,890,000
53	MJLBD	10	19,400	1,896,096	97.74	119.60	2,320,240
54	MPETROLEUM	10	110,000	27,500,365	250.00	170.40	18,744,000
55	NBL	10	1,959,620	58,302,792	29.75	10.20	19,988,124
56	ONEBANKLTD	10	1,545,378	35,231,624	22.80	18.30	28,280,417
57	ORIONPHARM	10	1,877,790	92,003,694	49.00	42.10	79,054,959
58	PADMALIFE	10	99,500	7,704,394	77.43	28.20	2,805,900
59	PADMAOIL	10	302,475	104,759,249	346.34	180.20	54,505,995
60	PARAMOUNT	10	353,061	9,263,053	26.24	19.10	6,743,465

# The Premier Bank Ltd

## Investment in Shares as at 31 December 2016

Annexure-H

SL. No.	Name of the company	Face value	No. of share including bonus share	Cost of holding	Average cost	Quoted rate per share as at 31.12.2016	Total market value as at 31.12.2016
		Taka		Taka	Taka	Taka	Taka
61	PHARMAID	10	5,000	1,449,335	289.87	243.20	1,216,000
62	PHOENIXFIN	10	115,830	4,785,750	41.32	26.90	3,115,827
63	PIONEERINS	10	159,225	7,161,470	44.98	30.20	4,808,595
64	PLFSL	10	414,839	19,034,750	45.88	9.50	3,940,971
65	POPULARLIF	10	33,320	4,196,702	125.95	69.80	2,325,736
66	POWERGRID	10	269,150	17,366,377	64.52	54.00	14,534,100
67	PRAGATILIF	10	101,647	16,949,930	166.75	101.20	10,286,676
68	PREMIERCEM	10	616,467	65,324,696	105.97	91.20	56,221,790
69	PREMIERLEA	10	271,766	8,151,937	30.00	14.20	3,859,077
70	PRIMEBANK	10	730,750	19,717,965	26.98	17.70	12,934,275
71	PRIMEFIN	10	278,819	8,883,103	31.86	9.80	2,732,426
72	PTL	10	53,895	2,330,792	43.25	20.20	1,088,679
73	PUBALIBANK	10	175,404	5,851,119	33.36	24.00	4,209,696
74	RECKITTBN	10	740	1,311,396	1,772.16	1,550.00	1,147,000
75	RELIANCINS	10	64,929	3,445,653	53.07	50.00	3,246,450
76	REPUBLIC	10	1,466,138	61,367,514	41.86	24.70	36,213,609
77	RNSPIN	10	682,750	24,079,091	35.27	25.10	17,137,025
78	RSRMSTEEL	10	21,628	1,121,233	51.84	73.40	1,587,495
79	RUPALIINS	10	669,765	27,626,423	41.25	18.50	12,390,653
80	RUPALILIFE	10	172,067	10,840,338	63.00	36.80	6,332,066
81	SAIHAMCOT	10	1,130,250	25,601,876	22.65	17.20	19,440,300
82	SALAMCRST	10	70,000	3,991,052	57.02	37.30	2,611,000
83	SANDHANINS	10	14,256	640,877	44.95	33.50	477,576
84	SHAHJABANK	10	1,290,795	22,132,883	17.15	15.00	19,361,925
85	SIBL	10	1,312,294	23,227,832	17.70	18.40	24,146,210
86	SOUTHEASTB	10	835,000	16,884,234	20.22	18.70	15,614,500
87	STANDARINS	10	74,319	1,537,480	20.69	18.40	1,367,470
88	STANDBANKL	10	5,056,811	83,728,722	16.56	11.90	60,176,051
89	SUMITPOWER	10	3,975	152,122	38.27	37.00	147,075
90	SUNLIFEINS	10	194,483	11,698,641	60.15	20.50	3,986,902
91	TITASGAS	10	949,500	86,805,250	91.42	49.40	46,905,300
92	TRUSTBANK	10	113,139	2,668,844	23.59	23.80	2,692,708
93	UCB	10	628,212	19,032,845	30.30	21.30	13,380,916
94	UNIONCAP	10	926,271	29,333,643	31.67	20.50	18,988,556
95	UNIQUEHRL	10	295,500	37,243,203	126.03	53.90	15,927,450
96	UNITEDFIN	10	133,100	3,517,922	26.43	22.90	3,047,990
97	USMANIAGL	10	25,660	3,177,733	123.84	85.60	2,196,496
98	UTTARABANK	10	20,289	535,959	26.42	24.70	501,138
99	UTTARAFIN	10	369,050	27,880,738	75.55	61.30	22,622,765
100	ZAHINTEX	10	166,399	3,433,503	20.63	18.60	3,095,021
Sub total (A)				2,933,918,521			1,916,235,556
<b>B. Mutual Fund</b>							
1	ABB1STMF	10	27,830,275	199,434,869	7.17	5.9	164,198,623
2	EBLNRBMF	10	18,460,035	148,357,689	8.04	6.9	127,374,242
3	EXIM1STMF	10	24,293,414	196,753,622	8.10	7.9	191,917,971
4	FBFIF	10	34,019,755	250,000,000	7.35	6	204,118,530
5	SEMLLECMF	10	5,000,000	50,263,874	10.05	10	50,000,000
6	VAMLBDMF1	10	10,000,000	100,000,000	10.00	9.2	92,000,000
7	ICB2NDNRB	10	317,500	4,476,750	14.10	8.4	2,667,000
Sub total (B)				949,286,804			832,276,366
Total (A+B)				3,883,205,325			2,748,511,922
Available cash balance				708,654,692			
<b>Total</b>				<b>4,591,860,017</b>			
<b>C. Unquoted</b>							
1	Central Depository Bangladesh Limited			5,138,890	-	-	5,138,890
2	SWIFT Membership			1,214,751	-	-	1,214,751
3	Energy Prima Limited			9,500,000	-	-	9,500,000
4	Lanka Bangla Securities Limited			5,000,000	-	-	5,000,000
5	Bangladesh fixed Income special purpose vehicle			1,500,000,000	-	-	1,500,000,000
6	Runner Automobiles Ltd			35,000,010	-	-	35,000,010
Sub total				1,555,853,651			1,555,853,651
<b>D. Bond</b>							
1	FSIB Mudharaba subordinated bond			60,000,000	-	-	60,000,000
Sub total				60,000,000			60,000,000
<b>Total</b>				<b>6,207,713,668</b>			

