



Financials 2019

Independent Auditor's Report to the Shareholders of The Premier Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of The Premier Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of The Premier Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2019 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2019, and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 3.15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Measurement of provision for loans and advances	
<p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14 dated 23 September 2012 and subsequent amendments; 	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;

<ul style="list-style-type: none"> For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates;</p> <p>At year end the Group reported total gross loans and advances of BDT 191.12 billion (2018: BDT 159.13 billion) and the Bank reported total gross loans and advances of BDT 188.95 billion (2018: BDT 156.96 billion) and provision for loans and advances of BDT 6.39 billion (2018: BDT 3.76 billion).</p>	<p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no. 8, 8(a) and 14.1 in the financial statements	
Valuation of treasury bill and treasury bond	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p> <p>At the year end, total reported gross treasury bills and treasury bonds were BDT 33.45 billion (2018: BDT 24.17 billion).</p>	<p>We assessed the processes and controls put in place by the Group to identify and confirm the existence of financial instruments.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instrument valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no. 7.1 of the financial statements	
Cash in hand	
<p>Cash in hand is preserved in different branches of Premier Bank Limited. Custodians of vault are responsible for security and reconciliation of cash movement at branches and alternative distribution channel.</p> <p>We have identified cash in hand as key audit matters due to its decentralized control which increase the likelihood of misappropriations of cash in hand.</p> <p>At the year end, total reported cash in hand was BDT 2.33 billion (2018: BDT 1.66 billion)</p>	<p>We have obtained an understanding of controls, evaluated the design and operating effectiveness of controls over cash in hand.</p> <p>We have visited the branches on a sample basis to perform substantive procedures on physical existence of cash in hand.</p> <p>We have assessed the appropriateness of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no. 4.1 of the financial statements	

Emphasis of Matters

We draw attention to the note 14.5 and note 28 to the financial statements relating to "Provision to corporate taxation" and "Rent, taxes, insurance and electricity etc." respectively which describe about the uncertainty regarding the outcome of pending litigation regarding corporate tax for the income year 2004 to 2010 and non-deposit of VAT collected at source on office rent. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 3.15 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities and Exchange Commission (BSEC) and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (as amended up to date) 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.

In preparing the financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) 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 antifraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - a. internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - b. nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities (other than matters disclosed in these financial statements).
- (iii) financial statements of Premier Bank Limited's subsidiaries namely, Premier Bank Securities Limited have been audited by K.M. Hasan & Co, Chartered Accountants and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) 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 together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

- (ix) adequate provisions have been made for loans and advances which are, in our opinion, doubtful of recovery and other assets in line with Bangladesh Bank Letter No. DBI-1/118/2020-1570 dated 18 June, 2020;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 4,700 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, 28 June 2020



Howlader Mahfel Huq, FCA
For and on behalf of Mahfel Huq & Co.
Chartered Accountants

The Premier Bank Limited

Consolidated Balance Sheet as at 31 December 2019

Particulars	Notes	Amount in Taka	
		2019	2018
PROPERTY AND ASSETS			
Cash	4(a)	14,573,807,702	13,673,599,695
In hand (including foreign currencies)	4.1(a)	2,330,011,078	1,664,542,790
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.2	12,243,796,624	12,009,056,905
Balance with other banks and financial institutions	5(a)	751,394,589	1,845,950,895
In Bangladesh		33,047,589	1,331,228,448
Outside Bangladesh		718,347,000	514,722,447
Money at call and short notice	6	1,390,000,000	500,000,000
Investments	7(a)	39,997,578,885	30,116,862,312
Government securities	7.1	33,448,294,671	24,169,726,080
Others	7.2(a)	6,549,284,214	5,947,136,232
Loans, advances and lease/ investments	8(a)	191,115,754,519	159,132,910,780
Loans, cash credits, overdrafts, etc.		180,741,241,851	147,057,575,314
Bills purchased and discounted		10,374,512,668	12,075,335,466
Fixed assets including premises, furniture and fixtures	9(a)	2,653,211,269	2,339,414,981
Other assets	10(a)	12,123,118,981	9,201,142,397
Non-banking assets		-	-
Total Assets		262,604,865,945	216,809,881,060
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	13,211,794,714	14,732,813,833
Non-convertible Subordinated bonds	12	9,000,000,000	9,000,000,000
Deposits and other accounts	13(a)	209,282,332,549	169,498,418,863
Savings / Mudaraba Saving deposits		12,380,483,071	10,055,469,821
Fixed deposits/Mudaraba term deposits		119,577,990,650	104,140,926,506
Current deposits and other accounts		73,202,407,482	51,923,839,948
Bills payable		4,121,451,346	3,378,182,588
Other liabilities	14(a)	12,358,734,185	8,161,688,096
Total Liabilities		243,852,861,448	201,392,920,792
Capital/ Shareholders' Equity			
Paid-up capital	15	9,240,936,680	8,000,810,980
Statutory reserve	16	5,637,793,056	4,733,965,249
Other reserve	17(a)	119,475,886	122,986,414
Retained earnings	18(a)	3,753,773,952	2,559,172,705
Non controlling interest	18(b)	24,923	24,920
Total Shareholders' Equity		18,752,004,497	15,416,960,268
Total Liabilities and Shareholders' Equity		262,604,865,945	216,809,881,060

The Premier Bank Limited

Consolidated Balance Sheet as at 31 December 2019

Particulars	Notes	Amount in Taka	
		2019	2018
OFF- BALANCE SHEET ITEMS			
Contingent Liabilities		152,197,079,576	138,795,934,711
Acceptances and endorsements		31,438,505,612	27,163,694,333
Letters of guarantee	19.1	74,412,175,188	79,952,560,830
Irrevocable letters of credit		27,568,496,826	17,073,027,654
Bills for collection		18,777,901,950	14,606,651,894
Other contingent liabilities	19.2	-	-
Other commitments		2,389,481,000	504,000,000
Documentary credits and short term trade-related transactions		-	-
Forward assets purchase and forward deposits placement	20	2,389,481,000	504,000,000
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:		154,586,560,576	139,299,934,711
Net asset value (NAV) per share	40 (a)	20.29	16.68

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



Director



Director



Director



Managing Director

Signed as per our annexed report of even date

Dhaka, 28 June, 2020



Mahfel Huq & Co.
Chartered Accountants

The Premier Bank Limited

Consolidated Profit and Loss statement for the period ended 31 December 2019

Particulars	Notes	Amount in Taka	
		2019	2018
OPERATING INCOME			
Interest income/profit on islamic investments	22(a)	19,662,113,613	16,681,653,753
Interest/profit paid on deposits, borrowings, etc	23(a)	(13,159,985,517)	(10,678,962,381)
Net interest income/ net profit on investments		6,502,128,096	6,002,691,372
Investment income	24(a)	2,026,700,484	1,957,407,943
Commission, exchange and brokerage	25(a)	3,618,127,371	2,543,087,031
Other operating income	26(a)	1,023,619,036	799,595,506
		6,668,446,891	5,300,090,480
Total Operating Income (A)		13,170,574,987	11,302,781,852
OPERATING EXPENSES			
Salary and allowances	27(a)	2,303,945,145	2,115,850,188
Rent, taxes, insurance, electricity, etc.	28(a)	1,249,651,468	1,480,558,503
Legal expenses	29(a)	104,329,270	92,314,340
Postage, stamps, telecommunication, etc.	30(a)	107,690,745	104,351,554
Stationery, printing, advertisement, etc.	31(a)	716,819,896	500,909,620
Chief executive's salary and fees	32	13,633,334	12,626,665
Directors' fees	33	2,951,750	2,656,000
Auditors' fee		603,750	420,000
Depreciation and repair of Bank's assets	34(a)	570,538,053	269,569,324
Losses on disposal of subsidiary	35	10,000,000	10,000,000
Other expenses	36(a)	756,504,302	613,872,080
Total Operating Expenses (B)		5,836,667,713	5,203,128,274
Profit before provision (C = A-B)		7,333,907,274	6,099,653,578
Specific Provision	37	2,627,314,280	1,000,792,527
General Provision	37	-	427,387,000
Provision for off-balance sheet items	37	-	200,000,000
Provision for investment in shares	37	171,009,653	489,765,533
Other provisions	37.1 (a)	-	162,254,940
Total provision (D)		2,798,323,933	2,280,200,000
Profit before taxation (C-D)		4,535,583,341	3,819,453,578
Provision for taxation			
Current Tax	14.5(aa)	2,164,551,608	1,662,873,069
Deferred tax expense (Income)	10.1.2.1	(967,523,024)	(112,356,755)
		1,197,028,584	1,550,516,314
Profit after taxation		3,338,554,757	2,268,937,264
Retained earnings brought forward	18 (a)	2,559,172,705	2,086,718,332
Profit available for appropriation		5,897,727,462	4,355,655,596
Appropriations			
Statutory reserve	16	903,827,807	752,898,514
Issue of bonus shares/ Dividend paid	18 (a)	1,240,125,700	1,043,584,040
Non controlling interest		3	337
		2,143,953,510	1,796,482,891
Retained earnings carried forward		3,753,773,952	2,559,172,705
Earnings per share (EPS)	38 (a)	3.61	2.46

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



Director



Director



Director



Managing Director

Signed as per our annexed report of even date

Dhaka, 28 June, 2020



Mahfel Huq & Co.
Chartered Accountants

The Premier Bank Limited

Consolidated Statement of Changes in Equity for the year ended 31 December 2019

Amount in Taka

Particulars	Equity attributable to shareholder of Premier Bank Ltd.				Non Controlling Interest	Total
	Paid-up capital	Statutory reserve	Other reserve	Retained earnings		
Balance as at 01 January 2019	8,000,810,980	4,733,965,249	122,986,414	2,559,172,705	24,920	15,416,935,348
Changes in accounting policy	-	-	-	-	-	-
Restated balance	8,000,810,980	4,733,965,249	122,986,414	2,559,172,705	24,920	15,416,935,348
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	(3,510,528)	-	-	(3,510,528)
Currency translation differences	-	-	-	-	-	-
Net profit for the year ended	-	903,827,807	-	3,338,554,757	-	3,338,554,757
Transfer to statutory reserve	-	-	-	(903,827,807)	-	-
Transfer to general and other reserve	-	-	-	(1,240,125,700)	-	-
Issue of dividend	1,240,125,700	-	-	-	-	-
Non controlling interest	-	-	-	(3)	3	-
Balance as at 31 December 2019	9,240,936,680	5,637,793,056	119,475,886	3,753,773,952	24,923	18,752,004,497

For the year ended 31 December 2018

Amount in Taka

Particulars	Equity attributable to shareholder of Premier Bank Ltd.				Non Controlling Interest	Total
	Paid-up capital	Statutory reserve	Other reserve	Retained earnings		
Balance as at 01 January 2018	6,957,226,940	3,981,066,735	133,982,358	2,086,718,332	24,583	13,158,994,365
Changes in accounting policy	-	-	-	-	-	-
Restated balance	6,957,226,940	3,981,066,735	133,982,358	2,086,718,332	24,583	13,158,994,365
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	(10,995,944)	-	-	(10,995,944)
Currency translation differences	-	-	-	-	-	-
Net profit for the year ended	-	-	-	2,268,937,264	-	2,268,937,264
Payment of cash dividend	-	-	-	-	-	-
Transfer to statutory reserve	-	752,898,514	-	(752,898,514)	-	-
Transfer to general and other reserve	-	-	-	-	-	-
Issue of dividend	1,043,584,040	-	-	(1,043,584,040)	-	-
Non controlling interest	-	-	-	(337)	337	-
Balance as at 31 December 2018	8,000,810,980	4,733,965,249	122,986,414	2,559,172,705	24,920	15,416,935,348

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


Director

Director


Director

Director


Managing Director

Managing Director

The Premier Bank Limited

Consolidated Cash Flow Statement for the year ended 31 December 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Cash Flows from Operating Activities			
Interest received in cash		20,661,610,635	17,943,805,752
Interest paid		(12,923,136,197)	(11,312,481,666)
Fee and commission received in cash		1,923,838,620	1,327,018,332
Payments to employees		(2,317,578,479)	(2,128,476,853)
Payments to suppliers		(858,155,067)	(576,748,393)
Income taxes paid		(1,988,093,615)	(1,553,441,253)
Receipts from other operating activities		1,023,619,036	799,595,506
Payments for other operating activities		(2,222,350,127)	(2,294,791,318)
Cash generated from operating activities before changes in operating assets and liabilities		3,299,754,806	2,204,480,107
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(31,982,843,739)	(22,059,040,270)
Other assets		(1,467,545,302)	(1,385,132,484)
Deposits from other banks		(1,521,019,119)	(351,660,168)
Deposits from customers		39,547,064,366	29,487,884,468
Other liabilities		1,209,583,050	(225,530,958)
		5,785,239,256	5,466,520,588
Net cash from operating activities (A)		9,084,994,062	7,671,000,695
Cash Flows from Investing Activities			
Purchase/ sale of trading securities, shares, bonds, etc.		(602,147,982)	177,395,803
Purchase of property, plant and equipment		(189,404,011)	(159,049,061)
Net cash used in investing activities (B)		(791,551,993)	18,346,742
Cash Flows from Financing Activities			
Dividend paid		-	-
Issue of shares		-	-
Issue of non-convertible variable coupon rate bond		-	2,000,000,000
Net cash used in financing activities (C)		-	2,000,000,000
Net increase in cash (A+B+C)		8,293,442,069	9,689,347,437
Effects of exchange rate changes on cash and cash equivalents		1,694,288,751	1,216,068,699
Cash and cash equivalents at the beginning of the year		40,145,782,693	29,240,366,557
Cash and cash equivalents for the period ended (*)		50,133,513,513	40,145,782,693
(*) Cash and cash equivalents at the end of the period:			
Cash in hand (including foreign currencies)	4.1 (a)	2,330,011,078	1,664,542,790
Investments in government securities		33,418,311,222	24,126,232,103
Money at call on short notice	6	1,390,000,000	500,000,000
Balance with Bangladesh Bank and its agent bank(s)	4.2	12,243,796,624	12,009,056,905
Balance with other banks and financial institutions	5(a)	751,394,589	1,845,950,895
		50,133,513,513	40,145,782,693
Net operating cash flow per share (NOCFPS)	39 (a)	3.57	2.39

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



Director

Dhaka, 28 June, 2020



Director



Director



Managing Director

The Premier Bank Limited

Consolidated Statement of Liquidity Analysis (Maturity Analysis of Assets and Liabilities) as at 31 December 2019

Particulars	Amount in Taka					Total
	Up to 1 month's maturity	1-3 months' maturity	3-12 months' maturity	1-5 years' maturity	More than 5 years' maturity	
Assets						
Cash	3,599,611,079	-	-	-	10,974,196,623	14,573,807,702
Balance with other banks and financial institutions	751,394,589	-	-	-	-	751,394,589
Money at call on short notice	1,390,000,000	-	-	-	-	1,390,000,000
Investments	3,203,810,529	5,156,710,529	10,245,510,529	7,182,010,529	14,209,536,769	39,997,578,885
Loans and advances	45,304,061,417	28,629,373,276	38,586,373,276	44,180,073,276	34,415,873,274	191,115,754,519
Fixed assets including premises, furniture and fixtures	-	-	303,368,853	1,552,821,092	797,021,324	2,653,211,269
Other assets	1,374,349,802	2,373,832,445	4,173,010,956	3,966,705,674	235,220,104	12,123,118,981
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	55,623,227,416	36,159,916,250	53,308,263,614	56,881,610,571	60,631,848,094	262,604,865,945
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	3,245,638,943	5,024,477,886	4,941,677,885	-	-	13,211,794,714
Non-convertible Subordinated bonds	-	-	-	7,000,000,000	2,000,000,000	9,000,000,000
Deposits and other accounts	40,848,293,534	57,610,393,182	91,865,245,833	13,574,600,000	5,383,800,000	209,282,332,549
Provision and other liabilities	1,199,287,477	1,198,784,300	1,634,606,668	6,414,428,120	1,911,627,620	12,358,734,185
Total Liabilities (B)	45,293,219,954	63,833,655,368	98,441,530,386	26,989,028,120	9,295,427,620	243,852,861,448
Net Liquidity Excess/(Shortage) (C=A-B)	10,330,007,462	(27,673,739,118)	(45,133,266,772)	29,892,582,451	51,336,420,474	18,752,004,497



Director



Director



Director



Managing Director

The Premier Bank Limited

Balance Sheet as at 31 December 2019

Particulars	Notes	Amount in Taka	
		2019	2018
PROPERTY AND ASSETS			
Cash	4	14,573,741,966	13,673,448,499
In hand (including foreign currencies)	4.1	2,329,945,342	1,664,391,594
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.2	12,243,796,624	12,009,056,905
Balance with other banks and financial institutions	5	736,837,968	1,831,899,651
In Bangladesh	5.1	18,490,968	1,317,177,204
Outside Bangladesh	5.2	718,347,000	514,722,447
Money at call on short notice	6	1,390,000,000	500,000,000
Investments	7	39,206,952,643	29,448,384,052
Government securities	7.1	33,448,294,671	24,169,726,080
Others	7.2	5,758,657,972	5,278,657,972
Loans, advances and lease/ investments	8	188,945,466,378	156,960,037,516
Loans, cash credits, overdrafts, etc.	8.1.1	178,570,953,710	144,884,702,050
Bills purchased and discounted	8.1.2	10,374,512,668	12,075,335,466
Fixed assets including premises, furniture and fixtures	9	2,649,616,177	2,336,827,990
Other assets	10	14,397,878,877	11,382,609,191
Non-banking assets		-	-
Total Assets		261,900,494,009	216,133,206,899
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	13,211,794,714	14,732,813,833
Non-convertible Subordinated bonds	12	9,000,000,000	9,000,000,000
Deposits and other accounts	13	209,346,023,981	169,439,776,036
Savings / Mudaraba Saving deposits		12,380,483,071	10,055,469,821
Fixed deposits/Mudaraba term deposits		119,577,990,650	104,140,926,506
Current deposits and other accounts		73,266,098,914	51,865,197,121
Bills payable		4,121,451,346	3,378,182,588
Other liabilities	14	11,738,226,197	7,680,819,442
Total Liabilities		243,296,044,892	200,853,409,311
Capital/ Shareholders' Equity			
Paid-up capital	15	9,240,936,680	8,000,810,980
Statutory reserve	16	5,637,793,056	4,733,965,249
Other reserve	17	71,906,338	85,416,866
Retained earnings	18	3,653,813,043	2,459,604,493
Total Shareholders' Equity		18,604,449,117	15,279,797,588
Total Liabilities and Shareholders' Equity		261,900,494,009	216,133,206,899

The Premier Bank Limited

Balance Sheet as at 31 December 2019

Particulars	Notes	Amount in Taka	
		2019	2018
OFF- BALANCE SHEET ITEMS			
Contingent Liabilities		152,197,079,576	138,795,934,711
Acceptances and endorsements		31,438,505,612	27,163,694,333
Letters of guarantee	19.1	74,412,175,188	79,952,560,830
Irrevocable letters of credit		27,568,496,826	17,073,027,654
Bills for collection		18,777,901,950	14,606,651,894
Other contingent liabilities	19.2	-	-
Other commitments		2,389,481,000	504,000,000
Documentary credits and short term trade-related transactions		-	-
Forward assets purchase and forward deposits placement	20	2,389,481,000	504,000,000
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:		154,586,560,576	139,299,934,711
Net asset value (NAV) per share	40	20.13	16.53

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


Director


Director


Director


Managing Director

Signed as per our annexed report of even date

Dhaka, 28 June, 2020


Mahfel Huq & Co.
Chartered Accountants

The Premier Bank Limited

Profit and Loss Account for the year ended 31 December 2019

Particulars	Notes	Amount in Taka	
		2019	2018
OPERATING INCOME			
Interest income/profit on Islamic investments	22	19,573,813,569	16,491,722,563
Interest/profit paid on deposits, borrowings, etc.	23	(13,159,985,517)	(10,678,962,381)
Net interest income/ net profit on investments		6,413,828,052	5,812,760,182
Investment income	24	2,008,461,134	1,945,822,420
Commission, exchange and brokerage	25	3,515,108,499	2,509,231,050
Other operating income	26	1,014,381,783	791,770,183
		6,537,951,416	5,246,823,653
Total Operating Income (A)		12,951,779,468	11,059,583,835
OPERATING EXPENSES			
Salary and allowances	27	2,276,235,897	2,100,622,916
Rent, taxes, insurance, electricity, etc.	28	1,115,832,491	1,347,465,331
Legal expenses	29	103,660,520	92,174,340
Postage, stamps, telecommunication, etc.	30	106,457,604	103,312,434
Stationery, printing, advertisement, etc.	31	716,461,631	500,715,239
Chief executive's salary and fees	32	13,633,334	12,626,665
Directors' fees	33	2,808,000	2,656,000
Auditors' fee		517,500	345,000
Depreciation and repair of Bank's assets	34	569,901,637	268,958,963
Losses on disposal of subsidiary	35	10,000,000	10,000,000
Other expenses	36	718,807,888	586,214,376
Total Operating Expenses (B)		5,634,316,502	5,025,091,264
Profit before provision (C = A-B)		7,317,462,966	6,034,492,571
Specific Provision	37	2,627,314,280	1,000,792,527
General Provision	37	-	427,387,000
Provision for off-balance sheet items	37	-	200,000,000
Provision for investment in shares	37	171,009,653	489,765,533
Other provision	37.1	-	152,054,940
Total provision (D)		2,798,323,933	2,270,000,000
Profit before taxation (C-D)		4,519,139,033	3,764,492,571
Provision for taxation			
Current tax	14.5	2,148,500,000	1,650,000,000
Deferred tax expense (Income)	10.1.2.1	(967,523,024)	(112,356,755)
		1,180,976,976	1,537,643,245
Profit after taxation		3,338,162,057	2,226,849,326
Retained earnings brought forward	18	2,459,604,493	2,029,237,721
Profit available for appropriation		5,797,766,550	4,256,087,047
Appropriations			
Statutory reserve	16	903,827,807	752,898,514
Issue of bonus shares / Dividend paid	18	1,240,125,700	1,043,584,040
		2,143,953,507	1,796,482,554
Retained earnings carried forward		3,653,813,043	2,459,604,493
Earnings per share (EPS)	38	3.61	2.41

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



Director



Director



Director



Managing Director

Signed as per our annexed report of even date

Dhaka, 28 June, 2020



Mahfel Huq & Co.
Chartered Accountants

The Premier Bank Limited

Statement of Changes in Equity for the year ended 31 December 2019

Particulars	Amount in Taka				
	Paid-up capital	Statutory reserve	Other reserve	Retained earnings	Total
Balance as at 01 January 2019	8,000,810,980	4,733,965,249	85,416,866	2,459,604,493	15,279,797,588
Changes in accounting policy	-	-	-	-	-
Restated balance	8,000,810,980	4,733,965,249	85,416,866	2,459,604,493	15,279,797,588
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	(13,510,528)	-	(13,510,528)
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	-	-	-	3,338,162,057	3,338,162,057
Payment of cash dividend	-	-	-	-	-
Transfer to statutory reserve	-	903,827,807	-	(903,827,807)	-
Transfer to general and other reserve	-	-	-	-	-
Issue of bonus shares	1,240,125,700	-	-	(1,240,125,700)	-
Balance as at 31 December 2019	9,240,936,680	5,637,793,056	71,906,338	3,653,813,043	18,604,449,117