# The Premier Bank Limited

Balance Sheet of Islamic Banking Branches As at December 31, 2016

Annexure- H

	Notes	Amount in Taka	
		2016	2015
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
In hand (including foreign currencies)	1.1	25,735,846	30,372,026
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	1.2	1,682,514	900,211
		<b>27,418,360</b>	<b>31,272,237</b>
<b>Balance with other banks and financial institutions</b>	2		
In Bangladesh	2.1	-	-
Outside Bangladesh		-	-
		-	-
<b>Placement with banks other financial institutions</b>			
<b>Investment in shares &amp; securities</b>	3		
Government	3.1	300,000,000	240,000,000
Others	3.2	1,320,635,817	1,320,635,817
		<b>1,620,635,817</b>	<b>1,560,635,817</b>
<b>Investments (including bills)</b>	4		
General investment		4,569,459,446	5,621,228,990
Bills purchased and discounted		148,659,900	145,350,281
		<b>4,718,119,346</b>	<b>5,766,579,271</b>
<b>Fixed assets including premises, furniture and fixtures</b>	5	<b>11,413,672</b>	<b>12,781,684</b>
<b>Other assets</b>	6	<b>2,141,628,891</b>	<b>454,338,624</b>
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b>8,519,216,086</b>	<b>7,825,607,632</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	7	<b>3,000,000,000</b>	<b>3,500,000,000</b>
<b>Deposits and other accounts</b>			
Mudaraba savings deposits		343,399,456	296,619,561
Mudaraba term deposits		4,666,762,556	3,414,327,358
Al -waduah Current deposits and other accounts		284,773,281	248,161,354
Bills payable		21,485,886	12,660,899
		<b>5,316,421,179</b>	<b>3,971,769,172</b>
<b>Other liabilities</b>	8	<b>202,794,907</b>	<b>353,838,460</b>
<b>Total Liabilities &amp; Capital</b>		<b>8,519,216,086</b>	<b>7,825,607,632</b>
<b>Contingent Liabilities</b>			
Acceptances and endorsements		218,121,000	236,256,000
Letters of guarantee		116,722,097	62,834,261
Irrevocable letters of credit		259,548,500	185,120,000
Bills for collection		26,369,000	47,332,820
Other contingent liabilities		-	-
		<b>620,760,597</b>	<b>531,543,081</b>
<b>Other commitments</b>		-	-
<b>Total Off-Balance Sheet Items</b>		<b>620,760,597</b>	<b>531,543,081</b>

## The Premier Bank Limited

Profit and Loss Statement of Islamic Banking Branches For the year ended 31 December 2016

	<u>Notes</u>	Amount in Taka	
		2016	2015
<b>OPERATING INCOME</b>			
Investment income	9	603,187,452	859,266,442
Profit paid on deposits, borrowings, etc	10	(407,680,309)	(601,613,784)
<b>Net investment income</b>		<b>195,507,143</b>	<b>257,652,658</b>
Commission, exchange and brokerage	11	10,283,445	9,317,861
Other operating income	12	10,535,553	11,358,989
<b>Total operating income (A)</b>		<b>216,326,141</b>	<b>278,329,508</b>
Salary and allowances	13	29,012,072	26,656,752
Rent, taxes, insurance, lighting, etc	14	13,336,490	12,866,869
Postage, stamps, telecommunication, etc	15	1,505,800	1,372,211
Stationery, printing, advertisement, etc	16	721,493	799,766
Depreciation and repair of Bank's assets	17	3,046,795	3,205,911
Other expenses	18	1,219,712	952,916
<b>Total operating expenses (B)</b>		<b>48,842,362</b>	<b>45,854,425</b>
<b>Total operating profit (C=A-B)</b>		<b>167,483,779</b>	<b>232,475,083</b>



# The Premier Bank Limited

Notes to Financial Statements of Islamic Banking Branches as at 31 December 2016

		Amount in Taka	
		2016	2015
<b>1</b>	<b>Cash</b>		
<b>1.1</b>	<b>Cash in hand</b>		
	In local currency	25,424,714	30,278,768
	In foreign currency	311,132	93,258
		<b>25,735,846</b>	<b>30,372,026</b>
<b>1.2</b>	<b>Balance with Bangladesh Bank and its agent bank (s)</b>		
	Balance with Bangladesh Bank		
	In local currency	1,682,514	900,211
	In foreign currency	-	-
		<b>1,682,514</b>	<b>900,211</b>
		<b>27,418,360</b>	<b>31,272,237</b>
<b>2.</b>	<b>Balance with other banks and financial institutions</b>		
	In Bangladesh	-	-
	Outside Bangladesh	-	-
		<b>-</b>	<b>-</b>
<b>3.</b>	<b>Investment in shares and securities</b>		
<b>3.1</b>	<b>Government securities</b>		
	Treasury bills	-	-
	Bangladesh Bank bills	-	-
	Islamic Investment Bond	300,000,000	240,000,000
	Treasury bonds	-	-
	Repo	-	-
	Prize bonds	-	-
		<b>300,000,000</b>	<b>240,000,000</b>
<b>3.2</b>	<b>Others</b>		
	In shares and bonds (quoted and unquoted)		
	<u>Quoted</u>		
	Investment in Shares (Islami)	1,320,635,817	1,320,635,817
		<b>1,320,635,817</b>	<b>1,320,635,817</b>
	<u>Unquoted</u>	-	-
		<b>1,620,635,817</b>	<b>1,560,635,817</b>
<b>4.</b>	<b>Investments (including bills)</b>		
	General investment	4,569,459,446	5,621,228,990
	Bills purchased and discounted	148,659,900	145,350,281
		<b>4,718,119,346</b>	<b>5,766,579,271</b>
<b>5.</b>	<b>Fixed assets including premises, furniture and fixtures, property, plant &amp; equipment</b>		
	Land and Building	8,274,621	9,138,087
	Furniture and fixtures	3,139,051	3,643,597
	Equipment and computers	-	-
	Vehicles	<b>11,413,672</b>	<b>12,781,684</b>