For the year ended 31 December 2018

Particulars	Amount in Taka				
	Paid-up capital	Statutory reserve	Other reserve	Retained earnings	Total
Balance as at 01 January 2018	6,957,226,940	3,981,066,735	106,412,810	2,029,237,721	13,073,944,206
Changes in accounting policy	-	-	-	-	-
Restated balance	6,957,226,940	3,981,066,735	106,412,810	2,029,237,721	13,073,944,206
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	(20,995,944)	-	(20,995,944)
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	-	-	-	2,226,849,326	2,226,849,326
Payment of cash dividend	-	-	-	-	-
Transfer to statutory reserve	-	752,898,514	-	(752,898,514)	-
Transfer to general and other reserve	-	-	-	-	-
Issue of bonus shares	1,043,584,040	-	-	(1,043,584,040)	-
Balance as at 31 December 2018	8,000,810,980	4,733,965,249	85,416,866	2,459,604,493	15,279,797,588


Director


Director


Director


Managing Director

Dhaka, 28 June, 2020

The Premier Bank Limited

Cash Flow Statement for the year ended 31 December 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Cash Flows from Operating Activities			
Interest received in cash		20,555,071,241	17,742,289,039
Interest paid		(12,923,136,197)	(11,312,481,666)
Fee and commission received in cash		1,820,819,748	1,293,162,351
Payments to employees		(2,289,869,231)	(2,113,249,581)
Payments to suppliers		(857,796,802)	(576,554,012)
Income taxes paid		(1,982,977,558)	(1,547,967,253)
Receipts from other operating activities		1,014,381,783	791,770,183
Payments for other operating activities		(2,048,702,845)	(2,132,786,322)
Cash generated from operating activities before changes in operating assets and liabilities		3,287,790,139	2,144,182,739
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(31,985,428,862)	(21,723,212,763)
Other assets		(1,570,838,404)	(1,248,639,956)
Deposits from other banks		(1,521,019,119)	(351,660,168)
Deposits from customers		39,669,398,625	29,382,820,873
Other liabilities		1,080,879,266	(366,777,746)
		5,672,991,506	5,692,530,240
Net cash from operating activities (A)		8,960,781,645	7,836,712,979
Cash Flows from Investing Activities			
Purchase/sale of trading securities, shares, bonds, etc.		(480,000,000)	15,655,686
Purchase of property, plant and equipment		(187,759,493)	(158,811,861)
Net cash used in investing activities (B)		(667,759,493)	(143,156,175)
Cash Flows from Financing Activities			
Dividend paid		-	-
Issue of shares		-	-
Issue of non-convertible variable coupon rate bond		-	2,000,000,000
Net cash used in financing activities (C)		-	2,000,000,000
Net increase in cash (A+B+C)		8,293,022,152	9,693,556,804
Effects of exchange rate changes on cash and cash equivalents		1,694,288,751	1,216,068,699
Cash and cash equivalents at beginning of the year		40,131,580,253	29,221,954,750
Cash and cash equivalents for the period ended (*)		50,118,891,156	40,131,580,253
(*) Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currencies)	4.1	2,329,945,342	1,664,391,594
Investments in government securities		33,418,311,222	24,126,232,103
Money at call on short notice	6	1,390,000,000	500,000,000
Balance with Bangladesh Bank and its agent bank(s)	4.2	12,243,796,624	12,009,056,905
Balance with other banks and financial institutions	5	736,837,968	1,831,899,651
		50,118,891,156	40,131,580,253
Net operating cash flow per share (NOCFPS)	39	3.56	2.32

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



Director



Director



Director



Managing Director

Dhaka, 28 June, 2020

The Premier Bank Limited

Statement of Liquidity Analysis (Maturity Analysis of Assets and Liabilities) as at 31 December 2019

Amount in Taka

Particulars	Up to 1 month's maturity	1-3 months' maturity	3-12 months' maturity	1-5 years' maturity	More than 5 years' maturity	Total
Assets						
Cash	3,599,545,343	-	-	-	10,974,196,623	14,573,741,966
Balance with other banks and financial institutions	736,837,968	-	-	-	-	736,837,968
Money at call on short notice	1,390,000,000	-	-	-	-	1,390,000,000
Investments	3,203,810,529	5,156,710,529	10,245,510,529	7,182,010,529	13,418,910,527	39,206,952,643
Loans and advances	43,133,773,276	28,629,373,276	38,586,373,276	44,180,073,276	34,415,873,274	188,945,466,378
Fixed assets including premises, furniture and fixtures	-	-	303,368,853	1,552,821,092	793,426,232	2,649,616,177
Other assets	1,374,349,802	2,373,832,445	4,173,010,956	3,966,705,674	2,509,980,000	14,397,878,877
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	53,438,316,918	36,159,916,250	53,308,263,614	56,881,610,571	62,112,386,656	261,900,494,009
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	3,245,638,943	5,024,477,886	4,941,677,885	-	-	13,211,794,714
Non-convertible Subordinated bonds	-	-	-	7,000,000,000	2,000,000,000	9,000,000,000
Deposits and other accounts	40,911,984,966	57,610,393,182	91,865,245,833	13,574,600,000	5,383,800,000	209,346,023,981
Provision and other liabilities	1,075,185,879	1,074,682,702	1,510,505,070	6,290,326,522	1,787,526,024	11,738,226,197
Total Liabilities (B)	45,232,809,788	63,709,553,770	98,317,428,788	26,864,926,522	9,171,326,024	243,296,044,892
Net Liquidity Excess/ (Shortage) (C=A-B)	8,205,507,130	(27,549,637,520)	(45,009,165,174)	30,016,684,049	52,941,060,632	18,604,449,117



Director



Director



Director



Managing Director

The Premier Bank Limited

Notes to Financial Statements for the year ended December 31, 2019

1 The Bank and its activities

1.1 The Premier Bank Limited

The Premier Bank Limited ("the Bank") is one of the third 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 Kamal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh.

At present the Bank has 115 branches including 12 SME Service Centers/Agricultural Branches and 52 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, local and international remittance facility etc. through its branches, Islamic windows, SME centers, and vibrant alternative delivery channels (ATM booths, mobile banking, internet banking, Fast Track, Agent 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 115 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 and Bangladesh Bank letter reference no. BOIMUBI/729/BIBIDHO/2019-32 dated 02 January 2019, all outstanding liabilities of company will be adjusted within 31 December 2020.

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 International Financial Reporting Standards (IFRS).

The bank complied with the requirements of the following regulatory and legal authorities:

1. The Bank Companies Act 1991, and amendment thereon;
2. The Companies Act 1994;
3. Bangladesh Securities and Exchange Ordinance 1969;
4. Bangladesh Securities and Exchange Rules 1987;
5. Bangladesh Securities and Exchange Commission Act 1993;
6. Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015;
7. Income Tax Ordinance 1984, and amendment thereon;
8. Value Added Tax Act 2012, The Value Added Tax Rules 2016 and amendments thereon;
9. Rules, regulation and circulars issued by the Bangladesh Bank from time to time;
10. DSE, CSE and CDBL rules and regulation and other laws and rules applicable thereto. Wherever appropriate, such principles are explained in succeeding notes; and
11. Financial Reporting Act, 2015.

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 has been applied with IAS-8.

Impairment losses on loans and advances

In addition to the provision made for loans and advances based on the guidance of Bangladesh Bank, the bank reviews its loans and advances portfolio on a monthly basis to assess whether a further allowance for impairment should be provided in the income statement. Judgements by the management is required in the estimation of these amounts, and such estimations are based on assumptions about a number of factors, though actual results may differ, resulting in future changes to the provisions.

2.4 Islamic banking

The Bank operates Islamic banking in 2 designated branches in compliance with the rules of Islamic Shariah. The Financial Statements of the branches have also been prepared as per International Financial Reporting Standards and Bangladesh Bank circular. A separate balance sheet and profit and loss account are shown in Annexure-I 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 International Accounting Standards; International Financial Reporting Standards (IFRS) 10: Consolidated Financial Statements, for the year than ended 31 December 2019.

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 subsidiary which consists of Premier Bank Securities Limited up to the end of the financial year.

2.5.1 Basis of Consolidation

Intra-group balances, 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 and for Premier money transfer company limited is UK pound sterling. Except as indicated, financial information have been rounded off to the nearest Taka.

2.6.b Foreign currency transactions

- (a) According to IAS 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 2019 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 IAS 21 "The Effect of changes in foreign exchange rates" the result of financial statements of any foreign operation (Off shore Banking Unit) 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 closing 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 IAS 7: "Statement 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 2019 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 2019 to 31 December 2019.

2.10 Going Concern

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in operation over the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. Key financial parameters (including liquidity, profitability, asset quality, provision, provision sufficiency and capital adequacy) of the bank continued to demonstrate a healthy trend for a couple of years. The management does not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the bank's ability to continue as going concern.

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 dealt with as per IAS 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.

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) and prize bonds.

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	Applicable accounting value
Government Treasury Bills & Bonds (HTM)	At present value (applying amortization concept)
Government Treasury Bills & Bonds (HFT)	At present value (applying marked to market concept)
Prize Bonds	At cost
Unquoted Shares	At cost
Quoted Shares	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 IAS 27: "Separate Financial Statements" and IFRS 10: "Consolidated Financial Statements".

3.1.6 Property Plant and Equipment**3.1.6.a Recognition and Measurement**

- (a) Fixed assets have been shown at cost less accumulated depreciation as per IAS 16: "Property Plant and Equipment" except land, which is measured at cost.
- (b) 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.

During the period the Bank acquired property, furniture and equipment with an aggregate cost of Tk 740,735,811 of which Tk 552,976,318 was acquired by finance lease. Payments of Tk 187,759,493 was made to purchase furniture and equipment.

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 IAS 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 International Accounting Standard (IAS) 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 2019, 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 asset 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 35 (thirty five) 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, 02 Jeep for Additional Managing Directors, 02 cars for Deputy Managing Director, 04 (four) cars for 04 (four) Branches. The remaining 23 (twenty three) cars are being used in Bank's pool.

During the period from 01-01-2019 to 31-12-2019, total Tk. 70,73,714.00 only has been incurred towards repairing and maintenance (including yearly payment of Tax Token, Fitness Certificate) for the above pool of 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 and BRPD 12 dated 20 August 2017 and BRPD 15 dated 27 September 2017 and BRPD 01 dated 20 February 2019. The rates of provision are given below:

Types of loans and advances		Provision				
		UC	SMA	SS	DF	BL
Consumer	House building and professional	1%	1%	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, Credit Card etc.		2%	2%	20%	50%	100%
Short-term agro-credit and micro credit		1%	1%	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 IAS 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 2019.

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 IAS 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 on a 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

Moreover BRPD Circular No. 13 dated 18 October 2019 requires provisioning requirement for the bank guarantee has been modified in accordance with respective counter-guarantees in following ways:

BB rating grade equivalence of the Bank/ Financial institution/ Organization	Provision required (% of the exposure amount)
1	nil
2	0.5
3 or 4	0.75
Others	1

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 IAS 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 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 IAS 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 Tier-2 capital 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 Tier-2 Capital 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, Taka 100.00 crore was executed in 2017 and Taka 200.00 crore was executed in 2018) as Tier-2 Capital 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.

3.3.6 (d) Non Convertible Subordinated Bonds - 4

The Bank issued Non-Convertible Subordinated Bond for an amount of Taka 500.00 crore in which Taka 200.00 crore is executed in 2019 as Tier-2 Capital 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)/2019-5870 dated 28 July, 2019 and BSEC/CI/DS-106/2019/427 dated 03 July, 2019 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 IFRS 15 "Revenues from Contracts with Customers" 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

Dividend income from investment in shares is recognized when the Bank's right to receive dividend is established. It 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 IFRS.

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 ceases 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 2019 were 1947 and 1708 as on 31 December 2018.

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

3.7.2 (a) Provident Fund

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 5 (five) 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.

3.7.2 (b) Gratuity Fund

Provision for gratuity is 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 exists no unreconciled revenue items in Nostro accounts as at 31 December 2019.

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 Co. Ltd, Premier Hotel & Resort, Bengal Tiger Cement Industries Ltd.	Funded, Non funded & Credit Card	1,618.72
Mr. Moin Iqbal	Individual	Credit Card	2.61
Mr. Abdus Salam Murshedy, MP	Envoy Textiles Ltd. (Concern of Envoy Group), Manta Apparels Ltd. (Concern of Envoy Group)	Funded	845.44
Mr. Mohammad Imran Iqbal	Individual	Credit Card	1.96
Mr. Shafiqur Rahman	Individual	Credit Card	0.52
Mr. Jamal G Ahmed	Individual	Credit Card	0.89
Mrs. Shaila Shelley Khan	Individual	Credit Card	1.88

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

Figure in lac

Name of service provider	Particulars of service	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 .	148.98

b).ii. As per Bangladesh Bank approval, the Bank has taken lease of 34,600 sft. Floor space @ TK. 350 per sft. per month at 4th, 5th,7th, 10th and 14th 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)iii. As per Bangladesh Bank approval, the Bank has taken lease of 550 sft. Floor space @ 400per sft. at 1st Floor and 21,450 sft. Floor space @ TK. 350 per sft. per month at 3rd, 6th and 8th floor of "Iqbal Centre", 42 Kemal Attaturk avenue, Banani, Dhaka-1213 from Mr. Moin Iqbal, honorable Vice Chairman of the Bank for use of its Head Office
- b)iv. 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)v. As per Bangladesh Bank approval, Bank has taken lease of 21,450 sft. Floor space @ Tk 350.00 per sft. per month at 9th, 11th and 19th floor of "Iqbal center", 42 Kemal Attaturk Avenue, Banani Dhaka-1213 from Mr. Mohammad Imran Iqbal, Honorable Director of the Bank for use of our Head Office.

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 2019 and segmental profit and loss account for the year than ended 31 December 2019 have been prepared. Segments reports has been attached in Annexure-F.

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,
- (iii) Credit Monitoring and Recovery Unit, and
- (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 was operationally and physically divided into front office and back office to mitigate the risk. Separate telephone and fax lines were 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 91 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 Board Audit Committee

1. Constitution of the Board Audit Committee:

The Board of Directors in its 228th Meeting held on 30 April, 2020 re-constituted the Board Audit Committee in line with the Bangladesh Bank BRPD Circular No. # 11 dated October 27, 2013 and BSEC Notification dated 07 August 2012. The Board Audit Committee comprises of the following members:

Sl. No.	Names	Status with the Committee	Educational qualification	Status with the Board
1	Mr. Chowdhury Jafarullah Sharafat	Chairman	M.S.S.	Independent Director
2	Mr. Mohammad Imran Iqbal	Member	Bachelor of Science (Hons), Business Management	Director
3	Mrs. Shaila Shelly Khan	Member	B.Sc.	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 Board Audit Committee. A separate Board Audit Cell has been formed to assist the Board 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 Three (03) Meetings during January to December 2019. Minutes of the Audit Committee Meetings have been reported to the Board of Directors.

Roles & Responsibilities of Audit Committee:

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

A. Internal Control Systems:

- i) Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risks and ensuring that all employees have clear understanding of their roles and responsibilities;
- ii) Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS);
- iii) Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;
- iv) Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.

B. Financial Reporting:

- i. Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank;
- ii. Discuss with management and the external auditors to review the financial statements before its finalization.

C. Internal Audit and Inspection Reports:

- i. Audit committee will monitor whether internal audit working independently from the management;
- ii. Review the activities of the internal audit and the organizational structure and ensure that no unjustified or limitation hinders the internal audit process;
- iii. Examine the efficiency and effectiveness of internal audit function;
- iv. Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

D. External Audit

- i. Review the performance of the external auditors and their audit reports;
- ii. Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not;
- iii. Make recommendations to the board regarding the appointment of the external auditors.

E. Compliance with existing laws and Regulations

Review whether the laws and regulations framed by the regulatory authorities (Central Bank and other bodies) and internal regulations approved by the board are being complied with.

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 @ 37.5% as prescribed in the Finance Act 2019 on the profit from business after considering some of the taxable add back income and disallowance of expenditure. Also, different tax rates as prescribed in the Finance Act 2019 are taken into account for other heads of income.

3.13.2 Deferred tax

The Bank has adopted deferred tax accounting policy as per International Accounting Standard (IAS) 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, 2019. 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 IAS-12 "Income Taxes" (Note 10.1.2.1).

3.14 Departures from IFRS

The consolidated financial statements of the Group and the Separate financial statements of the Bank as at and for the year ended 31 December 2019 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, International Financial Reporting Standards (IFRSs), 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 has departed from those contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i) Investment in shares and Securities

IFRS: As per requirements of IFRS 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 IFRS 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

IFRS: As per requirement of IFRS 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**

IFRS: As per IFRS 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 IFRS.

iv) **Recognition of interest in suspense**

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

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

v) **Other comprehensive income**

IFRS: As per IAS 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 are to be strictly 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.

vi) **Financial instruments - presentation and disclosure**

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 could not be met in the accounts.

vii) **Repo transactions**

IFRS: 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.

viii) **Financial guarantees**

IFRS: As per IFRS, 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.

ix) **Cash and cash equivalent**

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 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 on short notice presented on the face of the balance sheet, and Treasury bills, Prize bonds are shown in Investments.

- x) **Non-banking asset**
IFRS: No indication of Non-banking asset is found in any IFRS.
Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset.
- xi) **Cash flow statement**
IFRS: 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.
- xii) **Balance with Bangladesh Bank: (CRR)**
IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.
Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.
- xiii) **Presentation of intangible asset**
IFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.
Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD 14.
- xiv) **Off-balance sheet items**
IFRS: There is no concept of off-balance sheet items in any IFRS; 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.
- xv) **Disclosure of appropriation of profit**
IFRS: 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.
- xvi) **Loans and advance net of provision**
IFRS: 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.
- xvii) **Recovery of written off loans**
IFRS: As per IAS 1 an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an IFRS. Again recovery of written off loans should be charged to profit & loss account as per IFRS 15 "Revenue from Contracts with Customers".
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, IFRSs and other prevailing laws and regulations applicable in Bangladesh.

3.15 **Statement of compliance with International Financial Reporting Standards (IFRS):**

The Financial Reporting Act, 2015 (FRA), was enacted in the year 2015. The Financial Reporting Council (FRC) under the FRA was constituted in 2017, but the Financial Reporting Standards (FRS) under this council are yet to be issued for public interest entities such as Banks. The Bank Company Act, 1991, was amended to require banks to prepare their financial statements under such financial reporting standards.

As FRS is yet to be issued by FRC, as per the provisions of FRA (Section-69), Consolidated and Separate financial statements of the Group and the Bank, respectively, have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and, in addition to this, the bank also complied with the requirements of Laws and Regulations of various Govt. bodies as mentioned in the note no. 2.1.

Name of the standards	Ref.	Status
First-time Adoption of International Financial Reporting Standards	IFRS-1	Not applicable
Share-based Payment	IFRS-2	Not applicable
Business Combinations	IFRS-3	Applied
Insurance Contracts	IFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not applicable
Financial Instruments: Disclosures	IFRS-7	Applied with some departure
Operating Segments	IFRS-8	Applied with some departure
Financial Instruments	IFRS-9	Applied with some departure
Consolidated Financial Statements	IFRS-10	Applied
Joint Arrangements	IFRS-11	Not applicable
Disclosure of Interests in other Entities	IFRS-12	Applied
Fair Value Measurement	IFRS-13	Applied
Revenue from Contracts with Customers	IFRS-15	Applied with some departure
Leases	IFRS-16	Applied
Insurance Contracts	IFRS-17	Not applicable
Presentation of Financial Statements	IAS-1	Applied with some departure
Inventories	IAS-2	Applied
Statement of Cash Flows	IAS-7	Applied with some departure
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events after the Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Costs	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not Applicable
Separate Financial Statements	IAS-27	Applied
Investments in Associates & Joint venture	IAS-28	Not Applicable
Interests in Joint Ventures	IAS-31	Not Applicable
Financial Instruments: Presentation	IAS-32	Applied with some departure
Earnings per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairment of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied with some departure
Intangible Assets	IAS-38	Applied with some departure
Financial Instruments: Recognition and Measurement	IAS-39	Not Applicable
Investment property	IAS-40	Not Applicable
Agriculture	IAS-41	Not Applicable

3.16 Implementation of IFRS 16 and its relevant assumptions and disclosures

IFRS 16: "Leases" has come into force on 01 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The PBL applied IFRS 16 using the modified retrospective approach where the Bank measured the lease liability at the present value of the remaining lease payments, discounted it using the bank's incremental borrowing rate at the date of initial application, and recognised a right-of-use asset at the date of initial application on a lease by lease basis.

Right-of-use assets

The Bank recognise right of use assets at the date of initial application of IFRS 16. Right-of-use assets are measured at cost, less any accumulated depreciation, and adjusted for any re-measurement of lease liabilities. Right-of-use assets are depreciated on a straight line basis over the lease term. The right-of-use assets are presented under property, plant and equipment.

Lease Liabilities

At the commencement date of the lease, the bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term using the incremental borrowing rate at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments. Advances paid in connection with the lease agreement is considered as on the installment of lease payments.

Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic amount of interest over the lease period.

Short-term leases and lease of low value assets

The Bank has elected not to recognise right-of-use of assets and lease liabilities for leases of low value assets (Low Present Value) and short term leases i.e. for which the lease term ends within 12 months of the date of initial application. The bank recognise lease payments associated with these leases as an expenses.