# The Premier Bank Limited

Notes to Financial Statements of Islamic Banking Branches for the year ended December 31, 2016

Amount in Taka

	2016	2015
<b>6. Other assets</b>	2,101,756,500	403,373,995
Head Office general account	23,814,988	29,880,672
Adjusting account	125,351	141,272
Stock of stationery	52,765	53,235
Stamp in hand	2,501,202	2,668,424
Advance income tax -		
Advance against interior decoration	610,585	1,586,426
Prepaid expenses	12,767,500	16,634,600
Sundry assets	<b>2,141,628,891</b>	<b>454,338,624</b>
<b>7. Borrowings from other banks, financial institutions and agents</b>	3,000,000,000	3,500,000,000
In Bangladesh (note 7.1)	-	-
Outside Bangladesh	<b>3,000,000,000</b>	<b>3,500,000,000</b>
<b>7.1 In Bangladesh</b>	3,000,000,000	3,500,000,000
Bangladesh Bank (Refinance facility)	<b>3,000,000,000</b>	<b>3,500,000,000</b>
<b>8. Other liabilities</b>	181,159,241	345,250,818
Adjusting account	10,483,706	109,263
Profit suspense A/C	11,151,960	8,478,379
Investment compensation		
	<b>202,794,907</b>	<b>353,838,460</b>
<b>9. Investment income</b>	474,513,521	558,431,263
Profit received from customers other than banks	87,194,778	137,264,133
Profit received on Head Office general account	-	109,009,541
Profit received on deposit with other banks	-	-
Profit on Government Securities	28,128,409	32,290,117
Dividend Income	13,350,744	22,271,388
Capital gain on sale of investment in shares	<b>603,187,452</b>	<b>859,266,442</b>
<b>10. Profit paid on deposits, borrowings, etc</b>	407,680,309	601,613,784
Profit paid on deposits	<b>407,680,309</b>	<b>601,613,784</b>
<b>11. Commission, exchange and brokerage</b>	7,514,903	6,965,017
Commission	2,768,542	2,352,844
Exchange earnings	<b>10,283,445</b>	<b>9,317,861</b>
<b>12. Other income</b>	1,929,225	3,815,621
Services and other charges	429,955	373,050
Postage recovers	1,442,593	1,205,415
Telex/fax/e-mail charges received	1,453,494	1,451,428
Incidental charges	5,280,286	4,513,475
Miscellaneous earnings	<b>10,535,553</b>	<b>11,358,989</b>

# The Premier Bank Limited

Notes to Financial Statements of Islamic Banking Branches for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>13.</b>	<b>Salary and allowances</b>	12,217,381	10,827,134
	Basic pay	13,648,900	12,157,620
	Allowances	2,104,523	2,857,450
	Bonus	1,041,268	814,548
	Provident fund contribution & retirement benefit	<b>29,012,072</b>	<b>26,656,752</b>
<b>14.</b>	<b>Rent, taxes, insurance, electricity, etc</b>	9,442,686	9,441,284
	Rent, rates and taxes	3,074,531	2,453,536
	Insurance	819,273	972,049
	Electricity, gas, water, etc	<b>13,336,490</b>	<b>12,866,869</b>
<b>15.</b>	<b>Postage, stamp, telecommunication, etc</b>	129,510	162,475
	Telephone	910,175	761,268
	Postage, stamp and swift charges	466,115	448,468
	Telegram, telex, fax and e-mail	<b>1,505,800</b>	<b>1,372,211</b>
<b>16.</b>	<b>Stationery, printing, advertisement, etc</b>	721,493	789,766
	Printing and stationery	-	10,000
	Publicity and advertisement	<b>721,493</b>	<b>799,766</b>
<b>17.</b>	<b>Depreciation and repair of Bank's assets</b>		
	Repairs:	25,125	61,705
	Furniture and fixtures	336,410	387,993
	Office equipment	1,039,792	1,012,701
	Renovation and maintenance of premises	1,401,327	1,462,399
	Depreciation:	-	-
	Vehicles	897,063	981,674
	Furniture and fixtures	748,405	761,838
	Office equipment	1,645,468	1,743,512
		<b>3,046,795</b>	<b>3,205,911</b>
<b>18.</b>	<b>Other expenses</b>	160,109	150,973
	Washing and cleaning	19,890	22,510
	Subscription	317,998	305,583
	Entertainment	92,100	141,900
	Travelling	84,477	77,235
	Conveyance	28,650	25,220
	Liveries and uniform	223,500	137,785
	Cash carrying charges	-	-
	Training expenses	138,580	-
	Law charges	154,408	91,710
	Sundry expenses	<b>1,219,712</b>	<b>952,916</b>

# The Premier Bank Limited

Balance Sheet of Off-shore Banking Units as at December 31, 2016

Annexure- I

	Notes	2016		2015	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash					
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (s)		-	-	-	-
(including foreign currencies)		-	-	-	-
			-		-
Balance with other banks and financial institutions					
In Bangladesh	3	2,317,935	183,522,531	742,161	58,241,091
Outside Bangladesh		2,317,935	183,522,531	742,161	58,241,091
Loans and advances					
Loans, cash credits, overdrafts, etc.	4	14,179,254	1,122,642,426	8,320,299	652,935,453
Bills purchased and discounted	5	51,678,735	4,091,663,820	19,926,553	1,563,736,214
		65,857,989	5,214,306,246	28,246,851	2,216,671,666
Fixed assets including premises, furniture and fixtures					
Other assets		91,748	7,264,168	91,748	7,199,945
Non - banking assets		-	-	-	-
Total assets		68,267,672	5,405,092,945	29,080,761	2,282,112,702
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents					
Deposits and other accounts					
Current deposits	6	88,167	6,980,610	37,001	2,903,671
Savings bank deposits		-	-	-	-
Term deposits		66,210,955	5,242,252,384	27,999,829	2,197,286,593
Sundry Deposit		138,861	10,994,354	1,297	101,780
		66,437,984	5,260,227,348	28,038,127	2,200,292,043
Other liabilities					
	7	1,074,100	85,041,876	652,985	51,243,010
Total liabilities		67,512,084	5,345,269,224	28,691,112	2,251,535,053
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Foreign currency gain		-	-	-	-
Other reserve		-	-	-	-
Surplus in profit and loss account		755,589	59,823,721	389,648	30,577,649
Total Shareholders' equity		755,589	59,823,721	389,648	30,577,649
Total liabilities and Shareholders' equity		68,267,672	5,405,092,945	29,080,761	2,282,112,702

# The Premier Bank Limited

Balance Sheet of Off-shore Banking Units as at December 31, 2016

Notes	2016		2015	
	USD	Taka	USD	Taka
<b>OFF- BALANCE SHEET ITEMS</b>				
<b>Contingent liabilities</b>				
Acceptances and endorsements	-	-	-	-
Letters of guarantee	-	-	-	-
Irrevocable letters of credit	-	-	-	-
Bills for collection	-	-	-	-
Other contingent liabilities	-	-	-	-
	-	-	-	-
<b>Other commitments</b>				
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	-	-	-	-
Liabilities against forward purchase and sale	-	-	-	-
Other commitments	-	-	-	-
	-	-	-	-
<b>Other memorandum items</b>				
Value of travellers' cheques in hand	-	-	-	-
Value of Bangladesh sanchay patras in hand	-	-	-	-
	-	-	-	-
<b>Total Off-Balance Sheet items including contingent liabilities</b>	-	-	-	-

# The Premier Bank Limited

Profit and Loss Statement of Off-shore Banking Units for the year ended December 31, 2016

	Notes	2016		2015	
		USD	Taka	USD	Taka
Interest income	8	2,194,865	171,967,703	1,425,540	110,794,141
Interest paid on deposits, borrowings, etc.	9	(787,777)	(61,722,325)	(753,440)	(58,557,960)
<b>Net interest</b>		1,407,088	110,245,378	672,100	52,236,181
Commission, exchange, brokerage, etc.		7,080	1,721,415	-	-
Other operating income		-	-	20	1,554
<b>Total operating income (A)</b>		1,414,169	111,966,793	672,120	52,237,735
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity, etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamp, telecommunication, etc.		-	-	-	-
Stationery, printing, advertisements, etc.		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		-	-	-	-
Other expenses		-	-	-	-
<b>Total operating expenses (B)</b>		-	-	-	-
<b>Profit / (loss) before provision (C=A-B)</b>		1,414,169	111,966,793	672,120	52,237,735
Provision for loans and advances / investments		-	-	-	-
Specific provision		658,580	52,143,072	282,472	22,167,000
General provision		658,580	52,143,072	282,472	22,167,000
Provision for diminution in value of investments		-	-	-	-
Other provision		-	-	-	-
<b>Total provision (D)</b>		658,580.00	52,143,072	282,472	22,167,000
<b>Total profit / (loss) before taxes (C-D)</b>		<b>755,589</b>	<b>59,823,721</b>	<b>389,648</b>	<b>30,070,735</b>

# The Premier Bank Limited

Off-shore Banking Units Notes to the Financial Statements for the year ended December 31, 2016

## 1.1 Status of the units

Off-shore Banking Units of Premier Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained permission to operate 02(Two) Off-shore Banking Unit in Dhaka EPZ and Chittagong EPZ vide letter no. BRPD (P3) 744 (102)/2009-4138 dated 10 November 2009. The Bank commenced the operation of its Off-shore Banking Unit from 07 December, 2009 from the Head Office. Presently 01 (one) unit is operating at full-fledged from Banani Branch premises from July 2011.

### 1.1.1 Principal activities

The principal activities of the units are to provide all kinds of commercial banking services to its customers ez. non-resident individuals/institutions specially of Export Processing Zone.

## 1.2 Significant accounting policies and basis of preparation of financial statements

### 1.2.1 Basis of accounting

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

### 1.2.2 Use of estimates and judgements

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

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

### 1.2.3 Foreign currency transaction

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

### 1.2.4 Reporting period

These financial statements cover from January 01 to December 31, 2016.

## 2 General

- 1) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- 2) Profit Transferred into Taka Currency @ US\$1 = Taka 79.1750 at mid rate of December 31, 2016.



# The Premier Bank Limited

Notes to the Financial Statements of Off-shore Banking Units for the year ended December 31, 2016

	2016		2015	
	USD	Taka	USD	Taka
<b>3 Balance with other banks and financial institutions</b>				
In Bangladesh (note-3.1)	2,317,935	183,522,531	742,161	58,241,091
Outside Bangladesh (note-3.2)	-	-	-	-
	2,317,935	183,522,531	742,161	58,241,091
<b>3.1 In Bangladesh</b>	2,317,935	183,522,531	742,161	58,241,091
<b>3.2 Outside Bangladesh (Nostro accounts)</b>				
Current account	-	-	-	-
<b>4 Loans and advances</b>				
<b>i) Loans, cash credits, overdrafts, etc.</b>				
Loan (General)	13,665,791	1,081,988,996	7,290,756	572,142,046
Lease finance	-	-	-	-
Syndication Terms Loans	513,463	40,653,430	1,029,543	80,793,407
	14,179,254	1,201,439,543	8,320,299	652,935,453
<b>ii) Bills purchased and discounted (note-4.1)</b>				
<b>Payable Inside Bangladesh</b>				
Inland bills purchased	-	-	-	-
<b>Payable Outside Bangladesh</b>				
Foreign bills purchased and discounted	51,678,735	4,091,663,820	19,926,553	1,563,736,214
	51,678,735	4,091,663,820	19,926,553	1,563,736,214
	65,857,989	5,293,103,363	28,246,851	2,216,671,666
<b>5 Bills purchased and discounted</b>				
Payable in Bangladesh	-	-	-	-
Payable outside Bangladesh	51,678,735	4,091,663,820	19,926,553	1,563,736,214
	51,678,735	4,091,663,820	19,926,553	1,563,736,214
<b>6 Deposits and other accounts</b>				
Bank deposits	-	-	-	-
Customer deposits and other accounts (note-6.1)	66,437,984	1,749,905,464	28,038,127	2,200,292,043
	22,355,867	1,749,905,464	28,038,127	2,200,292,043
<b>6.1 Customer deposits and other accounts</b>				
Current deposits	88,167	6,980,610	37,001	2,903,671
Term deposits	66,210,955	5,242,252,384	27,999,829	2,197,286,593
Savings bank deposits	-	-	-	-
Sundry deposits	138,861	10,994,354	1,297	101,780
	66,437,984	1,749,905,464	28,038,127	2,200,292,044
<b>7 Other liabilities</b>				
Interest on bills discount	-	-	200,000	15,695,000
Provision for loan & advances	658,580	52,143,072	282,472	22,167,000
Accrued interest on FDR	415,520	32,898,805	170,513	13,381,010
Head Office DEPZ Dollar Account	-	-	-	-
	1,074,100	85,041,876	652,985	51,243,010