		Amount in Taka	
		2019	2018
4	Cash		
	Cash in hand (Note - 4.1)	2,329,945,342	1,664,391,594
	Balance with Bangladesh Bank and its agent bank(s) (Note - 4.2)	12,243,796,624	12,009,056,905
		14,573,741,966	13,673,448,499
4(a)	Consolidated Cash and Balance With Bangladesh Bank and its agent Bank(s) In Bangladesh		
	Premier Bank Limited (Note - 4)	14,573,741,966	13,673,448,499
	Premier Bank Securities Limited (Note - 4.1(a))	65,736	151,196
		14,573,807,702	13,673,599,695
4.1	Cash in hand		
	In local currency	2,304,270,415	1,644,307,917
	In foreign currency	25,674,927	20,083,677
		2,329,945,342	1,664,391,594
4.1(a)	Consolidated Cash in hand In Bangladesh		
	Premier Bank Limited (Note - 4.1)	2,329,945,342	1,664,391,594
	Premier Bank Securities Limited	65,736	151,196
		2,330,011,078	1,664,542,790
4.2	Balance with Bangladesh Bank and its agent bank(s)		
	Balance with Bangladesh Bank		
	In local currency	11,772,002,120	11,098,256,272
	In foreign currency	251,796,793	727,662,054
		12,023,798,913	11,825,918,326
	Sonali Bank(as an agent bank of Bangladesh Bank)-local currency	219,997,711	183,138,579
		12,243,796,624	12,009,056,905
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 and MPD Circular no.01 dated 03 April 2018.		
	Cash reserve requirement required on the Bank's time and demand liabilities at the rate of 5% daily and 5.5% 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 5%)		
	Required reserve	9,205,267,000	7,678,353,000
	Actual reserve maintained (6.26%)	11,525,283,720	10,804,645,750
	Surplus / (Deficit)	2,320,016,720	3,126,292,750
	(b) Statutory Liquidity Ratio (13%)		
	Required reserve	23,933,693,000	19,963,717,000
	Actual reserve maintained (19.93%)	36,690,830,390	27,085,091,000
	Surplus / (Deficit)	12,757,137,390	7,121,374,000

		Amount in Taka	
		2019	2018
For Islamic Banking			
(a) Cash Reserve Ratio (Daily 5%)			
	Required reserve	380,517,000	254,967,000
	Actual reserve maintained (5.61%)	427,057,469	304,464,249
	Surplus / (Deficit)	46,540,469	49,497,249
(b) Statutory Liquidity Ratio (5.50%)			
	Required reserve	418,568,000	280,464,000
	Actual reserve maintained (9.36%)	712,566,920	343,075,000
	Surplus / (Deficit)	293,998,920	62,611,000
5	Balance with other banks and financial institutions		
	In Bangladesh (Note - 5.1)	18,490,968	1,317,177,204
	Outside Bangladesh (Note - 5.2)	718,347,000	514,722,447
		736,837,968	1,831,899,651
5(a)	Consolidated balance with other banks and financial institutions In Bangladesh		
	Premier Bank Limited (Note - 5.1)	18,490,968	1,317,177,204
	Premier Bank Securities Limited	146,394,472	103,863,662
		164,885,440	1,421,040,866
	Less: Inter Company transaction	131,837,851	89,812,418
		33,047,589	1,331,228,448
	Outside Bangladesh		
	Premier Bank Limited (Note - 5.2)	718,347,000	514,722,447
	Premier Bank Securities Limited	-	-
		718,347,000	514,722,447
		751,394,589	1,845,950,895
5.(aa)	Account type-wise		
	Current account	18,176,164	16,521,917
	STD account	314,804	655,287
	Fixed deposit	-	1,300,000,000
		18,490,968	1,317,177,204
5.1	In Bangladesh		
	Janata Bank Limited	91,545	91,775
	Standard Chartered Bank	18,056,465	16,401,068
	National Bank Limited	191,469	256,007
	Islami Bank Bangladesh Limited	28,154	29,074
	Rupali Bank Limited	51,946	65,971
	Agrani Bank Limited	71,389	333,309
	Mutual Trust Bank Limited	-	400,000,000
	Pubali Bank Limited	-	400,000,000
	Uttara Bank Limited	-	400,000,000
	Midland Bank Limited	-	100,000,000
		18,490,968	1,317,177,204

		Amount in Taka	
		2019	2018
5.2	Outside Bangladesh		
	Mashreq Bank NY	230,151,089	338,108,064
	Standard Chartered Bank NY	217,873,934	271,835,128
	Commerz Bank Frankfurt	15,742,880	30,434,461
	Bank of China	1,029,060	1,595,087
	Bank of Ceylon, Srilanka	3,978,277	2,054,577
	Standard Chartered Bank Kolkata	15,105,497	3,505,642
	United Bank Ltd, Pakistan	27,117,399	37,495,067
	State Bank of India	2,010,868	1,987,053
	ICICI Bank Mumbai	21,151,676	27,838,122
	Himalayan Bank, Nepal	2,443,608	226,249
	Commerz Bank Frankfurt	114,292,710	39,318,203
	Westpac Banking Corporation, Sydney	6,623,485	2,289,070
	Mashreqbank psc, London	-	21,705,968
	Bank of Tokyo Mitsubishi Limited	38,982,617	33,636,023
	Habib Bank AG Zurich Switzerland	6,164,405	8,493,165
	National Commercial Bank, KSA	4,125,172	37,701,991
	AB Bank Ltd, Mumbai	11,175,872	870,869
	Bank Al Jazira	26,942,744	16,686,695
	Habib american Bank, NY	57,217,437	73,835,512
	Mashreq Bank PSC, Mumbai	40,880,291	15,619,245
	UBI Banca	2,771,757	43,310,467
	Riyad Bank	53,085,554	-
	Danske Bank	17,375,589	-
	Standard Chartered Bank (UK)-GBP	65,336,228	-
	Off-shore Banking Unit	5,022,666,072	4,897,801,282
		6,004,244,221	5,906,347,940
	Less: Inter Company Transaction	5,285,897,221	5,391,625,493
		718,347,000	514,722,447
5.3	Maturity grouping of balance with other banks and financial institutions		
	Repayable on demand	736,837,968	1,831,899,651
	Not more than 3 months	-	-
	More than 3 months but not more than 1 year	-	-
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		736,837,968	1,831,899,651
5.3(a)	Consolidated maturity grouping of Balance with other banks and financial institutions		
	Repayable on demand	751,394,589	1,845,950,895
	Not more than 3 months	-	-
	More than 3 months but not more than 1 year	-	-
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		751,394,589	1,845,950,895

		Amount in Taka	
		2019	2018
6	Money at call and short notice		
	Call money		
	With Banking companies (Note 6.1)	1,390,000,000	500,000,000
	With Non-banking financial institutions	-	-
		1,390,000,000	500,000,000
6.1	Call Money- with Banking companies:		
	NCC Bank Limited	500,000,000	-
	Jamuna Bank Limited	190,000,000	-
	One Bank Limited	700,000,000	-
	The City Bank Limited	-	500,000,000
		1,390,000,000	500,000,000
7	Investments		
	Government (Note - 7.1)	33,448,294,671	24,169,726,080
	Others (Note - 7.2)	5,758,657,972	5,278,657,972
		39,206,952,643	29,448,384,052
7(a)	Consolidated Investment		
	Premier Bank Limited (Note - 7)	39,206,952,643	29,448,384,052
	Premier Bank Securities Limited	831,095,827	668,478,260
		40,038,048,470	30,116,862,312
	Less: Intercompany adjustment	40,469,585	-
		39,997,578,885	30,116,862,312
7.1	Government		
	Treasury bills (Note - 7.1.1)	8,839,110,229	969,284,140
	Treasury bonds (Note - 7.1.1.1)	24,606,363,842	23,198,178,040
	Prize bonds	2,820,600	2,263,900
		33,448,294,671	24,169,726,080
7.1.1	Treasury bills		
	91 day Treasury bills	2,961,606,000	969,284,140
	182 day Treasury bills	2,324,428,300	-
	364 day Treasury bills	3,553,075,929	-
	30 day Bangladesh Bank bills	-	-
		8,839,110,229	969,284,140
7.1.1.1	Treasury bonds		
	Bangladesh Bank Islamic Investment Bond	650,000,000	290,000,000
	2 years Bangladesh Government Treasury Bonds	5,096,145,242	7,355,693,505
	5 years Bangladesh Government Treasury Bonds	4,515,789,072	2,564,073,816
	10 years Bangladesh Government Treasury Bonds	5,578,440,071	4,790,556,567
	15 years Bangladesh Government Treasury Bonds	5,300,130,148	4,908,256,034
	20 years Bangladesh Government Treasury Bonds	3,465,859,309	3,289,598,118
		24,606,363,842	23,198,178,040
7.2	Others		
	In shares and bonds (quoted and unquoted)		
	Quoted		
	Investment in shares - General	3,230,983,267	3,051,860,017
		3,230,983,267	3,051,860,017

		Amount in Taka	
		2019	2018
Unquoted			
	Central Depository Bangladesh Limited	3,138,890	3,138,890
	SWIFT Membership	5,559,065	5,559,065
	Energy Prima Limited	9,500,000	9,500,000
	Lanka Bangla Securities Limited	5,000,000	5,000,000
	Bangladesh Fixed Income Special Purpose Vehicle	2,250,000,000	2,000,000,000
	RACE Special Opportunities Unit Fund	250,000,000	-
	ICB AMCL 2nd NRB	4,476,750	-
	Runner Automobiles Limited	-	183,600,000
	Corporate Bond	-	20,000,000
		2,527,674,705	2,226,797,955
		5,758,657,972	5,278,657,972
Details of investment in share are shown in Annexure - H			
7.2(a)	Consolidated Others Investment		
	Premier Bank Limited (Note - 7.2)	5,758,657,972	5,278,657,972
	Premier Bank Securities Limited	831,095,827	668,478,260
		6,589,753,799	5,947,136,232
	Less: Intercompany adjustment	40,469,585	-
		6,549,284,214	5,947,136,232
7.3	Investments classified as per Bangladesh Bank circular		
	Held for trading (HFT)	7,498,947,586	2,300,313,797
	Held to maturity (HTM)	25,296,526,485	21,577,148,383
	Other securities	6,411,478,572	5,570,921,872
		39,206,952,643	29,448,384,052
7.4	Maturity grouping of Investment		
	Not more than 1 month	3,203,810,529	2,967,900,000
	Not more than 3 months	5,156,710,529	90,500,000
	More than 3 months but not more than 1 year	10,245,510,529	5,177,784,052
	More than 1 year but not more than 5 years	7,182,010,529	8,154,000,000
	More than 5 years	13,418,910,527	13,058,200,000
		39,206,952,643	29,448,384,052
7.4(a)	Consolidated Maturity grouping of Investment		
	Not more than 1 month	3,203,810,529	2,967,900,000
	Not more than 3 months	5,156,710,529	90,500,000
	More than 3 months but not more than 1 year	10,245,510,529	5,177,784,052
	More than 1 year but not more than 5 years	7,182,010,529	8,154,000,000
	More than 5 years	14,209,536,769	13,726,678,260
		39,997,578,885	30,116,862,312
8	Loans, advances and lease/ investments	188,945,466,378	156,960,037,516
8(a)	Consolidated Loans, advances and lease/ investments		
	Premier Bank Limited (Note - 8.1.1)	178,570,953,710	144,884,702,050
	Premier Bank Securities Ltd.	3,205,258,353	2,977,800,315
		181,776,212,063	147,862,502,365
	Less: Intercompany adjustment	1,034,970,212	804,927,051
		180,741,241,851	147,057,575,314

		Amount in Taka	
		2019	2018
Consolidated bills purchased and discounted			
Premier Bank Limited (Note - 8.1.2)		10,374,512,668	12,075,335,466
Premier Bank Securities Ltd.		-	-
		10,374,512,668	12,075,335,466
		191,115,754,519	159,132,910,780
8.1	Breakup of Loans, advances and lease/ investments		
	Loans, cash credits, overdrafts, etc. (Note 8.1.1)	178,570,953,710	144,884,702,050
	Bills purchased and discounted (Note 8.1.2)	10,374,512,668	12,075,335,466
		188,945,466,378	156,960,037,516
8.1.1	Broad category-wise breakup of Loans, cash credits, overdrafts, etc. In Bangladesh		
	Loans	113,063,658,089	86,400,208,797
	Overdrafts	44,711,270,565	38,306,629,749
	Cash credits	19,201,017,169	18,955,051,868
		176,975,945,823	143,661,890,414
	Outside Bangladesh		
	Loans	-	-
	Overdrafts	-	-
	Cash credits	-	-
	Off-shore Banking Units	1,595,007,887	1,222,811,636
		1,595,007,887	1,222,811,636
		178,570,953,710	144,884,702,050
8.1.1.1	Maturity grouping Loans, cash credits, overdrafts, etc.		
	Repayable on demand	40,508,241,092	29,995,734,070
	Not more than 3 months	25,122,566,267	23,601,000,000
	More than 3 months but not more than 1 year	34,344,199,801	17,614,160,831
	More than 1 year but not more than 5 years	44,180,073,276	36,936,500,000
	More than 5 years	34,415,873,274	36,737,307,149
		178,570,953,710	144,884,702,050
8.1.2	Bills purchased and discounted		
	In Bangladesh	2,289,230,830	3,166,535,910
	Outside Bangladesh	4,134,515,423	5,516,400,069
	Off-shore Banking Units	3,950,766,415	3,392,399,487
		10,374,512,668	12,075,335,466
8.1.2.1	Maturity grouping of bills purchased & discounted		
	Payable within 1 month	2,625,532,184	681,574,392
	Over 1 month but below 3 months	3,506,807,009	1,706,038,656
	Over 3 months but below 6 months	1,716,974,118	849,583,249
	6 months or over	2,525,199,357	8,838,139,169
		10,374,512,668	12,075,335,466
8.1.3(a)	Consolidated Maturity grouping of Loans, advances and lease/ investments		
	Repayable on demand	45,304,061,417	32,850,181,726
	Not more than 3 months	28,629,373,276	25,307,038,656
	More than 3 months but not more than 1 year	38,586,373,276	27,301,883,249
	More than 1 year but not more than 5 years	44,180,073,276	36,936,500,000
	More than 5 years	34,415,873,274	36,737,307,149
		191,115,754,519	159,132,910,780

	Amount in Taka	
	2019	2018
8.2 Industry wise concentration of Loans & Advances including bills purchased & discounted		
Advances to allied concerns of directors	123,203,029	122,552,388
Advances to chief executives and senior executives	61,898,832	56,533,421
Loans & Advances to industries		
Textile & RMG industries	43,034,280,234	36,820,680,585
Cement and ceramic industries	2,192,826,816	1,875,805,416
Food and allied industries	4,561,876,978	4,737,434,534
Transport and communication industries	1,676,470,389	1,396,082,265
Iron and steel industries	4,130,370,824	3,706,125,962
Other industries	51,101,466,294	36,174,392,731
	106,697,291,535	84,710,521,493
Loans & Advances to other customer groups		
Commercial lending	33,561,878,889	31,996,439,671
Export financing	6,931,446,873	5,817,224,274
House building	6,973,536,001	3,055,566,588
Consumer credit	2,657,225,365	6,660,721,384
Small and medium enterprises	16,631,120,897	14,722,145,510
Other staff loan	560,463,614	416,043,002
Other customers	14,747,401,343	9,402,289,785
	82,063,072,982	72,070,430,214
	188,945,466,378	156,960,037,516
8.2 (a) Consolidated Industry wise concentration of Loans & Advances including bills purchased & discounted		
Advances to allied concerns of directors	123,203,029	122,552,388
Advances to chief executives and senior executives	61,898,832	56,533,421
Loans & Advances to industries		
Textile & RMG industries	43,034,280,235	36,820,680,585
Cement and ceramic industries	2,192,826,816	1,875,805,416
Food and allied industries	4,561,876,978	4,737,434,534
Transport and communication industries	2,307,501,134	2,027,113,010
Iron and steel industries	4,130,370,824	3,706,125,962
Other industries	51,101,466,294	36,174,392,731
	107,328,322,281	85,341,552,238
Loans & Advances to other customer groups		
Commercial lending	33,561,878,889	31,996,439,671
Export financing	6,931,446,873	5,817,224,274
House building	6,973,536,001	3,055,566,588
Consumer credit	2,657,225,365	6,660,721,384
Small and medium enterprises	16,631,120,897	14,722,145,510
Other staff loan	560,463,614	416,043,002
Other customers	16,286,658,738	10,944,132,304
	83,602,330,377	73,612,272,733
	191,115,754,519	159,132,910,780

		Amount in Taka	
		2019	2018
8.3	Geographical location-wise (division) distribution of Loans, advances and lease/ investments		
	In Bangladesh		
	Urban		
	Dhaka Division	155,350,661,276	128,995,867,281
	Chittagong Division	17,346,387,110	15,509,263,500
	Khulna Division	1,696,720,147	1,400,561,537
	Sylhet Division	1,064,387,701	459,903,975
	Rajshahi Division	2,091,276,636	1,793,859,838
	Barisal Division	499,390,208	320,837,742
	Rangpur Division	312,708,385	317,006,892
	Mymensingh Division	392,996,428	326,560,591
		178,754,527,891	149,123,861,356
	Rural		
	Dhaka Division	9,107,424,034	5,970,103,113
	Chittagong Division	773,555,772	1,653,503,121
	Rajshahi Division	35,428,085	25,793,735
	Khulna Division	18,030,849	-
	Mymensingh Division	256,499,747	186,776,191
		10,190,938,487	7,836,176,160
		188,945,466,378	156,960,037,516
8.3 (a)	Consolidated Geographical location-wise (division) distribution of Loans, advances and lease/ investments		
	In Bangladesh		
	Urban		
	Dhaka Division	157,520,949,417	131,168,740,545
	Chittagong Division	17,346,387,110	15,509,263,500
	Khulna Division	1,696,720,147	1,400,561,537
	Sylhet Division	1,064,387,701	459,903,975
	Rajshahi Division	2,091,276,636	1,793,859,838
	Barisal Division	499,390,208	320,837,742
	Rangpur Division	312,708,385	317,006,892
	Mymensingh Division	392,996,428	326,560,591
		180,924,816,032	151,296,734,620
	Rural		
	Dhaka Division	9,107,424,034	5,970,103,113
	Chittagong Division	773,555,772	1,653,503,121
	Rajshahi Division	35,428,085	25,793,735
	Khulna Division	18,030,849	-
	Mymensingh Division	256,499,747	186,776,191
		10,190,938,487	7,836,176,160
		191,115,754,519	159,132,910,780
8.4	Classification of Loans, advances and lease/ investments		
	Unclassified		
	Standard (Including staff loans)	173,478,073,387	145,234,985,516
	Special mention account	2,809,258,964	5,458,068,000
		176,287,332,351	150,693,053,516
	Classified		
	Substandard	2,031,410,941	233,768,000
	Doubtful	505,047,089	543,793,000
	Bad/Loss	10,121,675,997	5,489,423,000
		12,658,134,027	6,266,984,000
		188,945,466,378	156,960,037,516

Amount in Taka

8.4 (a) Consolidated Classification of Loans, advances and lease/ investments

Unclassified

Standard (Including staff loans)

Special mention account

Classified

Substandard

Doubtful

Bad/Loss

	2019	2018
Standard (Including staff loans)	175,648,361,528	147,407,858,780
Special mention account	2,809,258,964	5,458,068,000
Unclassified	178,457,620,492	152,865,926,780
Substandard	2,031,410,941	233,768,000
Doubtful	505,047,089	543,793,000
Bad/Loss	10,121,675,997	5,489,423,000
Classified	12,658,134,027	6,266,984,000
	191,115,754,519	159,132,910,780

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

Unclassified	Base for provision	Rate (%)	2019	2018
Standard	172,917,609,773	(*) Various	2,746,994,346	1,160,841,358
Special mentioned account	2,809,258,964	(*) Various	13,043,067	44,874,642
Sub-total (A)			2,760,037,413	1,205,716,000

(*) 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.

Classified	Base for provision	Rate(%)	2019	2018
Substandard	1,660,043,210	20	332,008,642	25,215,668
Doubtful	169,943,770	50	84,971,885	206,982,481
Bad/loss	5,109,234,612	100	5,109,234,612	2,654,021,596
Unclassified loan (stay order)			2,227,049,531	4,101,900,000
Sub-total (B)			7,753,264,670	6,988,119,745
Required provision for loans and advances (C=A+B)			10,513,302,083	8,193,835,745

8.6 Particulars of Loans, advances and lease/investments

(i) Loans considered good in respect of which the Bank is fully secured;	103,294,698,420	98,150,067,851
(ii) Loans considered good against which the Bank holds no security other than the debtors' personal security;	34,214,779,499	26,523,953,313
(iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal security of the debtors.	51,435,988,459	32,286,016,352
(iv) Loans adversely classified but provision not maintained there against;	-	-
	188,945,466,378	156,960,037,516

		Amount in Taka	
		2019	2018
(v)	Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons;	683,666,643	595,128,811
(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;	123,203,029	122,552,388
(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;	683,666,643	595,128,811
(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;	123,203,029	122,552,388
(ix)	Due from banking companies;	-	-
(x)	Amount of classified loans on which interest has not been charged	12,658,134,027	6,266,984,000
	(a) Increase/decrease of provision (specific)	-	656,146,506
	Amount of loan written off	-	656,146,506
	Amount realised against loan previously written off	12,681,114	2,318,468
	(b) Provision kept against loans classified as bad/ loss on the date of preparing Balance Sheet	5,526,215,139	2,886,219,745
	(c) Interest charged in interest suspense account	1,578,525,356	859,940,340
(xi)	Written off loan	2,886,828,815	2,230,682,309
	Opening balance	-	656,146,506
	During the year	-	656,146,506
	Closing balance	2,886,828,815	2,886,828,815
8.7	Details of pledged collaterals received against Loans, advances and lease/ investments		
	Collateral of movable/ immovable assets	94,345,055,235	87,814,563,470
	Local banks and financial institutions guarantee	13,435,988,459	2,286,016,352
	Government guarantee	-	-
	Foreign Banks guarantee	-	-
	Export documents	10,331,667,574	9,781,560,501
	Fixed deposit receipts	4,949,643,185	5,335,504,381
	Personal guarantee	65,883,111,925	51,742,392,812
		188,945,466,378	156,960,037,516
8.7(a)	Consolidated details of pledged collaterals received against Loans, advances and lease/ investments		
	Collateral of movable/ immovable assets	96,515,343,376	89,987,436,734
	Local banks and financial institutions guarantee	13,435,988,459	2,286,016,352
	Government guarantee	-	-
	Foreign Banks guarantee	-	-
	Export documents	10,331,667,574	9,781,560,501
	Fixed deposit receipts	4,949,643,185	5,335,504,381
	Personal guarantee	65,883,111,925	51,742,392,812
		191,115,754,519	159,132,910,780
9	Fixed assets including premises, furniture and fixtures	2,649,616,177	2,336,827,990
	Details are shown in Annexure - B.		

		Amount in Taka	
		2019	2018
9.1	Fixed assets including premises, furniture & fixture at cost		
	Cost		
	Land and Building	1,383,543,311	1,383,543,311
	Furniture and fixtures	1,404,299,501	1,316,088,378
	Equipment and computers	1,137,438,110	1,037,889,740
	Vehicles	99,612,164	99,612,164
	Right of Use Assets	552,976,318	-
		4,577,869,404	3,837,133,593
	Less: Accumulated depreciation (details are in Annexure - B)	(1,928,253,227)	(1,500,305,603)
	Net book value at the end of the year	2,649,616,177	2,336,827,990
9(a)	Consolidated fixed assets including premises, furniture and fixtures		
	Premier Bank Limited (Note - 9)	2,649,616,177	2,336,827,990
	Premier Bank Securities Limited	3,595,092	2,586,991
		2,653,211,269	2,339,414,981
	Details are shown in Annexure - A.		
10	Other assets		
	Income generating assets	2,509,980,000	2,519,980,000
	Non-income generating assets	11,887,898,877	8,862,629,191
		14,397,878,877	11,382,609,191
10(a)	Consolidated other assets		
	Premier Bank Limited (Note - 10)	14,397,878,877	11,382,609,191
	Premier Bank Securities Limited	235,220,104	338,513,206
		14,633,098,981	11,721,122,397
	Less: intercompany adjustment		
	Investment in Premier Bank Securities Ltd.	2,499,980,000	2,499,980,000
	Investment in Premier Money Transfer Company (UK) Ltd.	10,000,000	20,000,000
		12,123,118,981	9,201,142,397
10.1	Breakup of other assets:		
	Adjusting account	2,919,055,438	1,879,170,862
	Advance office rent and maintenance	1,221,484,040	1,610,408,410
	Head office general account	1,642,715,268	1,196,702,873
	Investment in share of subsidiary Companies (Note- 10.1.1)	2,509,980,000	2,519,980,000
	Stationery, stamps, printing materials, etc.	34,987,868	32,941,942
	Protested bills	16,133,370	17,133,370
	Receivable on Sanchaya Patras (from Bangladesh Bank)	70,340,847	158,152,877
	Security deposits	3,026,453	3,022,153
	Off-shore Banking Units	7,745,847	7,654,099
	Others (Note - 10.1.2)	5,972,409,746	3,957,442,605
		14,397,878,877	11,382,609,191
10.1.1	Investment in share of subsidiary Companies		
	Premier Bank Securities Limited	2,499,980,000	2,499,980,000
	Premier money transfer co. Limited, UK	10,000,000	20,000,000
		2,509,980,000	2,519,980,000

10.1.2 Others

Sundry debtors
Prepaid expenses
Advance against petty cash
Advance against suits/ cases
Deferred tax asset (Note-10.1.2.1)
Advance against proposed branch
Cash remittance
Advance payment for remittance
Advance against margin for bank guarantee
Advance for card operations
Advance against postage
Advance against TA/DA
Other sundry debtors
Receivable A/C for POS & ATM
DD paid without advice

Amount in Taka

	2019	2018
1,820,860,150	1,443,507,193	
1,991,417,652	1,344,136,602	
633,138	558,728	
75,600,432	66,275,540	
1,883,810,856	916,287,832	
35,761,595	41,261,340	
35,300,280	40,873,780	
35,000,000	27,000,000	
34,591,820	64,970,560	
3,540,063	3,540,063	
3,000	3,000	
778,965	752,417	
3,000	3,000	
55,107,795	8,271,550	
1,000	1,000	
5,972,409,746	3,957,442,605	

10.1.2.1 Deferred tax asset

(a) Deferred tax asset

Provision for classified loans and advances
Provision for gratuity
Total provision
Tax base of provision
Total Temporary difference
Effective tax rate @ 37.5%
Closing balance of deferred tax asset
Opening balance of deferred tax asset
Deferred tax income

5,526,215,139	2,886,219,745
246,407,532	246,407,532
5,772,622,671	3,132,627,277
-	-
5,772,622,671	3,132,627,277
-	-
2,164,733,502	1,174,735,229
1,174,735,229	1,053,501,124
989,998,273	121,234,105

(b) Deferred tax liability

Opening balance
add: Provision made during the year
Closing balance

258,447,397	249,570,047
22,475,249	8,877,350
280,922,646	258,447,397

Net Deferred tax Income(expense)

967,523,024 **112,356,755**

Net deferred tax assets (a-b)

1,883,810,856 **916,287,832**

(c) Deferred tax income included with retained earnings

Opening balance
Add: Addition during the year
Closing balance

1,076,236,146	963,879,391
967,523,024	112,356,755
2,043,759,170	1,076,236,146

Note: Pursuant to BRPD circular No. 11, dated 12 December 2011, the bank /group is restricted from declaring dividend on deferred tax income arising on deferred tax assets from Classified Loans & Advances.

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 2019.

Aging of outstanding transactions	Number of unresponded entries		Number of unresponded entries (Amount in Taka)	
	Debit	Credit	Debit	Credit
Up to 3 months	428	408	1,667,140,976	408,680,871
Over 3 months but within 6 months	79	12	323,829,749	123,924
Over 6 months	62	10	67,176,861	6,627,523
Total	569	430	2,058,147,586	415,432,318

		Amount in Taka	
		2019	2018
11	Borrowings from other banks, financial institutions and agents		
	In Bangladesh (Note - 11.1)	13,211,794,714	14,732,813,833
	Outside Bangladesh	-	-
		13,211,794,714	14,732,813,833
11(a)	Consolidated Borrowings from other banks, financial institutions and agents		
	Premier Bank Limited (Note - 11)	13,211,794,714	14,732,813,833
	Premier Bank Securities Limited	1,034,970,212	804,927,051
		14,246,764,926	15,537,740,884
	Less: Inter Company Transaction	1,034,970,212	804,927,051
		13,211,794,714	14,732,813,833
11.1	In Bangladesh		
	Bangladesh Bank (Islamic Bond)	5,000,000,000	8,000,000,000
	FC Placement borrowing from other Banks	-	1,751,925,000
	Bangladesh Bank (Refinance facility under SME)	383,329,979	100,019,646
	Bangladesh Bank (EDF)	7,813,266,477	4,869,998,163
	Bangladesh Bank Refinance Under 10/-TK Account Holder	9,326,250	7,542,500
	Bangladesh Bank (Refinance facility under HBL)	2,106,344	2,246,193
	Bangladesh Bank (Refinance facility under Women Enterprise)	3,765,664	1,082,331
		13,211,794,714	14,732,813,833
11.2	Analysis by security		
	Secured	13,211,794,714	14,732,813,833
	Unsecured	-	-
		13,211,794,714	14,732,813,833
11.3	Repayment pattern		
	Repayable on demand	-	-
	Repayable on maturity	13,211,794,714	14,732,813,833
		13,211,794,714	14,732,813,833
12	Non-convertible Subordinated Bond	9,000,000,000	9,000,000,000
12.1	Premier Bank Non-convertible Subordinated Bond (1st Issue)		
	Sonali Bank Limited	-	500,000,000
	Investment Corporation of Bangladesh	-	250,000,000
	ICB Unit Fund	-	250,000,000
	Popular Life First Mutual Fund	-	230,000,000
	PHP First Mutual Fund	-	40,000,000
	EBL NRB Mutual Fund	-	50,000,000
	Multi Securities & Services Limited	-	680,000,000
		-	2,000,000,000
	Premier Bank Non-convertible Subordinated Bond (2nd Issue) (Tranche-1)		
	Sonali Bank Limited	300,000,000	300,000,000
	Bank Asia Limited	200,000,000	200,000,000
	First Bangladesh Fixed Income Fund	100,000,000	230,000,000
	PHP First Mutual Fund	100,000,000	120,000,000
	AB Bank 1st Mutual Fund	100,000,000	150,000,000
	Multi Securities & Services Limited	200,000,000	-
		1,000,000,000	1,000,000,000

	Amount in Taka	
	2019	2018
Premier Bank Non-convertible Subordinated Bond (2nd Issue) (Tranche-2)		
Trust Bank 1st Mutual Fund	-	30,000,000
IFIC Bank 1st Mutual Fund	10,000,000	10,000,000
1st Janata Bank Mutual Fund	50,000,000	30,000,000
Popular Life 1st Mutual Fund	80,000,000	30,000,000
PHP 1st Mutual Fund	10,000,000	10,000,000
EBL NRB Mutual Fund	50,000,000	50,000,000
Bank Asia Limited	300,000,000	300,000,000
First Bangladesh Fixed Income Fund	-	40,000,000
Sonali Bank Limited	500,000,000	500,000,000
	1,000,000,000	1,000,000,000
Premier Bank Non-convertible Subordinated Bond (3rd Issue) (Tranche-1)		
Trust Bank 1st Mutual Fund	100,000,000	290,000,000
IFIC Bank 1st Mutual Fund	150,000,000	150,000,000
1st Janata Mutual Fund	150,000,000	100,000,000
PHP 1st Mutual Fund	40,000,000	130,000,000
Popular Life 1st Mutual Fund	540,000,000	460,000,000
EBL NRB Mutual Fund	170,000,000	300,000,000
AB Bank 1st Mutual Fund	170,000,000	310,000,000
First Bangladesh Fixed Income Fund	130,000,000	-
EXIM Bank 1st Mutual Fund	30,000,000	260,000,000
EBL 1ST Mutual Fund	90,000,000	-
Multi Securities & Services Limited	430,000,000	-
	2,000,000,000	2,000,000,000
Premier Bank Non-convertible Subordinated Bond (3rd Issue) (Tranche-2)		
Agrani Bank Limited	200,000,000	200,000,000
First Bangladesh Fixed Income Fund	370,000,000	370,000,000
1st Janata Mutual Fund	150,000,000	150,000,000
AB Bank 1st Mutual Fund	70,000,000	120,000,000
PHP 1st Mutual Fund	140,000,000	100,000,000
Trust Bank 1st Mutual Fund	-	30,000,000
IFIC Bank 1st Mutual Fund	50,000,000	30,000,000
Multi Securities & Services Limited	20,000,000	-
	1,000,000,000	1,000,000,000
Premier Bank Non-convertible Subordinated Bond (3rd Issue) (Tranche-3)		
Jananta Bank Limited	1,000,000,000	1,000,000,000
Rupali Bank Limited	1,000,000,000	1,000,000,000
	2,000,000,000	2,000,000,000
Premier Bank Non-convertible Subordinated Bond (4th Issue) (Tranche-1)		
Agrani Bank Limited	500,000,000	-
Sonali Bank Limited	750,000,000	-
Trust Bank 1st Mutual Fund	50,000,000	-
Popular Life 1st Mutual Fund	110,000,000	-
PHP 1st Mutual Fund	180,000,000	-
EBL NRB Mutual Fund	120,000,000	-
EXIM Bank 1st Mutual Fund	20,000,000	-
First Bangladesh Fixed Income Fund	110,000,000	-
AB Bank 1st Mutual Fund	100,000,000	-
1st Janata Mutual Fund	50,000,000	-
IFIC Bank 1st Mutual Fund	10,000,000	-
	2,000,000,000	-

		Amount in Taka	
		2019	2018
13	Deposits and other accounts		
	Inter-bank deposits (Note - 13.1)	8,975,197,835	10,899,491,913
	Other deposits (Note - 13.2)	200,370,826,146	158,540,284,123
		209,346,023,981	169,439,776,036
13(a)	Consolidated deposits and other accounts		
	Premier Bank Limited (Note - 13)	209,346,023,981	169,439,776,036
	Premier Bank Securities Ltd.	108,616,004	148,455,245
		209,454,639,985	169,588,231,281
	Less: Inter Company transaction	172,307,436	89,812,418
		209,282,332,549	169,498,418,863
13.1	Inter-bank deposits		
	Fixed Deposits		
	Agrani Bank Ltd.	-	3,006,350,000
	Bangladesh Development Bank Ltd	120,123,000	10,123,000
	Janata Bank Ltd	1,350,000,000	1,400,000,000
	Bank Asia Limited	-	500,000,000
	Uttara Bank Ltd	1,000,000,000	500,000,000
	Modhumoti Bank Limited	500,000,000	-
	Al Arafa Islami Bank Limited	2,500,000,000	-
	Rupali Bank Limited	-	3,000,000,000
	Islami Bank Bangladesh Limited	1,800,000,000	1,513,450,000
	Probashi Kallyan Bank	102,120,294	216,823,121
	Shimanto Bank Limited	600,835,000	200,000,000
	NCC Bank Limited	-	500,000,000
	United Commercial Bank Limited	1,000,000,000	-
		8,973,078,294	10,846,746,121
	Special Notice Deposits		
	Basic Bank Ltd.	8,218	9,165
	Exim Bank Ltd.	-	75,251
	AB Bank Limited	273,224	1,887,549
	Padma Bank Limited	3,025	4,088
		284,467	1,976,053
	Current Deposits		
	Padma Bank Limited	22,989	49,985,909
	Trust Bank Ltd.	70,024	210,602
	Midland Bank Ltd.	1,742,061	573,228
		1,835,074	50,769,739
		8,975,197,835	10,899,491,913
13.1.1	Maturity analysis of inter-bank deposits		
	Repayable on demand	1,835,074	50,769,739
	Repayable within 1 month	1,501,976,053	1,501,976,053
	Over 1 month but within 3 months	2,500,000,000	2,500,000,000
	Over 3 months but within 1 year	4,971,386,708	6,846,746,121
	Over 1 year but within 5 years	-	-
	Over 5 years but within 10 years	-	-
	Unclaimed deposits for 10 years or more	-	-
		8,975,197,835	10,899,491,913

		Amount in Taka	
		2019	2018
13.2	Other deposits		
	Savings bank deposits	12,380,483,071	10,055,469,821
	Fixed deposits:		
	One month	830,832,519	2,168,777,891
	Three months	23,019,012,822	26,540,010,296
	Four months	20,093,503,134	8,882,633,490
	Six months	19,044,561,150	18,459,321,887
	One year	47,380,993,631	36,607,930,567
	Two years	121,494,733	568,889,601
	Three years but not more than five years	114,514,367	66,616,653
		110,604,912,356	93,294,180,385
	Others:		
	Current account	11,977,204,843	8,271,872,518
	Special -notice deposits	12,404,800,444	11,652,323,433
	Staff security deposits	7,171,667	6,941,791
	Deposit in foreign currency	2,501,547,331	2,424,042,720
	Monthly savings scheme	8,125,023,626	5,158,768,701
	Monthly income account	6,643,884,245	4,661,819,029
	Education savings scheme	225,389	664,530
	Special deposit scheme	618,751,647	248,347,457
	Double benefit scheme	15,034,515,280	8,836,131,478
	Mudaraba Hajj deposit	4,136,758	1,892,983
	Off-shore Banking Unit	5,507,291,146	4,758,653,216
	Sundry deposits (Note - 13.3)	15,725,324,218	11,182,618,966
		78,549,876,594	57,204,076,822
	Less: Inter Company transaction	5,285,897,221	5,391,625,493
		73,263,979,373	51,812,451,329
	Bills payable (Note - 13.4)	4,121,451,346	3,378,182,588
		200,370,826,146	158,540,284,123
13.2.1	Maturity analysis of other deposits		
	Repayable on demand	35,439,771,214	26,161,709,076
	Repayable within 1 month	14,737,609,016	16,823,077,377
	Over 1 month but within 3 months	34,285,252,417	35,690,487,833
	Over 3 months but within 1 year	103,521,009,008	69,809,031,338
	Over 1 year but within 5 years	236,009,100	635,506,254
	Over 5 years but within 10 years	12,151,175,391	9,420,472,245
		200,370,826,146	158,540,284,123
13.3	Sundry deposits		
	Sundry creditors	380,882,883	119,549,716
	Margin on letter of credit	3,753,056,138	1,934,574,554
	Margin on letter of guarantee	559,839,565	2,088,777,349
	Sanchaya Patra	500,000	341,909,414
	Interest/Profit payable on deposit	2,192,536,988	1,955,687,668
	Income tax deducted at source	465,289,123	399,291,909
	VAT payable to government	343,325,978	251,300,997
	Margin on foreign documentary bill purchases	2,580,355	2,580,355
	Other sundry deposits	8,027,313,188	4,088,947,004
		15,725,324,218	11,182,618,966

Amount in Taka

	2019	2018
Note: Our Tax and VAT adviser, M/S Zia & 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 honorable High Court. On the basis of this advice, the Bank has not deposited any VAT on Rent collected from the Branches till to March 2019.		
Honorable 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 and the outcome is uncertain. The Bank has started to pay VAT at source on office rent from April 2019.		
13.4 Bills payable		
Inside Bangladesh	4,121,451,346	3,378,182,588
Outside Bangladesh	-	-
	4,121,451,346	3,378,182,588
14 Other liabilities		
Provision against loans and advances (Note - 14.1)	6,397,809,695	3,757,814,301
Provision for gratuity (Note - 14.2)	246,407,532	246,407,532
Provision for off-balance sheet items (Note - 14.3)	445,438,830	445,438,830
Other provision (Note - 14.4)	1,114,048,691	943,039,038
Provision for corporate taxation (Note - 14.5)	1,291,825,911	1,126,303,469
Interest suspense account (Note - 14.6)	1,578,525,356	859,940,340
Adjusting account	310,089,366	250,048,210
Credit card	58,608,879	5,001,265
Investment compensation	15,461,314	4,768,806
BEFT settlement Account	8,285,110	5,621,629
LDBD Exchange Risk Premium	5,890	5,890
Government cash incentive fund on wage earners Remittance	22,937,129	-
2% cash incentive for all account credit transaction	7,952,228	-
Clearing Adjustment A/C	379	-
Lease Liability	195,002,725	-
Off-shore Banking Unit	45,827,162	36,430,132
	11,738,226,197	7,680,819,442

*The Bank has maintained an accumulated provision of Tk 820.37 crore on classified and unclassified loans, gratuity, off-balance sheet exposure and on other assets. The bank has maintained Tk 279.83 crore provision for the year against the requirements of Tk 260 crore in line with the deferral letter no. DBI-1/118/2020-1570 dated 18/06/2020 issued by Bangladesh Bank.

14(a) Consolidated other liabilities		
Premier Bank Limited (Note - 14)	11,738,226,197	7,680,819,442
Premier Bank Securities Ltd.	620,507,988	480,868,654
	12,358,734,185	8,161,688,096
Less: Intercompany adjustment	-	-
	12,358,734,185	8,161,688,096
14.1 Accumulated provision against loans and advances		
On classified loans		
Opening balance	2,886,219,745	2,537,345,277
Less : Fully provided debts written off during the year	-	654,236,527
Add : Recovery of amounts previously written off	12,681,114	2,318,468
Add : Specific provision made during the year	2,627,314,280	1,000,792,527
Closing balance	5,526,215,139	2,886,219,745

		Amount in Taka	
		2019	2018
On unclassified loans			
	Opening balance	871,594,556	444,207,556
	Less : Release for the year	-	-
	Add : Provision made during the year	-	427,387,000
	Closing balance	871,594,556	871,594,556
	Total closing balance	6,397,809,695	3,757,814,301
14.2 Provision for gratuity			
	Opening balance	246,407,532	96,407,532
	Add: Provision made during the year	-	150,000,000
	Less: Adjustment during the year	-	-
	Closing balance	246,407,532	246,407,532
14.3 Provision for off-balance sheet items			
	Opening balance	445,438,830	245,438,830
	Add: Provision made during the year	-	200,000,000
	Less: Adjustment during the year	-	-
	Closing balance	445,438,830	445,438,830
14.4 Other provisions			
	Provision for protested bills (Note - 14.4.1)	16,888,341	16,888,341
	Provision for suspense account (Note - 14.4.2)	8,885,164	8,885,164
	Provision for investment on shares (Note - 14.4.3)	1,083,275,186	912,265,533
	Provision for good borrowers (Note - 14.4.4)	5,000,000	5,000,000
		1,114,048,691	943,039,038
14.4.1 Provision for protested bills			
	Opening balance	16,888,341	14,833,401
	Add: Provision made during the year	-	2,054,940
	Less: Adjustment during the year	-	-
	Closing balance	16,888,341	16,888,341
14.4.2 Provision for suspense account			
	Opening balance	8,885,164	8,885,164
	Add: Provision made during the year	-	-
	Less: Adjustment during the year	-	-
	Closing balance	8,885,164	8,885,164
14.4.3 Provision for investment in shares			
	Opening balance	912,265,533	422,500,000
	Add: Provision made during the year	171,009,653	489,765,533
	Less: Adjustment during the year	-	-
	Closing balance	1,083,275,186	912,265,533
14.4.4 Provision for good borrowers			
	Opening balance	5,000,000	5,000,000
	Add: Provision made during the year	-	-
	Less: Adjustment during the year	-	-
	Closing balance	5,000,000	5,000,000

	Amount in Taka	
	2019	2018
14.4 (a) Consolidated other provisions		
Premier Bank Limited (Note - 14.4)	1,114,048,691	943,039,038
Premier Bank Securities Ltd.	-	10,200,000
	1,114,048,691	953,239,038
14.5 Provision for corporate taxation		
Opening balance	1,126,303,469	1,024,270,722
Add: Provision made during the year	2,148,500,000	1,650,000,000
Less: Adjustment during the year	1,982,977,558	1,547,967,253
Closing balance	1,291,825,911	1,126,303,469
14.5 (a) Consolidated Provision for taxation		
Premier Bank Limited (Note - 14.5)	1,291,825,911	1,126,303,469
Premier Bank Securities Limited	68,059,648	57,124,097
	1,359,885,559	1,183,427,566
14.5 (aa) Consolidated Provision for taxation		
Premier Bank Limited	2,148,500,000	1,650,000,000
Premier Bank Securities Limited	16,051,608	12,873,069
	2,164,551,608	1,662,873,069
14.5 (aaa) Consolidated Tax Adjustment During the year		
Premier Bank Limited	1,982,977,558	1,547,967,253
Premier Bank Securities Limited	5,116,057	5,474,000
	1,988,093,615	1,553,441,253
14.6 Interest suspense account		
Opening balance	859,940,340	1,113,244,772
Add: Transfer during the year	1,768,006,671	550,940,279
Less: Recovery during the year	1,049,421,655	802,334,732
Less: Write off during the year	-	1,909,979
Closing balance	1,578,525,356	859,940,340
15 Share Capital	9,240,936,680	8,000,810,980
15.1 Authorised Capital		
1000,000,000 ordinary shares of Taka 10 each	10,000,000,000	10,000,000,000
15.2 Issued, subscribed and paid-up capital		
Issued for cash		
Directors & Sponsors: 48,650,355 ordinary shares of Taka 10 each	486,503,550	486,503,550
	486,503,550	486,503,550
Issued for other than cash as bonus shares		
Directors & Sponsors: 352,887,544 bonus shares of Taka 10 each	3,528,875,440	3,092,054,040
	3,528,875,440	3,092,054,040
No. of shares owned by other than Directors & Sponsors (General shareholders)		
522,555,769 ordinary shares of Taka 10 each	5,225,557,690	4,422,253,390
	9,240,936,680	8,000,810,980

Amount in Taka

2019

2018

15.2a Initial public offer (IPO)

Out of the total issued, subscribed and fully paid up capital of the Bank 8,449,950 ordinary shares of Taka 100 each amounting to Taka 844,995,000 was raised through public offering of shares in 2007.