# The Premier Bank Limited

Notes to the Financial Statements of Off-shore Banking Units for the year ended December 31, 2016

	2016		2015	
	USD	Taka	USD	Taka
<b>Contingent liabilities</b>				
<b>Acceptance &amp; endorsement</b>				
Back to Back bills	-	-	-	-
Less: Margin	-	-	-	-
<b>Letters of credits</b>				
Letters of credits	-	-	-	-
Customer liabilities PAD	-	-	-	-
Back to Back letter of credit	-	-	-	-
Less: Margin	-	-	-	-
<b>Letters of guarantee</b>				
Letters of guarantee (Local)	-	-	-	-
Letters of guarantee (Foreign)	-	-	-	-
Foreign counter guarantees	-	-	-	-
Less: Margin	-	-	-	-
<b>Bills for collection</b>				
Outward local bills for collection	-	-	-	-
Outward foreign bills for collection	-	-	-	-
Inward local bills for collection	-	-	-	-
Inward foreign bills for collection	-	-	-	-
Less: Margin	-	-	-	-
<b>8 Interest income</b>				
Loan (general)	2,194,865	171,967,703	1,425,540	110,794,141
LTR loan	-	-	-	-
Lease finance	-	-	-	-
Payment against documents	-	-	-	-
<b>Interest on loans and advances</b>	2,194,865	171,967,703	1,425,540	110,794,141
Commission	7,080	-	554,726	-
Others	-	-	20	1,554
Interest on balance with other banks and financial institutions	-	-	-	-
Interest received from foreign banks	-	-	-	-
<b>Total income</b>	<b>2,201,945</b>	<b>172,522,428</b>	<b>1,425,560</b>	<b>110,795,695</b>
<b>9 Interest on deposits, borrowings, etc.</b>				
a) Interest paid on deposits	787,777	61,722,325	753,440	58,557,960
b) Interest paid on local bank accounts	-	-	-	-
c) Interest paid on foreign bank accounts	-	-	-	-
	<b>787,777</b>	<b>61,722,325</b>	<b>753,440</b>	<b>58,557,960</b>

## Premier Bank Securities Limited

Iqbal Center (12th Floor)  
42, Kemal Ataturk Avenue,  
Banani, Dhaka-1213

### Premier Bank Securities Limited Independent Auditor's Report and Financial Statements For The Year Ended December 31, 2016

#### Contents

- \* Independent Auditor's Report
- \* Statement of Financial Position
- \* Statement of Profit or Loss and Other Comprehensive Income
- \* Statement of Changes in Equity
- \* Statement of Cash Flows
- \* Notes to the Financial Statements

#### K. M. HASAN & CO.

Chartered Accountants  
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## Independent Auditor's Report

### To The Shareholders of Premier Bank Securities Limited

We have audited the accompanying financial statements of **Premier Bank Securities Limited**, which comprise the statement of financial position as at December 31, 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management of **Premier Bank Securities Limited**, is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the companies Act, 1994, the Securities and Exchange Rules 1987, conditions and regulations issued by Bangladesh Securities and Exchange Commission and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

#### Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standard (BFRSs), give a true and fair view of the financial position as at December 31, 2016 and its financial performance and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987, conditions and regulations issued by the Bangladesh Securities and Exchange Commission and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred and payments made were for the purpose of the company's business.

Place: Dhaka  
Dated: 22 February 2017

  
**K. M. HASAN & CO.**  
Chartered Accountants

## Premier Bank Securities Limited

Statement of Financial Position As at December 31, 2016

		Amount in Taka	
	Notes	2016	2015
ASSETS			
Non-current assets			
Property, Plant & Equipment	5	2,255,109	2,567,039
Investment in Share with TREC	6	830,000,000	830,000,000
Investment in Dealer Account	7	96,092	96,085
		832,351,201	832,663,124
Current assets			
Margin Loan to Clients	8	2,753,565,464	2,466,876,701
Advances, Deposit & Prepayments	9	214,270,717	25,127,404
Accounts Receivable	10	29,621,259	705,797
Cash and Cash Equivalents	11	658,985,928	488,611,182
		3,656,443,368	2,981,321,084
Total assets		4,488,794,569	3,813,984,208
EQUITY AND LIABILITIES			
Capital and reserves			
Share Capital	12	500,000,000	500,000,000
Retained Earnings		54,410,728	39,439,869
		554,410,728	539,439,869
Non-current liabilities			
Long Term Loan	13	500,000,000	500,000,000
Current liabilities			
Short Term Loan From PBL	14	1,697,418,000	1,474,650,000
Accounts Payable	15	797,462,839	658,464,102
Liability for Expenses	16	502,485,443	391,171,787
Provision for Income Tax	17	35,748,657	27,799,344
Other Liabilities	18	401,268,902	222,459,106
		3,434,383,841	2,774,544,339
Total equity and liabilities		4,488,794,569	3,813,984,208

The annexed notes form an integral part of these financial statements

FOR PREMIER BANK SECURITIES LIMITED.

  
Chairman

  
Director

  
Managing Director and CEO

Signed in terms of our separate report of even date annexed.