15.3 Percentage of shareholding

Particulars	31.12.2019		31.12.2018	
	No. of shares	% of share holding	No. of shares	% of share holding
(i) Sponsors & Directors				
Local (individual)	279,264,712	30.22	257,793,899	32.22
Govt. of Bangladesh	-	-	-	-
Foreign (individual)	27,750,508	3.00	24,026,414	3.00
Independent Director (individual)	-	-	-	-
(ii) Associated companies	-	-	-	-
(iii) Govt. of Bangladesh	-	-	-	-
(iv) Corporate bodies				
Local	105,524,175	11.42	129,618,155	16.20
Foreign	42,743,799	4.63	19,143,886	2.39
(v) General investors				
Local (individual)	467,388,733	50.58	368,301,775	46.03
Non-resident Bangladeshis	1,421,741	0.15	1,196,969	0.15
Foreign individual	-	-	-	-
(vi) Others	-	-	-	-
	924,093,668	100	800,081,098	100

15.4 Names of the directors/sponsor shareholders and their shareholdings as on 31 December 2019

SL. NO.	Name of the Director/Shareholder	Status	Shareholding (Number of shares)	
			31.12.2019	31.12.2018
1	Dr. H. B. M. Iqbal	Chairman	35,567,672	30,794,522
2	Mr. Moin Iqbal	Vice Chairman	18,482,822	16,002,444
3	Mr. Mohammad Imran Iqbal	Director	18,482,746	16,002,378
4	Mr. B. H. Haroon, MP	Director	18,486,999	16,006,061
5	Mr. Abdus Salam Murshedy, MP	Director	38,913,962	33,691,742
6	Mr. Shafiqur Rahman	Director	18,490,032	16,008,686
7	Mr. Jamal G. Ahmed	Director	46,204,610	40,003,992
8	Mr. Shah Md. Nahyan Haroon*	Director	-	16,006,263
9	Mrs. Shaila Shelly Khan	Director	46,189,265	39,990,706
10	Mr. Yeh Cheng Min	Director	27,750,508	24,026,414
11	Mrs Faiza Rahman*	Independent Director	-	-
12	Mr. Chowdhury Jafarullah Sharafat	Independent Director	-	-
13	Dr. Arifur Rahman	Sponsor Shareholder	32,018,663	27,721,787
14	Mr. Nurul Amin	Sponsor Shareholder	6,427,941	5,565,318
Sub-total			307,015,220	281,820,313
No. of shares owned by other than Directors & Sponsors (General shareholders)			617,078,448	518,260,785
Total			924,093,668	800,081,098

*Mr. Shah Md. Nahyan Haroon and Mrs Faiza Rahman was director for the period of 2018

Amount in Taka

2019

2018

15.5 Classification of shareholders by holding as on 31 December 2019

Shareholding Range	No. of Shareholders	No. of Shares	Percentage of share holding
01 - 500	13,803	2,534,442	0.27%
501 - 5000	24,475	49,429,462	5.35%
5,001 - 10,000	3,714	26,582,885	2.88%
10,001 - 20,000	2,114	30,040,950	3.25%
20,001 - 30,000	779	19,303,830	2.09%
30,001 - 40,000	400	13,875,333	1.50%
40,001 - 50,000	257	11,772,804	1.27%
50,001 - 100,000	490	35,525,240	3.84%
100,001 - 1,000,000	449	117,733,344	12.74%
Over 1,000,000	88	617,295,378	66.80%
Total	46,569	924,093,668	100%

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. 18 dated 21 December 2014, Minimum Capital Requirement (MCR) of the Bank as on 31 December 2019 was Taka 1917.52 crore on solo basis and Taka 1929.56 Crore on Consolidated basis against available capital of Taka 2418.85 crore on solo basis and Taka 2428.24 crore on consolidated basis thereby showing Surplus holding of Capital. Details are shown below:

15.6.1 Tier I Capital (Solo Basis)

Common Equity Tier I Capital

Paid-up capital	9,240,936,680	8,000,810,980
Statutory reserve	5,637,793,056	4,733,965,249
Retained earnings	3,653,813,043	2,459,604,493
Sub-total	18,532,542,779	15,194,380,722
Less: Regulatory adjustment (As per Basel III Guideline)	2,061,116,968	1,120,618,609
Total Common Equity Tier I Capital	16,471,425,811	14,073,762,113
Additional Tier I Capital	-	-
Total Tier I Capital (Solo Basis)	16,471,425,811	14,073,762,113

15.6.2 Tier II Capital (Solo Basis)

General provision	1,317,033,386	1,317,033,386
Subordinated debt (As per Basel III Guideline)	6,400,000,000	6,400,000,000
Revaluation Reserve for Securities and Fixed Assets (As per Basel III Guideline)	-	92,228,325
Sub-total	7,717,033,386	7,809,261,711
Less: Regulatory adjustment (As per Basel III Guideline)	-	73,782,660
Total Admissible Tier II Capital	7,717,033,386	7,735,479,051
Total Regulatory Capital (Tier I & Tier II Capital) on Solo Basis	24,188,459,197	21,809,241,164
(A) Total risk-weighted assets (RWA) on Solo Basis	191,752,422,104	177,723,313,564
(B) Minimum capital requirement (MCR)	19,175,242,210	17,772,331,356
(C) Capital Conservation Buffer Requirement	4,793,810,553	3,332,312,129
(D) Minimum Required Capital plus Capital Conservation Buffer (B+C)	23,969,052,763	21,104,643,485
(E) Actual capital maintained	24,188,459,197	21,809,241,164
(G) Surplus/ (Deficit) (E-D)	219,406,434	704,597,679
Capital to risk weighted assets ratio (CRAR) on Solo Basis	12.61%	12.27%

	Amount in Taka	
	2019	2018
15.6.1(a) Tier I Capital (Consolidated Basis)		
Common Equity Tier I Capital		
Paid-up capital	9,240,936,680	8,000,810,980
Statutory reserve	5,637,793,056	4,733,965,249
Retained earnings	3,753,773,952	2,559,172,705
Non-controlling interest	24,923	24,920
Sub-total	18,632,528,611	15,293,973,854
Less: Regulatory adjustment (As per Basel III Guideline)	2,061,116,968	1,120,618,609
Total Common Equity Tier I Capital	16,571,411,643	14,173,355,245
Additional Tier I Capital	-	-
Total Tier I Capital (Consolidated Basis)	16,571,411,643	14,173,355,245
15.6.2(a) Tier II Capital (Consolidated Basis)		
General provision	1,317,033,386	1,317,033,386
Subordinated debt (As per Basel III Guideline)	6,400,000,000	6,400,000,000
Revaluation Reserve for Securities and Fixed Assets (As per Basel III Guideline)	-	92,228,325
Sub-total	7,717,033,386	7,809,261,711
Less: Regulatory adjustment (As per Basel III Guideline)	-	73,782,660
Total Admissible Tier II Capital	7,717,033,386	7,735,479,051
Total Regulatory Capital (Tier I & Tier II Capital) on Consolidated Basis	24,288,445,029	21,908,834,296
(A) Total risk-weighted assets (RWA) on Consolidated Basis	192,955,845,162	178,001,780,507
(B) Minimum capital requirement (MCR)	19,295,584,516	17,800,178,051
(C) Capital Conservation Buffer Requirement	4,823,896,129	3,337,533,385
(D) Minimum Required Capital plus Capital Conservation Buffer (B+C)	24,119,480,645	21,137,711,436
(F) Actual capital maintained	24,288,445,029	21,908,834,296
(G) Surplus/ (Deficit) (C-D)	168,964,384	771,122,860
Capital to risk weighted assets ratio (CRAR) on Consolidated Basis	12.59%	12.31%

15.7 Capital requirement

Particulars	2019 Under Basel-III		2018 Under Basel-III	
	Required	Maintained	Required	Maintained
Minimum Tier I capital Ratio	8.50%	8.59%	7.875%	7.96%
Minimum Total Capital Ratio	10.00%	12.61%	10.00%	12.27%
Minimum Total Capital plus Capital Conservation Buffer	12.50%	12.61%	11.875%	12.27%

15.7(a) Consolidated Capital requirement

Particulars	2019 Under Basel-III		2018 Under Basel-III	
	Required	Maintained	Required	Maintained
Minimum Tier I capital Ratio	8.50%	8.59%	7.875%	7.96%
Minimum Total Capital Ratio	10.00%	12.59%	10.00%	12.31%
Minimum Total Capital plus Capital Conservation Buffer	12.50%	12.59%	11.875%	12.31%

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	4,733,965,249	3,981,066,735
Prior period adjustment	-	-
Adjusted Opening Balance	4,733,965,249	3,981,066,735
Add : Addition during the year (20% of profit before tax)	903,827,807	752,898,514
Closing balance	5,637,793,056	4,733,965,249

		Amount in Taka	
		2019	2018
17	Other reserve		
	Revaluation on HFT securities Treasury bond (Note - 17.1)	13,912,078	31,605,353
	Revaluation on HFT securities Treasury bill (Note - 17.2)	4,353,144	-
	Amortization Reserve on HTM Treasury Bond (Note - 17.3)	11,718,227	11,888,624
	Amortization Reserve on HTM Treasury Bill (Note - 17.4)	-	-
	Fixed Assets Revaluation (Note - 17.5)	41,922,889	41,922,889
		71,906,338	85,416,866
17.1	Revaluation on HFT securities Treasury bond		
	Opening balance	31,605,353	48,470,897
	Add : Addition during the year	-	-
	Less : Adjustment during the year	17,693,275	16,865,544
	Closing balance	13,912,078	31,605,353
17.2	Revaluation on HFT securities Treasury bill		
	Opening balance	-	-
	Add : Addition during the year	4,353,144	-
	Less : Adjustment during the year	-	-
	Closing balance	4,353,144	-
17.3	Amortization Reserve on HTM Treasury Bond		
	Opening balance	11,888,624	9,556,151
	Add : Addition during the year	-	2,332,473
	Less : Adjustment during the year	170,397	-
	Closing balance	11,718,227	11,888,624
17.4	Amortization Reserve on HTM Treasury Bill		
	Opening balance	-	6,462,873
	Add : Addition during the year	-	-
	Less : Adjustment during the year	-	6,462,873
	Closing balance	-	-
17.5	Fixed Assets Revaluation		
	Opening balance	41,922,889	41,922,889
	Add : Addition during the year	-	-
	Less : Adjustment during the year	-	-
	Closing balance	41,922,889	41,922,889
17(a)	Consolidated Other reserve		
	Premier Bank Limited (Note - 17)	71,906,338	85,416,866
	Premier Money Transfer Company Ltd.	47,569,548	37,569,548
		119,475,886	122,986,414
18	Retained earnings		
	Opening balance	2,459,604,493	2,029,237,721
	Add: Post-tax profit for the year	3,338,162,057	2,226,849,326
	Less: Transfer to statutory reserve	903,827,807	752,898,514
	Less: Issue of bonus shares	1,240,125,700	1,043,584,040
	Closing balance	3,653,813,043	2,459,604,493

		Amount in Taka	
		2019	2018
18(a)	Consolidated retained earnings		
	Opening balance	2,559,172,705	2,086,718,332
	Add: Post-tax profit for the year	3,338,554,757	2,268,937,264
	Less: Transfer to statutory reserve	903,827,807	752,898,514
	Less: Issue of bonus shares	1,240,125,700	1,043,584,040
	Less: Non controlling interest	3	337
	Closing balance	3,753,773,952	2,559,172,705
18(b)	Non-controlling interest		
	Opening balance	24,920	24,583
	Add : Addition during the year	3	337
	Closing balance	24,923	24,920
19	Contingent Liabilities		
19.1	Letter of guarantee		
	Money for which the Bank is contingently liable in respect of guarantees issued favoring:		
	Directors	500,000	5,008,000
	Government	-	-
	Banks and other financial institutions	-	-
	Others	74,411,675,188	79,947,552,830
		74,412,175,188	79,952,560,830
19.2	Other contingent liabilities		
	Litigation pending against the Bank	-	-
	Value of traveler's cheques	-	-
		-	-
20	Other Commitments		
	Documentary credits and short term trade-related transactions	-	-
	Forward assets purchase and forward deposits placement	2,389,481,000	504,000,000
	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	-	-
		2,389,481,000	504,000,000
21	Income		
	Interest, discount and similar income	19,573,813,569	16,491,722,563
	Dividend income	249,385,602	342,579,309
	Fee, commission and brokerage	1,820,819,748	1,293,162,351
	Gains less losses arising from dealing in foreign currencies	1,694,288,751	1,216,068,699
	Investment income	1,759,075,532	1,603,243,111
	Other operating income	1,014,381,783	791,770,183
		26,111,764,985	21,738,546,216
	Expenses		
	Interest, fee and commission	13,159,985,517	10,678,962,381
	Administrative expenses	4,486,942,148	4,245,756,698
	Other operating expenses	718,807,888	586,214,376
	Depreciation on banking assets	428,566,466	193,120,190
		18,794,302,019	15,704,053,645
		7,317,462,966	6,034,492,571

		Amount in Taka	
		2019	2018
22	Interest income/profit on Islamic investments		
	Interest on call loans	57,367,028	11,978,736
	Interest received from other banks and financial institutions	29,163,434	4,628,923
	Interest received from foreign banks and Bangladesh Bank F/C accounts	74,511,148	71,014,770
	Interest received from customers, other than banks	19,131,440,791	16,147,878,709
	Interest income on Off-shore Banking Unit	307,921,477	286,115,022
		19,600,403,878	16,521,616,160
	Less: Inter Company Transaction	26,590,309	29,893,597
		19,573,813,569	16,491,722,563
22(a)	Consolidated interest income		
	Premier Bank Limited (Note - 22)	19,573,813,569	16,491,722,563
	Premier Bank Securities Ltd.	148,317,055	235,419,315
		19,722,130,624	16,727,141,878
	Less: Inter Company Adjustment	60,017,011	45,488,125
		19,662,113,613	16,681,653,753
23	Interest/profit paid on deposits, borrowings, etc.		
	Interest paid on deposits	12,124,611,669	9,556,411,281
	Interest paid on borrowings	1,030,129,003	1,110,193,057
	Interest paid on repo	5,244,845	12,358,043
	Interest paid on Deposit, Off- shore Banking Unit	26,590,309	29,893,597
		13,186,575,826	10,708,855,978
	Less: Inter Company Transaction	26,590,309	29,893,597
		13,159,985,517	10,678,962,381
23(a)	Consolidated interest paid on deposits, borrowings, etc.		
	Premier Bank Limited (Note - 23)	13,159,985,517	10,678,962,381
	Premier Bank Securities Ltd.	60,017,011	45,488,125
		13,220,002,528	10,724,450,506
	Less: Inter Company Transaction	60,017,011	45,488,125
		13,159,985,517	10,678,962,381
24	Investment income		
	Interest on Treasury bills, Bangladesh Bank bills, repo & reverse repo	55,298,993	27,819,659
	Interest on Treasury bonds, corporate bonds	1,676,466,162	1,541,550,260
	Dividend Income	249,385,602	342,579,309
	Capital gain on sale of investment in shares (Note - 24.1)	27,310,377	33,873,192
		2,008,461,134	1,945,822,420
24(a)	Consolidated Investment income		
	Premier Bank Limited (Note - 24)	2,008,461,134	1,945,822,420
	Premier Bank Securities Ltd.	18,239,350	11,585,523
		2,026,700,484	1,957,407,943
24.1	Gain on sale of shares		
	Investment in portfolio	27,310,377	33,873,192
		27,310,377	33,873,192
25	Commission, exchange and brokerage		
	Commission	1,820,819,748	1,293,162,351
	Exchange earnings	1,694,288,751	1,216,068,699
		3,515,108,499	2,509,231,050
25(a)	Consolidated Commission exchange and brokerage		
	Premier Bank Limited (Note - 25)	3,515,108,499	2,509,231,050
	Premier Bank Securities Ltd.	103,018,872	33,855,981
		3,618,127,371	2,543,087,031

		Amount in Taka	
		2019	2018
26	Other operating income		
	Services and other charges	300,532,541	241,311,289
	Income from rent of lockers	2,927,200	3,071,500
	Postage recoveries	45,787,578	39,303,798
	Fax/e-mail charges received	114,383,093	90,545,206
	Incidental charges	55,435,010	57,033,806
	Rent on property	18,214,800	18,214,800
	Miscellaneous earnings	477,101,561	342,289,784
		1,014,381,783	791,770,183
26(a)	Consolidated other operating income		
	Premier Bank Limited (Note - 26)	1,014,381,783	791,770,183
	Premier Bank Securities Ltd.	9,237,253	7,825,323
		1,023,619,036	799,595,506
27	Salary and allowances		
	Basic pay	892,519,763	806,014,322
	Allowances	1,025,953,283	924,598,935
	Bonus	235,878,046	240,381,269
	Provident fund contribution	79,545,645	72,266,906
	Retirement benefits and gratuity	42,339,160	57,361,484
		2,276,235,897	2,100,622,916
27(a)	Consolidated salary and allowances		
	Premier Bank Limited (Note - 27)	2,276,235,897	2,100,622,916
	Premier Bank Securities Ltd.	27,709,248	15,227,272
		2,303,945,145	2,115,850,188
28	Rent, taxes, insurance, electricity, etc.		
	Rent, rates and taxes	893,240,474	1,148,558,821
	Insurance	119,308,398	99,728,851
	Electricity, gas, water, etc.	103,283,619	99,177,659
		1,115,832,491	1,347,465,331
28(a)	Consolidated Rent, taxes, insurance, electricity, etc.		
	Premier Bank Limited (Note - 28)	1,115,832,491	1,347,465,331
	Premier Bank Securities Ltd.	133,818,977	133,093,172
		1,249,651,468	1,480,558,503
29	Legal expenses		
	Law charges	187,000	1,413,645
	Other professional charges	103,473,520	90,760,695
		103,660,520	92,174,340

a) Note: Our Tax and VAT adviser, M/S Zia & 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 honorable High Court. On the basis of this advice, the Bank has not deposited any VAT on Rent collected from the Branches till to March 2019.

Honorable 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 and the outcome is uncertain. The Bank has started to pay VAT at source on office rent from April 2019.

b) Rent expense is reduced for the year in compliance with the requirements of IFRS-16 Leases.

		Amount in Taka	
		2019	2018
29(a)	Consolidated Legal expenses		
	Premier Bank Limited (Note- 29)	103,660,520	92,174,340
	Premier Bank Securities Ltd.	668,750	140,000
		104,329,270	92,314,340
30	Postage, stamp, telecommunication, etc.		
	Telephone	15,806,785	13,387,013
	Postage, stamp and swift charges	63,655,347	64,037,314
	Telegram, internet, fax and e-mail	26,995,472	25,888,107
		106,457,604	103,312,434
30(a)	Consolidated Postage, stamp, telecommunication, etc.		
	Premier Bank Limited (Note - 30)	106,457,604	103,312,434
	Premier Bank Securities Ltd.	1,233,141	1,039,120
		107,690,745	104,351,554
31	Stationery, printing, advertisement, etc.		
	Printing and stationery	285,534,987	55,971,759
	Publicity, advertisement, contribution, etc.	430,926,644	444,743,480
		716,461,631	500,715,239
31(a)	Consolidated Stationery, printing, advertisement, etc.		
	Premier Bank Limited (Note- 31)	716,461,631	500,715,239
	Premier Bank Securities Ltd.	358,265	194,381
		716,819,896	500,909,620
32	Chief executive's salary and fees		
	Basic pay	7,150,000	6,463,333
	Bonus	2,100,000	2,100,000
	Other Allowances	4,383,334	4,063,332
		13,633,334	12,626,665
33	Directors' fees		
		2,808,000	2,656,000
		2,808,000	2,656,000
33 (a)	Consolidated Directors' fees		
	Premier Bank Limited (Note- 33)	2,808,000	2,656,000
	Premier Bank Securities Ltd.	143,750	-
		2,951,750	2,656,000
34	Depreciation and repair of Bank's assets		
	Repairs:		
	Furniture and fixtures	5,337,850	6,076,450
	Office equipment	38,099,067	31,814,257
	Renovation and maintenance of premises	97,898,254	37,948,066
		141,335,171	75,838,773
	Depreciation: (Annexure - B)		
	Vehicles	11,385,509	12,204,545
	Furniture and fixtures	69,509,902	72,324,892
	Equipment & Computer	80,042,572	77,218,554
	Land and building	30,042,936	30,753,357
	Depreciation on ROU Assets	236,966,705	-
	Amortisation of license fee	618,842	618,842
		428,566,466	193,120,190
	Total Depreciation and repair of Bank's assets	569,901,637	268,958,963

		Amount in Taka	
		2019	2018
34(a)	Consolidated Depreciation and repair of Bank's assets		
	Repairs:		
	Premier Bank Limited (Note - 34)	141,335,171	75,838,773
	Premier Bank Securities Ltd.	-	-
		141,335,171	75,838,773
	Depreciation: (Annexure - A)		
	Premier Bank Limited (Note- 34)	428,566,466	193,120,190
	Premier Bank Securities Ltd.	636,416	610,361
		429,202,882	193,730,551
		570,538,053	269,569,324
35	Losses on disposal of subsidiary	10,000,000	10,000,000
	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 and Bangladesh Bank letter reference no. BOIMUBI/729/BIBIDHO/2019-32 dated January 02, 2019, all outstanding liabilities of company would be adjusted within 31 December 2020. Accordingly an amount of Tk. 10,000,000 recognised as expense in the current year.		
36	Other expenses		
	Training expenses	8,945,895	10,408,823
	Car maintenance	17,627,232	15,786,796
	Washing and cleaning	7,354,572	8,145,096
	Subscription	15,541,281	13,550,097
	Entertainment	57,967,989	48,039,346
	Travelling	12,805,225	9,743,505
	Conveyance	18,066,067	15,397,571
	Cartage and freight	83,131	108,659
	Liveries and uniform	1,157,034	1,171,138
	Cash carrying charges	18,332,628	19,978,486
	Credit card fees	71,154,145	63,272,101
	Security and auxiliary service	45,184,781	40,743,158
	Loss for Revaluation HFT Bond	125,395,687	170,832,321
	Loss on revaluation for HFT T. Bill	12,390,299	-
	Loss on Amortization for HTM TB	170,812,411	91,055,472
	AGM expenses	13,381,540	12,457,865
	Remittance charges	302,130	276,215
	Interest charge of lease liability	16,811,592	-
	Sundry expenses	105,494,249	65,247,727
		718,807,888	586,214,376
36(a)	Consolidated other expenses		
	Premier Bank Limited (Note - 35)	718,807,888	586,214,376
	Premier Bank Securities Ltd.	37,696,414	27,657,704
		756,504,302	613,872,080
37	Provision against loans and advances, off-balance sheet items, investment in share and others		
	Specific provision	2,627,314,280	1,000,792,527
	General provision	-	427,387,000
	Provision for off-balance sheet items	-	200,000,000
	Provision for investment in shares	171,009,653	489,765,533
	Other Provision	-	152,054,940
		2,798,323,933	2,270,000,000

Provision has been kept for the year in line with the deferral letter no. DBI-1/118/2020-1570 dated 18/06/2020 issued by Bangladesh Bank.

	Amount in Taka	
	2019	2018
37.1 Other Provision		
Provision for gratuity	-	150,000,000
Provision for suspense account	-	2,054,940
	-	152,054,940
37.1 (a) Consolidated Other Provision		
Premier Bank Limited (Note - 37.1)	-	152,054,940
Premier Bank Securities Ltd.	-	10,200,000
	-	162,254,940

38 Earnings per share (EPS)

Earning Per Share (EPS) has been computed by dividing the basic earning by the weighted average number of ordinary shares outstanding at the end of the year as per IAS 33 Earnings Per Share.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by the weighted factor.

Diluted earnings per share

The objective of diluted earnings per share is consistent with that of basic earning per share; that is, to provide a measure of the interest of each ordinary shares in the performance of an entity taking into account dilutive potential ordinary shares outstanding during the year. Diluted earnings per share is calculated for 2018 for the issuance of bonus share.

Net profit after taxation (Numerator)	3,338,109,231	2,226,849,326
Number of ordinary shares outstanding (Denominator)	924,093,668	924,093,668
Earnings per share (EPS)	3.61	2.41

Previous year's EPS has been restated due to issue of bonus share. Actual EPS for 2018 was Taka 2.78.

38(a) Consolidated earnings per share (CEPS)

Net profit after taxation (Numerator)	3,338,554,757	2,268,937,264
Number of ordinary shares outstanding (Denominator)	924,093,668	924,093,668
Consolidated earnings per share (CEPS)	3.61	2.46

Consolidated earnings per share (CEPS) has been calculated in accordance with IAS - 33 : "Earnings per share (EPS)". Previous year's CEPS has been restated by taking dilution into account due to issue of bonus share. Actual CEPS for 2018 was Taka 2.84.

39 Net operating cash flow per share (NOCFPS)

Cash generated from operating activities	3,287,790,139	2,144,182,739
Average number of ordinary shares outstanding	924,093,668	924,093,668
Net operating cash flow per share (NOCFPS)	3.56	2.32

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 2019 as per Notification of Bangladesh Securities & Exchange Commission (BSEC). Previous year's NOCFPS has been restated due to issue of bonus share. Actual NOCFPS for 2018 was Taka 2.68.

39 (a) Consolidated net operating cash flow per share (CNOCFPS)

Cash generated from operating activities	3,299,754,806	2,204,480,107
Average number of ordinary shares outstanding	924,093,668	924,093,668
Consolidated net operating cash flow per share (CNOCFPS)	3.57	2.39

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 2018 as per Notification of Bangladesh Securities & Exchange Commission (BSEC). Previous year's CNOCFPS has been restated due to issue of bonus share. Actual CNOCFPS for 2018 was Taka 2.75.

Amount in Taka

	2019	2018
40 Net asset value (NAV) per share		
Net asset value attributable to shareholders	18,604,449,117	15,279,797,588
Average number of ordinary share outstanding	924,093,668	924,093,668
	20.13	16.53

Net asset value per share (NAV) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on 31 December 2019 as per Notification of Bangladesh Securities & Exchange Commission (BSEC). Previous year's NAV has been restated due to issue of bonus share. Actual NAV for 2018 was Taka 19.09 per share.

40 (a) Net asset value (NAV) per share		
Net asset value attributable to shareholders	18,752,004,497	15,416,960,268
Average number of ordinary share outstanding	924,093,668	924,093,668
	20.29	16.68

Consolidated Net asset value per share (NAV) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on 31 December 2019 as per Notification of Bangladesh Securities & Exchange Commission (BSEC). Previous year's NAV has been restated due to issue of bonus share. Actual Consolidated NAV for 2018 was Taka 19.27 per share.

41 Number of Employees

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 1,947 as on 31 December 2019 and 1,708 as on 31 December 2018.

42 Highlights of Activities

Paid-up capital	9,240,936,680	8,000,810,980
Total capital	24,188,459,197	21,809,241,164
Capital surplus/(shortfall)	219,406,434	704,597,679
Total assets	261,900,494,009	216,133,206,899
Total deposits	209,346,023,981	169,439,776,036
Total loans and advances	188,945,466,378	156,960,037,516
Total contingencies	154,586,560,576	139,299,934,711
Loan-deposit ratio	80.01%	82.68%
Ratio of classified loans against total loans	6.70%	3.99%
Profit after tax and provision	3,338,162,057	2,226,849,326
Provision against classified loans	5,526,215,139	2,886,219,745
Provision surplus (Deficit)	-	-
Cost of funds	6.54%	6.27%
Profit-earning assets	229,542,419,021	186,908,421,568
Non-profit earning assets	32,358,074,988	29,224,785,331
Return on investments (ROI)	5.85%	7.52%
Return on assets (ROA)	1.40%	1.12%
Income from investment	2,008,461,134	1,945,822,420
Earnings per share	3.61	2.41
Net income per share	3.61	2.41
Net operating cash flow per share (NOCFPS)	3.56	2.32
Price earning ratio (approximate)	3.46 Times	4.21 Times

Amount in Taka

42(a) Consolidated Highlights of Activities

	2019	2018
Paid-up capital	9,240,936,680	8,000,810,980
Total capital	24,288,445,029	21,908,834,296
Capital surplus/(shortfall)	168,964,384	771,122,860
Total assets	262,604,865,945	216,809,881,060
Total deposits	209,282,332,549	169,498,418,863
Total loans and advances	191,115,754,519	159,132,910,780
Total contingencies	154,586,560,576	139,299,934,711
Loan-deposit ratio	83.79%	83.87%
Ratio of classified loans against total loans	6.62%	3.94%
Profit after tax and provision	3,338,554,757	2,268,937,264
Provision against classified loans	5,526,215,139	2,886,219,745
Provision surplus (Deficit)	-	-
Cost of funds	6.54%	6.27%
Profit-earning assets	232,503,333,404	189,749,773,092
Non-profit earning assets	30,101,532,541	27,060,107,968
Return on investments	5.78%	7.33%
Return on assets (profit after tax)	1.39%	1.14%
Income from investment	2,026,700,484	1,957,407,943
Earnings per share	3.61	2.46
Net income per share	3.61	2.46
Net operating cash flow per share (NOCFPS)	3.57	2.39
Price earning ratio (approximate)	3.46 Times	4.12 Times

43 Assets and liabilities at 31 December 2019 denominated in foreign currencies have been converted to local currency Bangladesh Taka (BDT) at the following exchange rates:

Currency	Abbreviation	Unit	Equivalent BDT
British Pound Sterling	GBP	1.00	110.7783
European Currency	EURO	1.00	96.0553
Canadian Dollar	CAD	1.00	64.6143
Australian Dollar	AUD	1.00	59.0849
Japanese Yen	JPY	1.00	0.7737
US Dollar	USD	1.00	84.4250
Chinese yuan	CNY	1.00	12.0904
Saudi Arabian Riyal	SAR	1.00	22.5473
Swiss Franc	CHF	1.00	86.8482
Swedish Krona	SEK	1.00	9.0629
Danish Krona	DKK	1.00	12.8341
Norwegian Krona	NOK	1.00	9.7084

44 Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.

45 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.

46 Cash and Cash Equivalents

For the purpose of presentation in the cash flow statements, cash and cash equivalents includes cash in hand and cash at bank (regardless of maturity), Highly liquid investment in securities are classified as cash and cash equivalents.

Amount in Taka

2019

2018

Cash flow statement is prepared in accordance with IAS 7 Statement of Cash Flows. However cash flows from operating activities have been presented according to the format mentioned in circular no. BRPD 14 dated 25 June 2003.

The details of cash and cash equivalents are as follows:

Particulars	Note	2019	2018
Cash in hand (including foreign currency)	4.1	2,329,945,342	1,664,391,594
Investment in Govt. Securities		33,418,311,222	24,126,232,103
Money at call and on short notice	6	1,390,000,000	500,000,000
Balance with Bangladesh Bank and its agent Bank (including foreign currency)	4.2	12,243,796,624	12,009,056,905
Balance with other banks and financial institutions	5	736,837,968	1,831,899,651
		50,118,891,156	40,131,580,253

47 Events after reporting period

As per IAS-10 "Events after the reporting period" events after the reporting periods are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when financial statements are authorised for issue. Two types event can be identified:

- (a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period.
 (b) Non adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting periods.

The details about the events after the reporting periods are as follows:

A. The COVID-19 outbreak has developed rapidly in 2020 starting from late December 2019, with a significant number of infections across the world. Measures taken by the government to contain the virus have affected economic activities of the Country and its businesses in various significant ways. As the Bank needs to scale down its operations on the instructions from Bangladesh Bank. The Bank has affected in several ways in COVID-19 pandemic. The management is constantly assessing the impacts of COVID-19 on the business. As the pandemic has not reached its peak in Bangladesh so its hardly can be predicted the actual impact of the pandemic.

B. The Board of directors in its 230th Board meeting held on 28th June 2020 has proposed 10% dividend (Cash 5% and Stock 5%) subject to the approval of the shareholders at the next Annual General Meeting.

48 These notes form an integral part of the said financial statements and accordingly are to be read in conjunction therewith.

49 The financial statements were approved by the Board of Directors on 28 June, 2020.



Director



Director



Director



Managing Director

Dhaka, 28 June, 2020

The Premier Bank Limited

Consolidated schedule of fixed assets including premises, furniture and fixtures as at 31 December 2019

Annexure -A
Amount in Taka

Asset Category	Cost		Rate (%)	Depreciation		Written Down Value at 31 December 2019
	As at 01 January 2019	Additions during the year		As at 31 December 2019	Charge for the year	
Land and Building	1,384,393,311	-	2.5	182,084,727	30,057,715	1,172,250,869
Furniture and fixtures	1,316,301,512	88,211,123	10	626,208,088	69,509,572	708,794,975
Equipment and computers	1,042,905,267	101,192,888	20	622,191,848	80,664,539	441,241,768
Vehicles	99,620,164	-	20	73,320,611	11,385,509	14,914,044
Right of Use Assets	-	552,976,318	-	-	236,966,705	316,009,613
Total at 31 December 2019	3,843,220,254	742,380,329		1,503,805,274	428,584,040	2,653,211,269
Total at 31 December 2018	3,684,171,193	159,049,061		1,310,693,565	193,111,709	2,339,414,981

Schedule of fixed assets including premises, furniture and fixtures as at 31 December 2019

Annexure -B
Amount in Taka

Asset Category	Cost		Rate (%)	Depreciation		Written Down Value at 31 December 2019
	As at 01 January 2019	Additions during the year		As at 31 December 2019	Charge for the year	
Land and Building	1,383,543,311	-	2.5	181,825,868	30,042,936	1,171,674,507
Furniture and fixtures	1,316,088,378	88,211,123	10	625,913,946	69,509,572	708,875,983
Equipment and computers	1,037,889,740	99,548,370	20	619,245,178	80,042,902	438,150,030
Vehicles	99,612,164	-	20	73,320,611	11,385,509	14,906,044
Right of Use Assets	-	552,976,318	-	-	236,966,705	316,009,613
Total as at 31 December 2019	3,837,133,593	740,735,811		1,500,305,603	427,947,624	2,649,616,177
Total as at 31 December 2018	3,678,321,732	158,811,861		1,307,804,255	192,501,348	2,336,827,990

The Premier Bank Limited

Balance with other banks and financial institutions - Outside Bangladesh as at 31 December 2019

Annexure - c

Name of the Bank	Location	Currency	31.12.2019			31.12.2018		
			Amount in foreign currency	Conversion rate	Amount in Taka	Amount in foreign currency	Conversion rate	Amount in Taka
Mashreq Bank NY	New York	USD	2,726,101.14	84.4250	230,151,089	4,052,838.65	83.4250	338,108,064
Standard Chartered Bank	New York	USD	2,580,680.30	84.4250	217,873,934	3,258,437.26	83.4250	271,835,128
Commerz Bank AG	Frankfurt	EURO	163,893.92	96.0553	15,742,880	320,544.61	94.9461	30,434,461
Bank of Ceylon	Colombo	ACUD	47,122.03	84.4250	3,978,277	24,627.85	83.4250	2,054,578
Standard Chartered Bank	Mumbai	ACUD	178,922.08	84.4250	15,105,497	42,021.48	83.4250	3,505,642
United Bank Ltd	Karachi	ACUD	321,201.05	84.4250	27,117,399	449,446.40	83.4250	37,495,066
Bank of China	Shanghai	CNY	85,113.81	12.0904	1,029,060	131,798.06	12.1025	1,595,086
State Bank of India	Mumbai	ACUD	23,818.40	84.4250	2,010,868	23,818.44	83.4250	1,987,053
ICICI Bank	Mumbai	ACUD	250,538.06	84.4250	21,151,676	333,690.39	83.4250	27,838,121
Himalayan Bank	Kathmandu	ACUD	28,944.13	84.4250	2,443,608	2,712.00	83.4250	226,249
Commerz Bank AG	Frankfurt	USD	1,353,778.03	84.4250	114,292,710	471,299.99	83.4250	39,318,202
Westpac Banking Corporation	Sydney	AUD	112,101.15	59.0849	6,623,485	38,873.17	58.8856	2,289,070
Mashreqbank psc	London	GBP	-	110.7783	-	205,549.91	105.5995	21,705,968
Bank of Tokyo Mitsubishi Ltd	Tokyo	JPY	50,384,667.18	0.7737	38,982,617	44,734,702.75	0.7519	33,636,023
Habib Bank AG Zurich Switzerland	Zurich	CHF	70,979.08	86.8482	6,164,405	101,052.57	84.0470	8,493,165
National Commercial Bank	Jeddah	SAR	182,956.36	22.5473	4,125,172	1,691,924.11	22.2835	37,701,992
Mashreq Bank PSC	Mumbai	ACUD	484,220.21	84.4250	40,880,291	187,224.99	83.4250	15,619,245
Bank Al-zazira	Jeddah	SAR	1,194,943.25	22.5473	26,942,744	748,836.36	22.2835	16,686,696
AB Bank Ltd	Mumbai	ACUD	132,376.33	84.4250	11,175,872	10,533.64	82.6750	870,869
Habib American Bank	New York	USD	677,730.97	84.4250	57,217,437	885,052.57	83.4250	73,835,512
UBI Banka	Milano	EURO	28,855.85	96.0553	2,771,757	456,158.46	94.9461	43,310,468
Riyad Bank	Riyad	SAR	2,354,408.47	22.5473	53,085,554	-	-	-
Danske Bank	Copenhagen	SEK	1,650,103.42	10.5300	17,375,589	-	-	-
Standard Chartered Bank	London	GBP	589,792.66	110.7783	65,336,228	-	-	-
Total					981,578,149			1,008,546,658
Off-shore Banking Unit					5,022,666,072			4,897,801,282
Grand Total					6,004,244,221			5,906,347,940

The Premier Bank Limited

Statement of Tax Position as at 31 December 2019

Annexure-D

Accounting Year	Assessment Year	Presect status
2004	2005-2006	Appeal filed with High Court
2005	2006-2007	Appeal filed with High Court
2006	2007-2008	Appeal filed with High Court
2007	2008-2009	Appeal pending with Tribunal
2008	2009-2010	Appeal pending with Tribunal
2009	2010-2011	Appeal pending with Tribunal
2010	2011-2012	Appeal filed with High Court
2011	2012-2013	Appeal filed with High Court
2012	2013-2014	Appeal pending with Tribunal
2013	2014-2015	Tribunal order pending DCT Office
2014	2015-2016	Appeal pending with Tribunal
2015	2016-2017	Appeal pending with Tribunal
2016	2017-2018	Return filed but assessment not yet completed.
2017	2018-2019	Return filed but assessment not yet completed.
2018	2019-2020	Return filed but assessment not yet completed.
2019	2020-2021	Return yet to submit

The Premier Bank Limited

Details of Large Loan as at 31 December 2019

Annexure-E

(Taka in crore)

Sl. No.	Name of Parties	Outstanding 2019		
		Funded	Non-Funded	Total
1	Shasha	408.96	257.67	666.63
2	Jaj Bhuyan	478.25	0.00	478.25
3	Abdul Monem Limited	165.09	273.83	438.92
4	Western Engineering (Pvt.) Ltd	284.64	136.05	420.69
5	Mithela Textiles Industries Limited	286.92	113.39	400.31
6	Sikder	217.65	165.00	382.65
7	Saad Musa	338.63	19.30	357.93
8	M/S Dyeing, Printing and Finishing Ltd.	179.09	153.82	332.91
9	Diamond	297.20	-	297.20
10	ABA	215.66	77.98	293.64
11	Fakir Apparels Ltd	142.27	144.25	286.52
12	S Alam	280.07	-	280.07
13	MEGHNA	193.11	52.87	245.98
14	Max	191.38	43.54	234.92
	Total	3,678.92	1,437.70	5,116.62

The Premier Bank Limited

Segment reporting

The Bank reports its operations under the following business segment as per International Financial Reporting Standards (IFRS) 8 "Operating Segment"
For the year ended 31 December 2019

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	17,210,446,122	2,082,036,279	307,921,477	(26,590,309)	19,573,813,569	148,317,055	(60,017,011)	19,662,113,613
Interest/profit paid on deposits, borrowings, etc. (12,179,612,247)	(980,373,270)	(26,590,309)	(26,590,309)	26,590,309	(13,159,985,517)	(60,017,011)	60,017,011	(13,159,985,517)
Net interest income/ net profit on investments	5,030,833,875	1,101,663,009	281,331,168	-	6,413,828,052	88,300,044	-	6,502,128,096
Investment income	2,008,461,134	-	-	-	2,008,461,134	18,239,350	-	2,026,700,484
Commission, exchange and brokerage	3,447,707,210	67,401,289	-	-	3,515,108,499	103,018,872	-	3,618,127,371
Other operating income	983,067,285	31,314,498	-	-	1,014,381,783	9,237,253	-	1,023,619,036
Total Operating Income (A)	11,470,069,504	1,200,378,796	281,331,168	-	12,951,779,468	218,795,519	-	13,170,574,987
Salary and allowances	2,230,962,457	45,273,440	-	-	2,276,235,897	27,709,248	-	2,303,945,145
Rent, taxes, insurance, electricity, etc.	1,099,685,677	16,146,814	-	-	1,115,832,491	133,818,977	-	1,249,651,468
Legal expenses	103,660,520	-	-	-	103,660,520	668,750	-	104,329,270
Postage, stamps, telecommunication, etc.	103,101,080	3,356,524	-	-	106,457,604	1,233,141	-	107,690,745
Stationery, printing, advertisement, etc.	715,632,502	829,129	-	-	716,461,631	358,265	-	716,819,896
Chief executive's salary and fees	13,633,334	-	-	-	13,633,334	-	-	13,633,334
Directors' fees	2,808,000	-	-	-	2,808,000	143,750	-	2,951,750
Auditors' fee	517,500	-	-	-	517,500	86,250	-	603,750
Depreciation and repair of Bank's assets	567,976,479	1,925,158	-	-	569,901,637	636,416	-	570,538,053
Losses on disposal of subsidiary	10,000,000	-	-	-	10,000,000	-	-	10,000,000
Other expenses	713,255,295	5,552,593	-	-	718,807,888	37,696,414	-	756,504,302
Total Operating Expenses (B)	5,561,232,844	73,083,658	-	-	5,634,316,502	202,351,211	-	5,836,667,713
Profit before provision (C = A-B)	5,908,836,660	1,127,295,138	281,331,168	-	7,317,462,966	16,444,307	-	7,333,907,274
Provision for loans and advances/ Investments	2,571,856,537	-	55,457,743	-	2,627,314,280	-	-	2,627,314,280
Provision for off-balance sheet items	-	-	-	-	-	-	-	-
Provision for investment in shares	171,009,653	-	-	-	171,009,653	-	-	171,009,653
Other provisions	-	-	-	-	-	-	-	-
Total provision (D)	2,742,866,190	-	55,457,743	-	2,798,323,933	-	-	2,798,323,933
Profit before taxation (E=C-D)	3,165,970,470	1,127,295,138	225,873,425	-	4,519,139,033	16,444,307	-	4,535,583,341
Provision for taxation (F)	1,180,976,976	-	-	-	1,180,976,976	16,051,608	-	1,197,028,584
Profit after tax	1,984,993,494	1,127,295,138	225,873,425	-	3,338,162,057	392,699	-	3,338,554,757

The Premier Bank Limited

Segment reporting

The Bank reports its operations under the following business segment as per International Financial Reporting Standards (IFRS) 8 "Operating Segment" as at 31 December 2019

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	Total
PROPERTY AND ASSETS								
Cash	14,519,664,511	54,077,455	-	-	14,573,741,966	65,736	-	14,573,807,702
Balance with other banks and financial institutions	5,741,267,913	529,954	280,937,322	(5,285,897,221)	736,837,968	146,394,472	131,837,851	751,394,589
Money at call on short notice	1,390,000,000	-	-	-	1,390,000,000	-	-	1,390,000,000
Investments	38,556,952,643	650,000,000	-	-	39,206,952,643	831,095,827	40,469,585	39,997,578,885
Loans, advances, and lease/ investments	170,533,934,643	12,865,757,433	5,545,774,302	-	188,945,466,378	3,205,258,353	1,034,970,212	191,115,754,519
Fixed assets including premises, furniture and fixtures	2,639,547,451	10,068,726	-	-	2,649,616,177	3,595,092	-	2,653,211,269
Other assets	10,493,611,258	3,896,521,771	7,745,847	-	14,397,878,877	235,220,104	2,509,980,000	12,123,118,981
Non-banking assets								
Total Assets	243,874,978,420	17,476,955,339	5,834,457,471	(5,285,897,221)	261,900,494,009	4,421,629,584	3,717,257,648	262,604,865,945
LIABILITIES AND CAPITAL								
Liabilities								
Borrowings from other banks, financial institutions and agents	8,211,794,714	5,000,000,000	-	-	13,211,794,714	1,034,970,212	1,034,970,212	13,211,794,714
Non-convertible variable coupon rate bonds	9,000,000,000	-	-	-	9,000,000,000	-	-	9,000,000,000
Deposits and other accounts	197,014,004,316	12,110,625,780	5,507,291,106	(5,285,897,221)	209,346,023,981	108,616,004	172,307,436	209,282,332,549
Other liabilities	11,270,603,698	366,329,559	101,292,940	-	11,738,226,197	620,507,988	-	12,358,734,185
Total Liabilities	225,496,402,728	17,476,955,339	5,608,584,046	(5,285,897,221)	243,296,044,892	1,764,094,204	1,207,277,648	243,852,861,448
Shareholders' Equity	18,378,575,692	-	225,873,425	-	18,604,449,117	2,657,535,380	2,509,980,000	18,752,004,497
Total Liabilities and Shareholders' Equity	243,874,978,420	17,476,955,339	5,834,457,471	(5,285,897,221)	261,900,494,009	4,421,629,584	3,717,257,648	262,604,865,945

The Premier Bank Limited

Name of Directors and the entities in which they had interest as at 31 December 2019

Annexure -G

Sl. No.	Name	Designation	Entities where they had interest	Position
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 Ltd. Bukhara Restaurant (Pvt) Ltd. Aero Bengal Airlines Ltd. The Premier Tele Link Ltd. IBC Power Ltd. Beacon Travel In't Ltd. Centaur Limited. Nawrin Electronics Ltd. Sarakhon Media Ltd. Iqbal Centre Concern International	Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Managing Director Managing Director Managing Director Managing Director Proprietor Proprietor
2.	Mr. Moin Iqbal	Vice Chairman	Premier Property Development Co. Ltd. Bentley Sweater Ltd. Premier Group of Companies Ltd. Premier Hotels & Resort Ltd. Premier Hotel Management Co. Ltd. ATAB Centre Ltd. Air Concern International Ltd. Bukhara Restaurant (Pvt) Ltd. Nawrin Electronics Ltd. Sarakhon Media Ltd.	Chairman Chairman Managing Director Managing Director Managing Director Managing Director Director Director Director Director
3.	Mr. B. H. Haroon, MP	Director	Al Arab Enterprise International Rajbithi Travels Ltd. Al-Humyra Group : Al-Humyra Health Center Ltd. Al-Humyra Development Ltd.	Proprietor Chairman Chairman Chairman
4.	Mr. Abdus Salam Murshedy, MP	Director	Envoy Garments Ltd. Armour Garments Ltd. Nadia Garments Ltd. Pastel Apparels Ltd. Astras Garments Ltd. Regal Garments Ltd. Epoch Garments Ltd. Fontina Fashions Ltd. Manta Apparels Ltd. Envoy Fashions Ltd. Envoy Design Ltd. Texas Dresses Ltd. Laundry Industries Ltd. Envoy Textiles Ltd. Donier Textile Mills Ltd Orex Network Ltd. National System Solutions (Pvt) 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 Managing Director

The Premier Bank Limited

Name of Directors and the entities in which they had interest as at 31 December 2019