Place: Dhaka.  
Dated: 22 February 2017

  
K. M. HASAN & CO.  
Chartered Accountants

# Premier Bank Securities Limited

statement Of Profit Or Loss And Other Comprehensive Income for The Year Ended December 31, 2016

	Notes	Amount in Taka	
		2016	2015
Revenue	19	31,856,704	32,065,363
Less: Direct Expenses	20	5,150,520	5,580,192
<b>Gross Profit</b>		<b>26,706,184</b>	<b>26,485,171</b>
Less: Operating Expenses	21	137,885,610	105,195,505
<b>Operating Profit/ (Loss)</b>		<b>(111,179,426)</b>	<b>(78,710,334)</b>
Other Income	22	246,460,091	264,852,088
		135,280,665	186,141,754
Less: Finance Expenses	23	112,360,493	165,494,105
<b>Profit Before Provision and Income Tax</b>		<b>22,920,172</b>	<b>20,647,649</b>
Less: Provision for Margin Loan		-	-
<b>Net Profit before Income Tax</b>		<b>22,920,172</b>	<b>20,647,649</b>
Less: Provision for Income Tax	24	7,949,313	8,043,095
<b>Net Profit After Income Tax</b>		<b>14,970,859</b>	<b>12,604,554</b>
Add: Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>14,970,859</b>	<b>12,604,554</b>

The annexed notes form an integral part of these financial statements

FOR PREMIER BANK SECURITIES LIMITED.



Chairman



Director



Managing Director and CEO

Signed in terms of our separate report of even date annexed.

Place: Dhaka.  
Dated: 22 February 2017

  
**K. M. HASAN & CO.**  
Chartered Accountants

## Premier Bank Securities Limited

Statement of Changes In Equity For the year ended December 31, 2016

Amount in Taka

Particulars	Share capital	Retained earnings	Total
Opening Balance as at January 1, 2016	500,000,000	39,439,869	539,439,869
Profit for the year	-	14,970,859	14,970,859
Balance as at December 31, 2016	500,000,000	54,410,728	554,410,728

For the year ended December 31, 2015

Amount in Taka

Particulars	Share capital	Retained earnings	Total
Opening Balance as at January 1, 2015	500,000,000	26,835,315	526,835,315
Profit for the year	-	12,604,554	12,604,554
Balance as at December 31, 2015	500,000,000	39,439,869	539,439,869

FOR PREMIER BANK SECURITIES LIMITED.

  
Chairman

  
Director

  
Managing Director and CEO

Signed in terms of our separate report of even date annexed.

Place: Dhaka.  
Dated: 22 February 2017

  
K. M. HASAN & CO.  
Chartered Accountants



# Premier Bank Securities Ltd.

Statement of Cash Flows for the year ended December 31, 2016

	Amount in Taka	
	2016	2015
<b>A. Cash flows from operating activities</b>		
Profit before tax	22,920,172	20,647,649
Adjustment for non-cash items:		
Add: Depreciation	383,730	465,939
	23,303,902	21,113,588
Less: Gain on Fixed assets sale	-	21,113,588
<b>Add/Less: Adjustment for changes in working capital:</b>		
Increase in Margin loan to client	(286,688,763)	(314,301,295)
Increase in advance, deposit & prepayments	(181,194,000)	(7,237,719)
Increase/Decrease in trade receivable	(28,915,462)	66,953,128
Increase in trade payable	138,998,737	206,577,892
Increase in other liabilities	178,809,796	120,359,106
Increase in Liability for expenses	111,313,657	165,951,115
	(67,676,036)	238,302,226
Less: Income tax paid	(7,949,313)	(832,855)
	(75,625,349)	237,469,370
<b>Net Cash (Used in) / flow from operating activities</b>	<b>(52,321,446)</b>	<b>258,582,959</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(71,800)	(11,400)
Investment in Dealer Account	(7)	3,915
<b>Net Cash used in investing activities</b>	<b>(71,807)</b>	<b>(7,485)</b>
<b>C. Cash flows from financing activities</b>		
Short Term Loan Received from PBL	222,768,000	-
<b>Net Cash flows from financing activities</b>	<b>222,768,000</b>	<b>-</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>170,374,746</b>	<b>258,575,473</b>
Opening cash and cash equivalents	488,611,182	230,035,709
<b>Closing cash and cash equivalents</b>	<b>658,985,928</b>	<b>488,611,182</b>

FOR PREMIER BANK SECURITIES LIMITED.



Chairman



Director



Managing Director and CEO

Signed in terms of our separate report of even date annexed.

Place: Dhaka.

Dated: 22 February 2017

  
**K. M. HASAN & CO.**  
Chartered Accountants

# Premier Bank Securities Limited

Notes to the Financial Statements as at and for the year ended December 31, 2016

## 1. INTRODUCTION

PREMIER BANK SECURITIES LIMITED was incorporated on 29 June, 2010 as a private limited company under the Companies Act 1994 vide certificate of incorporation no. C-85332/10.

The registered office of the company is at Iqbal Center (3rd Floor), 42 Kemal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh.

## 2. PRINCIPAL ACTIVITIES

The main objects of the company are to act as Stock Broker and Stock Dealer to buy sell and deal in shares, stocks, debentures, bonds and other securities, and to carry on any business as is permissible for a broker and dealer house duly licensed by the Bangladesh Securities & Exchange Commission as described in the Memorandum and the Articles of Association of PREMIER BANK SECURITIES LIMITED.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on a going concern concept under historical cost convention in accordance with the International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs), applicable to the company as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BASs)/Bangladesh Financial Reporting Standards (BFRSs).

The disclosures of information have been made in accordance with the requirements of the above mentioned standards and in compliance with the Companies Act 1994 and the statement of financial position has been prepared according to Bangladesh Accounting Standards (BAS)-1 Presentation of Financial Statements based on accrual basis and other applicable laws and regulations.

### 3.1 Depreciation on Property, Plant & Equipment

Depreciation has been charged on reducing balance method during the year. Depreciation has been charged on Property, Plant & Equipment when it becomes available for use as per Bangladesh Accounting Standards (BAS)-16.

### 3.2 Cash and Cash Equivalents

The Cash and cash equivalents include cash in hand and cash at banks which are available for use by the Company without any restrictions. There is no significant risk of changes in value of the same. Cash in hand, Head Office & all Branches are certified by the management.

### 3.3 Statement of Cash Flows

Statement of cash flows is prepared principally in accordance with BAS-7 "Statement of Cash Flows". The statement of cash flows has been prepared under indirect method.