Annexure -G

Sl. No.	Name	Designation	Entities where they had interest	Position
			OIA Global Logistics (BD) Ltd. Advanced Comtech Machines Ltd. Emerald Trading Ltd. Pinata Air International Ltd. Envoy Packages Ltd. Envoy Towers Ltd. Olio Apparels Ltd. Sharmin Holdings Ltd. Treasure Securities Ltd Square Hospitals Ltd. Bengal Meat Processing Industries Limited.	Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Chairman Director Director
5.	Mr. Mohammad Imran Iqbal	Director	Premier Property Development Co. Ltd. Bentley Sweater Ltd. Premier Group of Companies Ltd. Premier Hotels & Resorts Ltd. Premier Hotel Management Co. Ltd. Nawrin Electronics Ltd. Bukhara Restaurant (Pvt) Ltd. ATAB Centre Ltd. Sarakhon Media Ltd.	Managing Director Add. Managing Director Director Director Director Director Director Director Director
6.	Mr. Shafiqur Rahman	Director	Rupsha Tyres & Chemical Ltd.	Managing Director
7.	Mr. Jamal G. Ahmed	Director	Premier Group of Companies Ltd. Bentley Sweater Ltd. ATAB centre Ltd. Premier Property Development Co. Ltd.	Director Managing Director Director Director
8.	Mrs. Shaila Shelley Khan	Director	N/A	-
9.	Mr. Yeh Cheng Min	Director	Alita (BD) Ltd. Ace Bicycle (BD) Ltd. Van Green (BD) Ltd.	Chairman Managing Director Chairman
10.	Chowdhury Jafarullah Sharafat	Independent Director	Cream & Milk Ltd.	Director

The Premier Bank Ltd

Investment in Shares as at 31 December 2019

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 31.12.2019	Total market value as at 31.12.2019
		Taka		Taka	Taka	Taka	Taka
A. Quoted							
1	Aamra Technologies Limited	10	262,920	7,853,445	29.87	23.20	6,099,744
2	AB Bank Limited	10	206,183	6,847,476	33.21	7.90	1,628,846
3	The ACME Laboratories Limited	10	50,000	3,921,730	78.43	60.90	3,045,000
4	Aftab Automobiles Limited	10	871,320	85,355,955	97.96	24.40	21,260,208
5	Agrani Insurance Co. Ltd.	10	457,403	17,700,324	38.70	26.00	11,892,478
6	Apex Foods Limited	10	5,000	1,015,538	203.11	123.40	617,000
7	Apex Footwear Limited	10	231,520	108,278,109	467.68	223.10	51,652,112
8	Asia Insurance Limited	10	82,750	3,087,535	37.31	25.10	2,077,025
9	Atlas Bangladesh Ltd.	10	174,799	29,592,116	169.29	109.50	19,140,491
10	Bay Leasing & Investment Limited	10	159,462	7,714,945	48.38	13.80	2,200,576
11	Bangladesh Export Import Company Ltd.	10	352,749	11,781,188	33.40	13.80	4,867,936
12	Bangladesh General Insurance Company Ltd.	10	735,485	34,399,569	46.77	24.50	18,019,383
13	Bangladesh Submarine Cable Company Limited	10	2,179,448	452,807,724	207.76	93.80	204,432,222
14	Coppertech Industries Limited	10	4,979	49,790	10.00	23.50	117,007
15	The Dacca Dyeing & Manufacturing Co.Ltd.	10	2,093,421	48,487,733	23.16	2.90	6,070,921
16	Delta Life Insurance Company Ltd.	10	159,062	33,519,161	210.73	78.50	12,486,367
17	Delta Spinners Ltd.	10	860,750	12,970,253	15.07	4.00	3,443,000
18	Dhaka Electric Supply Company Ltd.	10	1,438,399	95,961,127	66.71	37.00	53,220,763
19	Dhaka Insurance Limited	10	410,585	17,096,073	41.64	33.80	13,877,773
20	Dutch-Bangla Bank Ltd.	10	190,000	14,613,619	76.91	71.30	13,547,000
21	Eastland Insurance Company Ltd.	10	799,372	35,706,771	44.67	24.60	19,664,551
22	Eastern Cables Ltd.	10	3,000	1,029,078	343.03	199.20	597,600
23	Envoy Textiles Limited	10	491,505	21,935,041	44.63	24.90	12,238,475
24	Evince Textiles Limited	10	635,089	9,501,346	14.96	9.60	6,096,854
25	Fareast Islami Life Insurance Co. Ltd.	10	41,348	3,275,089	79.21	49.60	2,050,861
26	First Finance Limited	10	1,701,594	50,086,552	29.44	4.20	7,146,695
27	Fu Wang Food Ltd.	10	728,673	16,688,179	22.90	10.10	7,359,597
28	Gemini Sea Food Ltd.	10	3,162	1,103,304	348.93	171.60	542,599
29	Genex Infosys Limited	10	3,009	26,170	8.70	67.40	202,807
30	Generation Next Fashions Limited	10	20,148	251,437	12.48	2.70	54,400
31	GO Ball Pen Industries Ltd.	10	23,620	3,384,132	143.27	71.70	1,693,554
32	IFADAUTOS	10	164,000	19,297,739	117.67	46.20	7,576,800
33	Jamuna Oil Company Limited	10	329,619	74,386,696	225.67	141.90	46,772,936
34	JMI Syringes & Medical Devices Ltd.	10	64,898	26,003,521	400.68	310.50	20,150,829
35	Keya Cosmetics Ltd.	10	316,544	6,832,678	21.59	3.10	981,286
36	Khulna Power Company Limited	10	27,500	3,459,528	125.80	46.70	1,284,250
37	LafargeHolcim Bangladesh Limited	10	571,031	45,963,308	80.49	33.60	19,186,642
38	Maksons Spinning Mills Limited	10	629,238	7,787,664	12.38	4.40	2,768,647
39	Malek Spinning Mills Ltd	10	133,500	3,656,537	27.39	12.00	1,602,000
40	Matin Spinning Mills Ltd.	10	150,968	7,028,288	46.55	33.20	5,012,138
41	Meghna Cement Mills Ltd.	10	92,515	11,181,960	120.87	63.40	5,865,451
42	Meghna Life Insurance Co. Ltd.	10	62,577	7,663,366	122.46	51.70	3,235,231
43	Mercantile Bank Ltd.	10	1,811,250	34,402,938	18.99	13.20	23,908,500
44	M.I. Cement Factory Limited	10	107,880	13,296,252	123.25	39.00	4,207,320
45	Nahee Aluminum Composite Panel Ltd	10	51,142	3,169,905	61.98	36.60	1,871,797
46	National Bank Ltd.	10	2,897,100	58,302,792	20.12	8.10	23,466,510
47	Padma Islami Life Insurance Limited	10	149,478	8,952,462	59.89	17.40	2,600,917
48	Padma Oil Co. Ltd.	10	302,475	104,759,244	346.34	192.20	58,135,695
49	The Peninsula Chittagong Limited	10	100,000	3,811,440	38.11	19.50	1,950,000
50	Phoenix Finance and Investments Ltd.	10	133,204	4,785,750	35.93	21.50	2,863,886
51	Pioneer Insurance Company Ltd.	10	159,225	7,161,470	44.98	34.20	5,445,495
52	Peoples Leasing and Fin. Services Ltd.	10	414,839	19,034,750	45.88	3.00	1,244,517
53	Popular Life Insurance Co. Ltd.	10	33,320	4,196,703	125.95	88.50	2,948,820
54	Premier Cement Mills Limited	10	371,377	42,410,565	114.20	44.20	16,414,863
55	Premier Leasing & Finance Limited	10	314,602	8,151,936	25.91	6.80	2,139,294
56	Prime Finance & Investment Ltd.	10	278,819	8,883,103	31.86	7.50	2,091,143
57	Provati Insurance Company Limited	10	1,243,574	50,793,048	40.84	27.60	34,322,642
58	Pubali Bank Ltd.	10	41,389	1,317,500	31.83	24.00	993,336
59	Republic Insurance Company Limited	10	521,464	15,748,012	30.20	25.20	13,140,893
60	Ring Shihe Textiles Limited	10	3,015	29,941	9.93	10.30	31,055

The Premier Bank Ltd

Investment in Shares as at 31 December 2019

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 31.12.2019	Total market value as at 31.12.2019
		Taka		Taka	Taka	Taka	Taka
61	R.N. Spinning Mills Limited	10	1,081,476	24,079,091	22.27	3.90	4,217,756
62	Runner Automobiles Limited	10	4,284,000	185,640,000	43.33	119.00	254,898,000
63	Rupali Insurance Company Ltd.	10	812,255	27,626,423	34.01	41.40	16,813,679
64	S. Alam Cold Rolled Steels Ltd.	10	70,000	3,991,052	57.02	20.50	1,435,000
65	Sandhani Life Insurance Company Ltd	10	20,528	640,877	31.22	22.30	457,774
66	Sea Pearl Beach Resort & Spa Limited	10	3,916	39,160	10.00	41.30	161,731
67	Silco Pharmaceuticals Limited	10	8,022	80,220	10.00	30.30	243,067
68	Sonar Bangla Insurance Ltd	10	353,312	22,491,629	63.66	35.90	12,683,901
69	S. S. Steel Limited	10	3,710	33,730	9.09	22.50	83,475
70	Sunlife Insurance Company Limited	10	518,000	20,458,072	39.49	20.30	10,515,400
71	Titas Gas Transmission & Dist. Co. Ltd	10	1,737,388	117,693,783	67.74	30.90	53,685,289
72	" United Commercial Bank Ltd."	10	773,533	20,793,125	26.88	13.30	10,287,989
73	Union Capital Limited	10	1,178,458	30,336,643	25.74	6.30	7,424,285
74	Unique Hotel & Resorts Limited	10	295,500	37,243,202	126.03	43.90	12,972,450
75	United Insurance Ltd	10	2,717,646	193,222,840	71.10	58.50	158,982,291
76	United Power Generation & Distribution Company Ltd	10	48,400	17,439,141	360.31	245.30	11,872,520
77	GlaxoSmithKline(GSK) Bangladesh Ltd	10	5,161	9,374,963	1,816.50	1,756.30	9,064,264
78	Sinobangla Industries Ltd.	10	107,100	8,743,462	81.64	83.60	8,953,560
Sub total (A)				2,458,437,017			1,394,309,167

B. Mutual Fund

1	AB Bank 1st Mutual fund	10	534,649	4,372,325	8.18	4.1	2,192,061
2	EBL NRB Mutual Fund	10	21,149,330	148,357,664	7.01	4.1	86,712,253
3	EXIM Bank 1st Mutual Fund	10	26,296,648	183,997,567	7.00	4.1	107,816,257
4	First Bangladesh Fixed Income Fund	10	38,807,348	249,999,963	6.44	3.7	143,587,188
5	SEML Lecture Equity Management Fund	10	5,000,000	50,263,870	10.05	5.9	29,500,000
6	Vanguard AML BD Finance Mutual Fund One	10	10,000,000	100,000,000	10.00	5.5	55,000,000
Sub total (B)				736,991,389			424,807,759
Total (A+B)				3,195,428,406			1,819,116,926
Available cash balance				35,554,861			
Total				3,230,983,267			

C. Unquoted

1	Central Depository Bangladesh Limited			3,138,890	-	-	3,138,890
2	SWIFT Membership			5,559,065	-	-	5,559,065
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			2,250,000,000	-	-	2,250,000,000
6	RACE special opportunities unit fund			250,000,000	-	-	250,000,000
7	ICB AMCL 2nd NRB			4,476,750	-	-	4,476,750
Sub total				2,527,674,705			2,527,674,705
Total				5,758,657,972			

The Premier Bank Limited

Balance Sheet of Islamic Banking Branches as at December 31, 2019

Annexure- I

Particulars	Notes	Amount in Taka	
		2019	2018
PROPERTY AND ASSETS			
Cash		54,607,409	29,887,275
In hand (including foreign currencies)	1.1	54,077,455	29,074,920
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	1.2	529,954	812,355
Balance with other banks and financial institutions	2	-	-
In Bangladesh	2.1	-	-
Outside Bangladesh		-	-
Placement with banks other financial institutions		-	-
Investment in shares & securities	3	650,000,000	290,000,000
Government	3.1	650,000,000	290,000,000
Others	3.2	-	-
Investments (including bills)	4	12,865,757,433	9,115,179,099
General investment		12,372,041,348	8,957,713,827
Bills purchased and discounted		493,716,085	157,465,272
Fixed assets including premises, furniture and fixtures	5	10,068,726	10,083,170
Other assets	6	3,896,521,771	7,938,149,003
Non-banking assets		-	-
Total Assets		17,476,955,339	17,383,298,547
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	7	5,000,000,000	8,000,000,000
Deposits and other accounts		12,110,625,780	9,187,705,064
Mudaraba savings deposits		485,227,586	369,518,999
Mudaraba term deposits		8,697,046,921	8,350,621,648
Al -wadiyah Current deposits and other accounts		2,894,969,865	168,301,643
Bills payable		33,381,409	299,262,774
Other liabilities	8	366,329,559	195,593,483
Total Liabilities & Capital		17,476,955,339	17,383,298,547
Contingent Liabilities			
Acceptances and endorsements		1,811,595,120	829,679,000
Letters of guarantee		541,091,249	445,228,263
Irrevocable letters of credit		3,125,326,000	1,014,815,887
Bills for collection		756,281,500	77,747,500
Other contingent liabilities		-	-
		6,234,293,869	2,367,470,650
Other commitments		-	-
Total Off-Balance Sheet Items		6,234,293,869	2,367,470,650

The Premier Bank Limited

Profit and Loss Statement of Islamic Banking Branches for the year ended 31 December 2019

	Notes	Amount in Taka	
		2019	2018
OPERATING INCOME			
Investment income	9	2,082,036,279	1,524,691,599
Profit paid on deposits, borrowings, etc.	10	(980,373,270)	(802,515,363)
Net investment income		1,101,663,009	722,176,236
Commission, exchange and brokerage	11	67,401,289	24,597,574
Other operating income	12	31,314,498	12,965,539
Total operating income (A)		1,200,378,796	759,739,349
Salary and allowances	13	45,273,440	41,524,704
Rent, taxes, insurance, lighting, etc.	14	16,146,814	17,214,961
Postage, stamps, telecommunication, etc.	15	3,356,524	2,267,416
Stationery, printing, advertisement, etc.	16	829,129	870,017
Depreciation and repair of Bank's assets	17	1,925,158	2,259,019
Other expenses	18	5,552,593	2,487,800
Total operating expenses (B)		73,083,657	66,623,917
Total operating profit (C=A-B)		1,127,295,138	693,115,432

The Premier Bank Limited

Notes to Financial Statements of Islamic Banking Branches as at 31 December 2019

		Amount in Taka	
		2019	2018
1. Cash			
1.1 Cash in hand			
	In local currency	53,495,495	28,730,230
	In foreign currency	581,960	344,690
		54,077,455	29,074,920
1.2 Balance with Bangladesh Bank and its agent bank(s)			
	Balance with Bangladesh Bank		
	In local currency	529,954	812,355
	In foreign currency	-	-
		529,954	812,355
		54,607,409	29,887,275
2. Balance with other banks and financial institutions			
	In Bangladesh	-	-
	Outside Bangladesh	-	-
		-	-
3. Investment in shares and securities			
3.1 Government securities			
	Treasury bills	-	-
	Bangladesh Bank bills	-	-
	Islamic Investment Bond	650,000,000	290,000,000
	Treasury bonds	-	-
	Repo	-	-
	Prize bonds	-	-
		650,000,000	290,000,000
3.2 Others			
	In shares and bonds (quoted and unquoted)		
	Quoted		
	Investment in Shares (Islami)	-	-
		-	-
	Unquoted	-	-
		650,000,000	290,000,000
4. Investments (including bills)			
	General investment	12,372,041,348	8,957,713,827
	Bills purchased and discounted	493,716,085	157,465,272
		12,865,757,433	9,115,179,099
5. Fixed assets including premises, furniture and fixtures			
	Land and Building	-	-
	Furniture and fixtures	6,544,464	6,884,046
	Equipment and computers	3,524,262	3,199,124
	Vehicles	-	-
		10,068,726	10,083,170

		Amount in Taka	
		2019	2018
6.	Other assets		
	Head Office general account	3,695,321,846	7,862,184,361
	Adjusting account	191,583,014	67,162,000
	Stock of stationery	177,874	106,223
	Stamp in hand	60,285	46,425
	Advance income tax	-	-
	Prepaid expenses	7,094,779	127,025
	Sundry assets	2,283,973	8,522,969
		3,896,521,771	7,938,149,003
7.	Borrowings from other banks, financial institutions and agents		
	In Bangladesh (note 7.1)	5,000,000,000	8,000,000,000
	Outside Bangladesh	-	-
		5,000,000,000	8,000,000,000
7.1	In Bangladesh		
	Bangladesh Bank (Refinance facility)	5,000,000,000	8,000,000,000
		5,000,000,000	8,000,000,000
8.	Other liabilities		
	Adjusting account	350,351,049	185,376,338
	Profit suspense A/C	517,196	5,448,339
	Investment compensation	15,461,314	4,768,806
		366,329,559	195,593,483
9.	Investment income		
	Profit received from customers other than banks	1,598,530,811	887,183,731
	Profit received on Head Office general account	468,404,511	620,264,570
	Profit received on deposit with other banks	-	-
	Profit on Government Securities	15,000,000	16,453,933
	Dividend Income	100,957	789,365
	Capital gain on sale of investment in shares	-	-
		2,082,036,279	1,524,691,599
10.	Profit paid on deposits, borrowings, etc.		
	Profit paid on deposits	980,373,270	802,515,363
		980,373,270	802,515,363
11.	Commission, exchange and brokerage		
	Commission	56,098,577	20,561,145
	Exchange earnings	11,302,712	4,036,429
		67,401,289	24,597,574
12.	Other income		
	Services and other charges	1,862,737	1,185,775
	Postage recovers	902,250	322,348
	Telex/fax/e-mail charges received	5,068,341	2,540,353
	Incidental charges	1,602,774	1,693,618
	Miscellaneous earnings	21,878,396	7,223,445
		31,314,498	12,965,539
13.	Salary and allowances		
	Basic pay	18,332,197	19,601,235
	Allowances	19,386,746	15,028,290
	Bonus	5,803,877	5,308,766
	Provident fund contribution & retirement benefit	1,750,620	1,586,413
		45,273,440	41,524,704

		Amount in Taka	
		2019	2018
14.	Rent, taxes, insurance, electricity, etc.		
	Rent, rates and taxes	11,350,058	12,378,350
	Insurance	4,028,968	4,064,898
	Electricity, gas, water, etc.	767,788	771,713
		16,146,814	17,214,961
15.	Postage, stamp, telecommunication, etc.		
	Telephone	160,000	156,000
	Postage, stamp and swift charges	2,776,179	1,684,305
	Telegram, telex, fax and e-mail	420,345	427,111
		3,356,524	2,267,416
16.	Stationery, printing, advertisement, etc.		
	Printing and stationery	812,255	849,017
	Publicity and advertisement	16,874	21,000
		829,129	870,017
17.	Depreciation and repair of Bank's assets		
	Repairs:		
	Furniture and fixtures	20,916	38,150
	Office equipment	254,740	356,307
	Renovation and maintenance of premises	115,803	58,591
		391,459	453,048
	Depreciation:		
	Vehicles	-	-
	Furniture and fixtures	690,536	867,456
	Office equipment	843,163	938,515
		1,533,699	1,805,971
		1,925,158	2,259,019
18.	Other expenses		
	Washing and cleaning	184,830	177,372
	Subscription	24,225	24,225
	Entertainment	3,023,892	1,044,529
	Travelling	170,100	102,920
	Conveyance	276,880	161,695
	Liveries and uniform	25,880	22,470
	Cash carrying charges	492,600	377,200
	Law charges	169,712	169,712
	Sundry expenses	1,184,474	407,677
		5,552,593	2,487,800

The Premier Bank Limited

Balance Sheet of Off-shore Banking Units as at December 31, 2019

Annexure- J

Particulars	Notes	31.12.2019		31.12.2018	
		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	3,327,656	280,937,322	5,135,731	428,448,337
Outside Bangladesh		-	-	-	-
		3,327,656	280,937,322	5,135,731	428,448,337
Loans and advances					
Loans, cash credits, overdrafts, etc.	4	18,892,602	1,595,007,887	14,657,616	1,222,811,636
Bills purchased and discounted	5	46,796,167	3,950,766,415	40,664,063	3,392,399,487
		65,688,769	5,545,774,302	55,321,680	4,615,211,123
Fixed assets including premises, furniture and fixtures					
Other assets		91,748	7,745,847	91,748	7,654,059
Non - banking assets		-	-	-	-
Total assets		69,108,173	5,834,457,471	60,549,158	5,051,313,519
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents					
Deposits and other accounts					
Current deposits	6	15,989	1,349,900	26,982	2,250,988
Savings bank deposits		-	-	-	-
Term deposits		65,216,952	5,505,941,206	57,014,111	4,756,402,188
Sundry Deposit		-	-	-	-
		65,232,942	5,507,291,106	57,041,093	4,758,653,176
Other liabilities	7	1,199,798	101,292,940	990,003	82,591,028
Total liabilities		66,432,740	5,608,584,046	58,031,096	4,841,244,204
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Foreign currency gain		-	-	-	-
Other reserve		-	-	-	-
Surplus in profit and loss account		2,675,433	225,873,425	2,518,062	210,069,314
Total Shareholders' equity		2,675,433	225,873,425	2,518,062	210,069,314
Total liabilities and Shareholders' equity		69,108,173	5,834,457,471	60,549,158	5,051,313,519

The Premier Bank Limited

Balance Sheet of Off-shore Banking Units as at December 31, 2019

Particulars	Notes	2019		2018	
		USD	Taka	USD	Taka
OFF- BALANCE SHEET ITEMS					
Contingent liabilities					
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
		-	-	-	-
Other commitments					
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		-	-	-	-
		-	-	-	-
Other memorandum items					
Value of travellers' cheques in hand		-	-	-	-
Value of Bangladesh sanchay patras in hand		-	-	-	-
		-	-	-	-
Total Off-Balance Sheet items including contingent liabilities		-	-	-	-

The Premier Bank Limited

Off-shore Banking Units

Profit and Loss Account for the year ended December 31, 2019

Particulars	Notes	31.12.2019		31.12.2018	
		USD	Taka	USD	Taka
Interest income	8	3,647,278	307,921,477	3,429,608	286,115,022
Interest paid on deposits, borrowings, etc.	9	(314,958)	(26,590,309)	(358,329)	(29,893,597)
Net interest		3,332,321	281,331,168	3,071,279	256,221,426
Commission, exchange, brokerage, etc.		-	-	-	-
Other operating income		-	-	-	-
Total operating income (A)		3,332,321	281,331,168	3,071,279	256,221,426
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		-	-	-	-
Total operating expenses (B)		-	-	-	-
Profit / (loss) before provision (C=A-B)		3,332,321	281,331,168	3,071,279	256,221,426
Provision for loans and advances / investments		-	-	-	-
Specific provision		-	-	-	-
General provision		656,888	55,457,743	553,217	46,152,111
		656,888	55,457,743	553,217	46,152,111
Provision for diminution in value of investments		-	-	-	-
Other provision		-	-	-	-
Total provision (D)		656,888	55,457,743	553,217	46,152,111
Total profit / (loss) before taxes (C-D)		2,675,433	225,873,425	2,518,062	210,069,314

The Premier Bank Limited

Off-shore Banking Units

Notes to the Financial Statements for the year ended December 31, 2019

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, International 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 recognized 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 IAS-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, 2019.