## 4. GENERAL

- These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith
- Previous year's figures have been re-arranged/re-grouped where necessary to conform to the current year's financial presentation.
- Figures in these notes and annexed financial statements have been rounded off to the nearest taka.

## 5. PROPERTY, PLANT AND EQUIPMENT

Amount in Taka

PARTICULARS	COST			Rate (%)	DEPRECIATION			Written down value as at 31.12.2016
	Opening balance as at 01.01.2016	Addition during the year	Closing balance as at 31.12.2016		Opening balance as at 01.01.2016	Charged during the year	Closing balance as at 31.12.2016	
Office Equipment's	2,224,260	71,800	2,296,060	20	1,042,610	242,681	1,285,291	1,010,769
Software	485,000	-	485,000	20	242,312	48,538	290,850	194,150
Electrical Equipment's	11,900	-	11,900	20	7,026	975	8,001	3,899
IT Infrastructure	782,500	-	782,500	20	421,980	72,104	494,084	288,416
Land & Building	850,000	-	850,000	2.5	72,693	19,433	92,125	757,875
<b>Total as at 31.12.2016</b>	<b>4,353,660</b>	<b>71,800</b>	<b>4,425,460</b>		<b>1,786,621</b>	<b>383,730</b>	<b>2,170,351</b>	<b>2,255,109</b>
<b>Total as at 31.12.2015</b>	<b>4,342,260</b>	<b>11,400</b>	<b>4,353,660</b>		<b>1,320,682</b>	<b>465,939</b>	<b>1,786,621</b>	<b>2,567,039</b>

Note: Office Equipment's include Computer, Computer Server, Phone, Fax machine, UPS and Other equipment's.

# Premier Bank Securities Ltd.

Notes to the Financial Statements as at and for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>6. INVESTMENT IN SHARE WITH TREC</b>			
Membership License-DSE	650,000,000	650,000,000	
Membership License-CSE	180,000,000	180,000,000	
	<b>830,000,000</b>	<b>830,000,000</b>	
<b>7. INVESTMENT IN DEALER ACCOUNT</b>			
Share Investment	<b>96,092</b>	<b>96,085</b>	
<b>8. MARGIN LOAN TO CLIENT</b>	<b>2,753,565,464</b>	<b>2,466,876,701</b>	
<b>9. ADVANCE, DEPOSIT &amp; PREPAYMENTS</b>			
Advances (Note-9.1)	214,245,717	25,102,404	
Deposit (Note-9.2)	25,000	25,000	
	<b>214,270,717</b>	<b>25,127,404</b>	
<b>9.1 Advances</b>			
Advance to RJSC Bill	195,000	-	
Advance Office rent of gulshan Office	180,999,000	-	
AIT on Dividend Income	1,958,501	-	
AIT through DSE	23,303,978	19,339,964	
AIT through CSE	59,040	59,018	
AIT against Bank Interest Income	7,730,198	5,703,422	
	<b>214,245,717</b>	<b>25,102,404</b>	
<b>9.2 Deposit</b>			
Security Deposit against Clearing House-CSE	<b>25,000</b>	<b>25,000</b>	
<b>10. ACCOUNTS RECEIVABLE</b>			
Receivable from DSE	26,500,631	(302,770)	
Receivable from CSE	8,567	8,567	
Interest Receivable on Margin Loan	3,112,061	1,000,000	
	<b>29,621,259</b>	<b>705,797</b>	
<b>11. CASH AND CASH EQUIVALENTS</b>			
Cash in hand (Note 11.1)	67,895	85,276	
Cash at bank (Note 11.2)	658,918,033	488,525,906	
	<b>658,985,928</b>	<b>488,611,182</b>	
<b>11.1 Cash in hand</b>			
Head Office	32,530	33,562	
Gulshan extended Office of HO	7,437	9,308	
Kakrail	4,634	4,408	
Kawran Bazar	5,005	10,393	
Kalabagan	8,132	8,977	
Motijheel	2,007	5,717	
O. R. Nizam Road (Ctg.)	8,150	12,911	
	<b>67,895</b>	<b>85,276</b>	

# Premier Bank Securities Ltd.

Notes to the Financial Statements As at and for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>11.2 Cash at bank</b>			
The Premier Bank Ltd. (Banani Branch)			
STD Account No. 1026		(307,600)	(307,600)
STD Account No. 2818		82,265	81,578
STD Account No. 1358		637,131,816	382,944,280
STD Account No. 2858		8,854,393	100,498,562
Revenue Account No. 65001		7,975,497	92,935
Revenue Account No. 2817		556,748	290,618
The City Bank Ltd. (Banani Branch)			
STD Account No. 5001		4,616,237	4,916,856
The Bank Asia Ltd. (Paltan Branch)			
STD Account No. 705		8,677	8,677
		<b>658,918,033</b>	<b>488,525,906</b>
<b>12. SHARE CAPITAL</b>			
<b>Authorised Capital</b>			
100,000,000 Ordinary Shares of Tk. 10 each		<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>Issued, Subscribed and Paid Up Capital</b>			
50,000,000 Ordinary Shares of Tk. 10 each		<b>500,000,000</b>	<b>500,000,000</b>
<b>Name of Shareholders</b>	<b>No. of Shares</b>		
The Premier Bank Ltd.	49,998,000	499,980,000	499,980,000
Mrs. Fauzia Rekza Banu	1,000	10,000	10,000
Mrs. Eliza Rahman	1,000	10,000	10,000
	<b>50,000,000</b>	<b>500,000,000</b>	<b>500,000,000</b>
<b>13. LONG TERM LOAN</b>			
Borrowing from Premier Bank Limited		<b>500,000,000</b>	<b>500,000,000</b>
<b>14. SHORT TERM LOAN FROM PBL</b>			
Borrowing for Margin Loan paid to Clients		1,081,650,000	1,081,650,000
Borrowing from Membership		615,768,000	393,000,000
		<b>1,697,418,000</b>	<b>1,474,650,000</b>
<b>15. ACCOUNTS PAYABLE</b>			
Payable to DSE		(1,856,995)	(2,161,290)
Payable to CSE		5,620	5,628
Payable to Leads Corporation		430,000	430,000
Payable to Dhaka Com.		130,500	130,500
Payable to Link 3		103,500	307,208
Payable to Clients (Clients Deposit)		796,567,701	658,092,889
Payable to CDBL		433,595	103,578
Payable to Audit fees		107,500	100,000
Payable to PBL Adv. Office rent-H.O.		1,430,000	1,430,000
Payable to PBL Adv. Office rent-Kawran Bazar		74,504	-
Payable to Utility Bil at ctg Branch		11,325	-
Payable to Salary-Kalabagan		13,675	13,675
Payable to Salary-Motijheel		11,914	11,914
		<b>797,462,839</b>	<b>658,464,102</b>

# Premier Bank Securities Ltd.

Notes to the Financial Statements As at and for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
<b>16. LIABILITY FOR EXPENSES</b>			
Provision for Interest on Borrowing	502,399,318	390,102,168	
Provision for Expenses	86,125	1,069,619	
	<b>502,485,443</b>	<b>391,171,787</b>	
<b>17. PROVISION FOR INCOME TAX</b>			
Opening balance	27,799,344	20,589,104	
Add: Addition during the year	7,949,313	8,043,095	
	35,748,657	28,632,199	
Less: Payment During the Year	-	832,855	
	<b>35,748,657</b>	<b>27,799,344</b>	
<b>18. OTHER LIABILITIES</b>			
Opening balance	222,459,106	102,100,000	
Add: Interest on Suspense's Account	178,809,796	120,359,106	
	<b>401,268,902</b>	<b>222,459,106</b>	
Liabilities made (to suspense A/C) against interest income-margin loan which was charged on the clients bearing negative equity.			
<b>19. REVENUE</b>			
Commission Income	28,352,124	28,458,988	
Account Opening Fees	80,800	177,600	
BO Maintenance Fees	2,396,000	2,508,600	
CDBL Income	1,027,780	920,175	
	<b>31,856,704</b>	<b>32,065,363</b>	
<b>20. DIRECT EXPENSES</b>			
Laga Charges	1,982,018	2,069,685	
CDBL Charges-CDS bill	1,491,052	1,506,107	
CDBL Charges-BO Maintenance bill	1,677,450	2,004,400	
	<b>5,150,520</b>	<b>5,580,192</b>	

# Premier Bank Securities Ltd.

Notes to the Financial Statements As at and for the year ended December 31, 2016

		Amount in Taka	
		2016	2015
21.	OPERATING EXPENSES		
	Salary & Allowances	12,654,167	13,534,207
	Advertisement Expense	-	45,000
	Audit Fee	65,000	50,000
	Car Maintenance	368,724	368,724
	Casual Labour	847,262	1,003,926
	Conveyance	77,190	65,216
	DSE Monthly Expenses	8,382	12,562
	Electricity Bill	4,216,112	4,509,588
	Cheque Clearing Charge	3,620	3,190
	Festival Bonus	1,152,798	1,213,112
	Gas Bill	13,200	10,400
	Internet Bill	18,010	18,498
	Incentive Bonus	-	539,757
	Mobile Bill	114,078	139,085
	Network Connectivity Charge	826,792	1,139,295
	Office Expenses	305,765	318,214
	Office Maintenance	164,972	90,225
	Office Rent	112,621,524	80,235,025
	Journal & Periodicals	31,504	31,148
	PF Contribution by PBSL	191,445	192,123
	Postage & Courier	1,870	4,675
	Printing & Stationery	480,288	480,093
	Renewal & Registration	2,936,965	313,581
	Repair & Maintenance	-	20,000
	Legal & Professional Fees	53,500	5,200
	Stamp & Cartridge	2,010	-
	Telephone Bill	45,704	58,549
	Authorization Expense	1,000	-
	Tour & Travel	2,998	1,330
	Wasa Bill	297,000	326,843
	Depreciation	383,730	465,939
		137,885,610	105,195,505
22.	OTHER INCOME		
	Interest Income on-Margin Loan	211,238,151	239,995,471
	IPO Commission	133,815	97,542
	Service Charges	4,963,194	7,509,448
	Dividend Income	9,792,504	-
	Miscellaneous Income	64,680	153,300
	Interest Income on Bank Deposit	20,267,747	17,096,327
		246,460,091	264,852,088
23.	FINANCE EXPENSES		
	Bank Charges	63,343	92,515
	Interest Expenses on loan from PBL	112,297,150	165,401,590
		112,360,493	165,494,105
24.	PROVISION FOR INCOME TAX		
	Provision during the year	7,949,313	

# Premier Bank Securities Ltd.

Notes to the Financial Statements As at and for the year ended December 31, 2016

## 25. ALLOTMENT OF ORDINARY SHARES

### (a) Investment in DSE Shares & TREC

As per the provision of the Exchange Demutualization Act, 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange allotted 7,215,106 ordinary Shares of Taka 10 each and Trading Right Entitlement Certificate (TREC) in favor of the company against the membership of DSE. Out of the total 7,215,106 Shares DSE transferred and credited 2,886,042 shares directly to Company's BO Account (1294590050888175) and rest 4,329,064 shares were credited to the "Demutualization Blocked Account" maintained by the DSE.

### (b) Investment in CSE Shares & TREC

As per the provision of the Exchange Demutualization Act, 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Chittagong Stock Exchange allotted 4,287,330 ordinary Shares of Taka 10 each and Trading Right Entitlement Certificate (TREC) in favor of the company against the membership of CSE. Out of the total 4,287,330 Shares CSE transferred and credited 1,714,932 shares directly to Company's BO Account (1204590050888175) and rest 2,572,398 shares were credited to the "Demutualization Blocked Account" maintained by the CSE.

## 26. EVENTS AFTER REPORTING PERIOD

- (a) The Board of Directors of the company in its meeting held on February 22, 2017 approved the financial statements of the company for the year ended December 31, 2016 and authorized the same for issue.
- (b) There is no other significant event that has occurred between the date of financial position and the date when the financial statements were authorized for issue by the Board of Directors.

FOR PREMIER BANK SECURITIES LIMITED.



Chairman



Director



Managing Director and CEO

Place: Dhaka.  
Dated: 22 February 2017