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 84.4250 at mid rate of December 31, 2019.

	31.12.2019		31.12.2018	
	USD	Taka	USD	Taka
3 Balance with other banks and financial institutions				
In Bangladesh (Note-3.1)	3,327,656	280,937,322	5,135,731	428,448,337
Outside Bangladesh (Note-3.2)	-	-	-	-
	3,327,656	280,937,322	5,135,731	428,448,337
3.1 In Bangladesh	3,327,656	280,937,322	5,135,731	428,448,337
3.2 Outside Bangladesh (Nostro accounts)				
Current account	-	-	-	-
4 Loans and advances				
i) Loans, cash credits, overdrafts, etc.				
Loan (General)	18,892,602	1,595,007,887	14,657,616	1,222,811,636
Lease finance	-	-	-	-
Syndication Term Loans	-	-	-	-
	18,892,602	1,201,439,543	14,657,616	1,222,811,636
ii) Bills purchased and discounted (note-5)				
Payable Inside Bangladesh	-	-	-	-
Inland bills purchased	-	-	-	-
Payable Outside Bangladesh	46,796,167	3,950,766,415	40,664,063	3,392,399,487
Foreign bills purchased and discounted	46,796,167	3,950,766,415	40,664,063	3,392,399,487
	65,688,769	5,152,205,958	55,321,679	4,615,211,122
5 Bills purchased and discounted				
Payable in Bangladesh	-	-	-	-
Payable outside Bangladesh	46,796,167	3,950,766,415	40,664,063	3,392,399,487
	46,796,167	3,950,766,415	40,664,063	3,392,399,487
6 Deposits and other accounts				
Bank deposits	-	-	-	-
Customer deposits and other accounts (Note-6.1)	65,232,942	5,507,291,106	57,041,093	4,758,653,216
	65,232,942	5,507,291,106	57,041,093	4,758,653,216
6.1 Customer deposits and other accounts				
Current deposits	15,989	1,349,900	26,982	2,250,988
Term deposits	65,216,953	5,505,941,206	57,014,111	4,756,402,228
Savings bank deposits	-	-	-	-
Sundry deposits	-	-	-	-
	65,232,942	5,507,291,106	57,041,093	4,758,653,216
7 Other liabilities				
Interest on bills discount	-	-	-	-
Provision for loan & advances	656,888	55,457,743	553,217	46,152,111
Interest Suspense	12,690	1,071,379	73,559	6,136,657
Accrued interest on FDR	530,220	44,763,818	363,228	30,302,260
Head Office DEPZ Dollar Account	-	-	-	-
	1,199,798	101,292,940	990,003	82,591,028

	31.12.2019		31.12.2018	
	USD	Taka	USD	Taka
Contingent liabilities				
Acceptance & endorsement Back to Back bills	-	-	-	-
Less: Margin	-	-	-	-
Letters of credits				
Letters of credits Customer liabilities PAD Back to Back letter of credit	-	-	-	-
Less: Margin	-	-	-	-
Letters of guarantee				
Letters of guarantee (Local) Letters of guarantee (Foreign) Foreign counter guarantees	-	-	-	-
Less: Margin	-	-	-	-
Bills for collection				
Outward local bills for collection Outward foreign bills for collection Inward local bills for collection Inward foreign bills for collection	-	-	-	-
Less: Margin	-	-	-	-
8 Interest income				
Loan (general) LTR loan Lease finance Payment against documents Interest on loans and advances	3,647,278	307,921,477	3,429,608	286,115,022
Commission Others Interest on balance with other banks and financial institutions Interest received from foreign banks	-	-	-	-
Total income	3,647,278	307,921,477	3,429,608	286,115,022
9 Interest on deposits, borrowings, etc.				
a) Interest paid on deposits b) Interest paid on local bank accounts c) Interest paid on foreign bank accounts	314,958	26,590,309	358,329	29,893,597
	314,958	26,590,309	358,329	29,893,597

The Premier Bank Limited

Annexure-K

Reconciliation of net profit with cash flows from operating activities (Consolidated) For the year ended 31 December 2019

	Amount in Taka	
	2019	2018
Net profit after taxation	3,338,554,757	2,268,937,264
Additions		
Provision (Loans and Advances)	2,639,995,394	776,261,468
Provision (investments in shares)	171,009,653	489,765,533
Provision (Off balance sheet items)	-	200,000,000
Provision (other assets)	-	162,254,940
Depreciation of Property, plant and equipment	428,584,040	193,111,709
Increase in interest payable	236,849,320	333,519,285
Disposal of Subsidiary	10,000,000	10,000,000
Increase in provision for Taxation	176,457,993	109,431,816
Deductions		
Effects of exchange rate changes on cash and cash equivalents	(1,694,288,751)	(1,216,068,699)
Increase in interest receivable	(1,039,884,576)	(1,010,376,454)
Increase in deferred tax assets	(967,523,024)	(112,356,755)
Cash flows from operating activities as per cash flow statement	3,299,754,806	2,204,480,107

Reconciliation of net profit with cash flows from operating activities (Solo) For the year ended 31 December 2019

	Amount in Taka	
	2019	2018
Net profit after taxation	3,338,162,057	2,226,849,326
Additions		
Provision (Loans and Advances)	2,639,995,394	776,261,468
Provision (investments in shares)	171,009,653	489,765,533
Provision (Off balance sheet items)	-	200,000,000
Provision (other assets)	-	152,054,940
Depreciation of Property, plant and equipment	427,947,624	192,501,348
Increase in interest payable	236,849,320	333,519,285
Disposal of Subsidiary	10,000,000	10,000,000
Increase in provision for Taxation	165,522,442	102,032,747
Deductions		
Effects of exchange rate changes on cash and cash equivalents	(1,694,288,751)	(1,216,068,699)
Increase in interest receivable	(1,039,884,576)	(1,010,376,454)
Increase in deferred tax assets	(967,523,024)	(112,356,755)
Cash flows from operating activities as per cash flow statement	3,287,790,139	2,144,182,739

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 31 December 2019

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
- * Annexure - A

K. M. HASAN & CO.

Chartered Accountants
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Independent Auditor's Report

To The Shareholders of Premier Bank Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PREMIER BANK SECURITIES LIMITED, which comprise the statement of financial position as at December 31, 2019, and statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, give a true and fair view, in all material respects of the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994 the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act, 1994 the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company' financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 1987, we also report the following:

- 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 these books;
- c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Place : Dhaka, Bangladesh
Dated : 10 June, 2020


K. M. HASAN & CO.
Chartered Accountants

Premier Bank Securities Limited

Statement of Financial Position as at 31 December 2019

	Particulars	Notes	Amount in Taka	
			2019	2018
ASSETS				
Current assets				
	Cash and Bank Balances	5	186,929,793	141,894,174
	Accounts Receivable from Exchange	6	-	-
	Accounts Receivable from Securities Trading	7	3,076,568	31,739,336
	Receivable from Margin Clients	8	3,205,258,353	2,977,800,316
	Investment in securities (Own portfolio)	9	123,126,242	978,260
	Other Assets	10	71,800,800	109,648,200
	Advance Income Tax	11	77,262,281	60,869,784
			3,667,454,037	3,322,930,070
Non-current assets				
	Fixed assets	12	3,595,092	2,586,991
	Dhaka Stock Exchange Ltd.	13	487,500,000	487,500,000
	Chittagaon Stock Exchange	14	180,000,000	180,000,000
	Loss on Sale of Strategic Investment in Shares (DSE)		83,080,455	103,850,569
			754,175,547	773,937,560
	Total assets		4,421,629,584	4,096,867,630
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
	Payable to Clients	15	108,616,004	148,455,245
	Short Term Loan from PBL	16	384,372,354	199,817,318
	Payable to Exchanges	17	12,115,272	(311,346)
	Other Liabilities and Provisions	18	758,990,575	591,763,733
			1,264,094,205	939,724,950
Non-current Liabilities				
	Long Term Loan	19	500,000,000	500,000,000
Shareholder Equity				
	Share Capital	20	2,500,000,000	2,500,000,000
	Retained Earnings	21	157,535,379	157,142,680
			2,657,535,379	2,657,142,680
	Total equity and liabilities		4,421,629,584	4,096,867,630

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 10 June, 2020 and were signed on its behalf by :



Chairman



Director



Chief Executive Officer

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

Place: Dhaka, Bangladesh
Dated : 10 June, 2020


K. M. HASAN & CO.
Chartered Accountants

Premier Bank Securities Limited

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Revenue	22	246,142,508	260,608,088
Less: Direct Expenses	23	14,741,694	5,651,955
Gross Profit		231,400,814	254,956,133
Less: Operating Expenses	24	187,443,762	172,293,807
Less: Finance Expenses	25	60,182,766	45,579,373
Operating Profit/ (Loss)		(16,225,715)	37,082,953
Add: Other Income	26	32,670,022	28,078,054
Profit Before Provision and Income Tax		16,444,307	65,161,007
Less: Provision for Margin Loan		-	10,200,000
Net Profit before Income Tax		16,444,307	54,961,007
Less: Provision for Income Tax		16,051,608	12,873,069
Net Profit /(Loss) After Income Tax		392,699	42,087,938
Add: Other Comprehensive Income		-	-
Total Comprehensive Income		392,699	42,087,938

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 10 June, 2020 and were signed on its behalf by :

FOR PREMIER BANK SECURITIES LIMITED.



Chairman



Director



Chief Executive Officer

Place: Dhaka, Bangladesh
Dated : 10 June, 2020


K. M. HASAN & CO.
Chartered Accountants

Premier Bank Securities Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total
Balance as at 01 January 2019	2,500,000,000	157,142,680	2,657,142,680
Net Profit /(Loss) After Income Tax	-	392,699	392,699
Balance as at 31 December 2019	2,500,000,000	157,535,379	2,657,535,379

For the year ended 31 December 2018

Amount in Taka

Particulars	Share Capital	Retained earnings	Total
Balance as at 01 January 2018	2,500,000,000	115,054,742	2,615,054,742
Net Profit /(Loss) After Income Tax	-	42,087,938	42,087,938
Balance as at 31 December 2018	2,500,000,000	157,142,680	2,657,142,680

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 10 June, 2020 and were signed on its behalf by :

FOR PREMIER BANK SECURITIES LIMITED.



Chairman



Director



Chief Executive Officer

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

Place: Dhaka, Bangladesh
Dated : 10 June, 2020


K. M. HASAN & CO.
Chartered Accountants

Premier Bank Securities Limited

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2019

	Amount in Taka	
	2019	2018
A. Cash flows from Operating activities:		
Net Profit Before Income Tax	16,444,307	54,961,007
Add: Depreciation	636,416	610,361
Loss on Sale of Strategic Investment in Shares (DSE)	20,770,114	(103,850,569)
Operating Profit before Changes in Operating Assets and Liabilities	37,850,837	(48,279,201)
Increase/Decrease in Operating Assets and Liabilities		
(Increase)/Decrease in Margin loan to client	(227,458,037)	(381,315,632)
(Increase)/Decrease in Advance, deposit & prepayments	37,847,400	38,781,800
(Increase)/Decrease in Trade receivable	28,662,768	(25,674,433)
Increase/(Decrease) in Trade payable	(27,412,623)	(169,337,085)
Increase/(Decrease) in Other liabilities	156,649,234	127,764,452
Increase/(Decrease) in Provision for margin loan	-	10,200,000
Increase/(Decrease) in Liability for expenses	-	45,488,125
Income Tax paid	(21,866,497)	(13,344,009)
Net cash used in Operating activities	(15,726,918)	(415,715,984)
B. Cash flows from Investing activities:		
Acquisition of Property, Plant and Equipment	(1,644,518)	(237,200)
Investment in Dealer Account	(122,147,982)	(759,883)
Cash proceed from sale of Strategic Investment in Shares (DSE)	-	162,500,000
Net cash (used in)/Provided from Investing activities	(123,792,500)	161,502,917
C. Cash flows from Financing activities:		
Short Term Loan from PBL	184,555,036	-
Net cash provided from financing activities	184,555,036	-
Net surplus in cash and bank balance for the period (A+B+C)	45,035,619	(254,213,067)
Cash and Bank Balances at the beginning of the year	141,894,174	396,107,241
Cash and Bank Balances as at 31 December 2019	186,929,793	141,894,174

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 10 June, 2020 and were signed on its behalf by :

FOR PREMIER BANK SECURITIES LIMITED.



Chairman



Director



Chief Executive Officer

Place: Dhaka, Bangladesh
Dated : 10 June, 2020

Premier Bank Securities Limited

Notes to the Financial Statements as at and for the year ended 31 December 2019

1. The Company and its Activities

1.1 Legal status and nature of the company

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. Significant Accounting Policies:

2.1 Basis of Presentation of Financial Statements

The financial statements have been prepared on a going concern basis applying accrual basis of accounting except for statement of cash flows in accordance with and in compliance with International Financial Reporting Standards (IFRS), the Companies Act 1994, Securities and Exchange Rules 1987, Securities and Exchange Act 1993, conditions and regulations issued by the Bangladesh Securities and Exchange Commission (BSEC), Schedule-B reference no. BSEC/CMRRCD/2017-357/221/Admin/89 Date: 29, May 2019 and other applicable laws and regulations. Statement of Cash Flows is prepared in accordance with International Accounting Standard (IAS) 7: "Statement of Cash Flows" and the cash flows from operating activities are presented under the indirect method as prescribed by the Securities and Exchange Rules, 1987.

2.2 Basis of Measurement

The financial statements have been prepared based on historical cost convention basis. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.3 Use of Estimates and Judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Provisions and accrued expenses are recognized in the financial statements in line with the International Accounting Standard (IAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when - The Company has a legal or constructive obligation as a result of past event.

- i) it is probable that an outflow of economic benefit will be required to settle the obligation.
- i) a reliable estimate can be made for the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.4 Components of Financial Statements

The financial statements referred to here comprises:

- a) Statement of Financial Position
- b) Statement of Profit or Loss and Other Comprehensive Income
- c) Statement of changes in Equity
- d) Statement of Cash Flows and
- e) Notes, comprising a summary of significant accounting policies and other explanatory notes

2.5 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with International Accounting Standard (IAS) 7: "Statement of Cash Flows" and the cash flows from operating activities are presented under the indirect method as prescribed by the Securities and Exchange Rules, 1987.

2.6 Going Concern

The Company has adequate resources to continue in operation for foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.7 Recognition and measurement of financial assets

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

2.8 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the International Financial Reporting Standard (IFRS) 15 "Revenue from Contracts with Customers":

a. Brokerage Commission

Brokerage commission is recognized as income when selling or buying order is signed and trade is executed.

b. Interest Income from Margin Loan

Interest income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective clients. Income is recognized on Quarterly basis.

c. Dividend income and gain/ (loss) on sale of marketable securities

Dividend income is recognized when the right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

2.9 Cash and Bank Balances

Cash and Bank Balances include cash in hand and cash at bank which are held and are available for use by the Company without any restriction. There is insignificant risk of change in the value of the above items.

2.10 Property, Plant & Equipment

Fixed assets are recorded at cost and have limited useful lives (except land). All expenses incurred for the purpose of acquiring, installing and bringing the fixed assets into its present location for intended use have to be capitalized and included in the cost of the fixed assets.

2.11 Depreciation

Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful lives of such assets. The rates of depreciation used on a straight-line method are as follows:

The rates of depreciation used on a reducing balance method are as follows:

<u>Name Of Assets</u>	<u>Rate of Depreciation</u>
Office Equipment's	20%
Software	20%
Electrical Equipment's	20%
IT Infrastructure	20%
Land & Building	2.5%

2.12 Right on Use Asset

The company has complied with International Financial Reporting standards IFRS (16): Lease and accordingly accounted for asset under appropriate head. However upon review of company's lease rental agreement, termination clause include a clause like " Both party can cancel the agreement with 3 (three) months prior notice, which indicates that lease term is not more than 1 year. So company need not to include in Right of Use (ROU) assets".

2.13 Investment in Shares

Investment in quoted shares (or shares held for sale) and unquoted shares are initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares. After initial recognition, investment in quoted shares has been revalued at cost at reporting date. Net of unrealized gain and loss has not been recognized in the Statement of Profit or Loss and Other Comprehensive Income.

2.14 Advance, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory, etc.

2.15 Advance Income Tax

The amount of advance income tax is mainly deduction at sources by DSE & CSE on daily transactions of broker & dealer operation. Tax deduction on interest income and dividend income are also included here.

2.16 Provision for current Tax

Provision for current tax is made in accordance with the provision of Income Tax Ordinance, 1984 and subsequent amendments made thereto from time to time.

2.17 Provision for expenses

Provision for expenses is recognized when the Company 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 obligations and reliable estimate of the amount can be made.

2.18 Provision against unrealized loss in shares purchased as dealer and Margin Loan

As per Bangladesh Securities and Exchange Commission Order No. BSEC/SRI/Policy/3/2020/68 dated on 12 January 2020, the company kept 20% Provision against Unrealized Loss in Securities of 2019.

2.19 Related Party Disclosures

As per IAS 24 "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. Mercantile Bank Securities Limited) that is preparing its financial statements. Related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per IAS 24.

Related parties include the company's directors, key management personnel, associates, companies under common directorship etc. as per IAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible.

2.20 Events after the balance sheet date

Events after the balance sheet date that provide additional information about the company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting event are disclosed in the notes when material.

2.21 Management' responsibility on financial statements

The management of the company is responsible for the preparation and presentation of these financial statements.

2.22 Reporting period

These financial statements cover period from 1 January 2019 to 31 December 2019.

3 Authorisation for issue

These financial statements are authorised for issue by the Board of Directors of the company on 10 June, 2020

4 General

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

5 Cash and Bank Balances

	Amount in Taka	
	2019	2018
Cash in hand (Note-5.1)	65,736	151,196
Cash at Bank in Company's account (Note-5.2)	405,684	301,626
Cash at Bank in trading accounts (Stock Dealer A/C) (Note-5.3)	935,369	9,180,330
Cash at Bank accounts for clients (consolidated customer account) (Note-5.4)	144,075,738	93,480,865
Cash at Bank at IPO Account (Note-5.5)	977,681	900,841
Investment on FDR (Note-5.6)	40,469,585	37,879,316
	186,929,793	141,894,174

5.1 Cash in hand

Head Office	34,169	59,759
Gulshan extended Office of HO	811	8,772
Kakrail	1,101	10,160
Kawran Bazar	4,446	16,752
Kalabagan	85	6,005
Motijheel	17,109	33,418
O. R. Nizam Road (Ctg.)	8,015	16,330
	65,736	151,196

		Amount in Taka	
		2019	2018
5.2	Cash at Bank in Company's account		
	The Premier Bank Ltd. (Banani Branch)		
	Revenue Account No. 0104 13100002817	307,160	210,624
	SND Account No. 010413100002818	91,573	84,050
	SND Account No. 705	6,952	6,952
		405,684	301,626
5.3	Cash at Bank in trading accounts (Stock Dealer A/C)		
	The City Bank Ltd. (Banani Branch)		
	PBSL Dealer Account No. 3101521765001	935,369	9,180,330
		935,369	9,180,330
5.4	Cash at Bank accounts for clients (consolidated customer account)		
	The Premier Bank Ltd. (Banani Branch)		
	SND Account No.0104 13500000008	130,454,486	88,616,903
	The City Bank Ltd. (Banani Branch)		
	SND Account No. 3101307505001	13,621,252	4,863,962
		144,075,738	93,480,865
5.5	Cash at Bank at IPO Account		
	The Premier Bank Ltd. (Banani Branch)		
	SND Account No. 0104 13100002858	977,681	900,841
		977,681	900,841
5.6	Investments in FDR		
	The Premier Bank Ltd. (Banani Branch)		
	A/C No. 0140-25400000150	40,469,585	37,879,316
		40,469,585	37,879,316
6	Accounts Receivable from Exchange, Depository and CCP		
	Cash Deposits with Exchanges (as Margin/Security)(mandatory/Excess)		
	Mandatory	-	-
	Excess over mandatory	-	-
	Cash deposit with Clearing House (As margin)(mandatory/Excess)		
	Mandatory	-	-
	Excess over mandatory	-	-
	Cash Deposit with depository (as per rule) (mandatory/Excess)		
	Mandatory	-	-
	Excess over mandatory	-	-
7	Accounts Receivable from securities Trading		
	Receivable from DSE (Note-7.1)	2,968,538	31,739,336
	Receivable from CSE (Note-7.2)	15,287	-
	Receivable from Stock-Broker/Stock- Dealer	-	-
	Receivable from Merchant Banker	-	-
	Receivable from Selling Agents	-	-
	Receivable from others (Accrued Interest of FDR)	92,743	-
	Total Accounts Receivable from securities Trading	3,076,568	31,739,336
7.1	Receivable from DSE		
	Receivable against A, B, G & N category	921,736	31,739,336
	Receivable against Z category	2,046,802	-
	Receivable against DVP category	-	-
		2,968,538	31,739,336

		Amount in Taka	
		2019	2018
7.2	Receivable from CSE		
	Receivable against A, B, G & N category	-	-
	Receivable against Z category	15,287	-
	Receivable against DVP category	-	-
		15,287	-
8	Receivable from Margin Clients		
	Receivable from Clients having no margin or full erosion of clients' equity (e.g. no equity against debit balance)	2,919,238,604	-
	Receivable from Clients fall under force sale condition (e.g. equity is between 100% and 125% of DB)	151,643,380	-
	Receivable from Clients fall under margin call (e.g. equity is > 125% of DB but < 150% of DB)	1,987,416	-
	Receivable from regular margin clients (e.g. equity is >150% of debt balance)Clients	132,388,953	-
		3,205,258,353	2,977,800,316
9	Investment in securities (Own portfolio)		
	Proprietary Positions in Equity Securities		
	Value of "A" Category Instruments	102,868,327	978,260
	Value of "B/G/N" Category Instruments	20,257,915	-
	Value of "Z" Category Instruments	-	-
	Value of "OTC" Category Instruments	-	-
	Value of "Non Listed" Instruments	-	-
	Own Subscription in IPOs but not yet allotted (Note 9.1)	-	-
	Unrealized (Gain)/Loss	-	-
		123,126,242	978,260
9.1	Own Subscription in IPOs but not yet allotted		
	Esquire Knit Composite Limited (EKCL)	-	-
	Runner Automobiles Ltd.	-	-
	ADN Telecom Limited	-	-
	Genex Infosys Limited	-	-
		-	-
10	Other Assets		
	Receivable against Advisory Fees, Commission, etc	-	-
	Prepaid Expenses (Note-10.1)	71,775,800	109,623,200
	Security Deposit against Clearing House-CSE	25,000	25,000
		71,800,800	109,648,200
10.1	Prepaid Expenses		
	Advance to RJSC	36,000	195,000
	Advance office rent of gulshan office	69,615,000	106,743,000
	Advance office rent of Motijheel office	2,124,800	2,685,200
		71,775,800	109,623,200
11	Advance Income Tax		
	Opening balance	55,395,784	47,525,775
	Add: Tax Deducted at Source Against Dividend Income	1,217,580	1,958,772
		56,613,364	49,484,547
	Add: Tax Deducted at Source DSE and CSE/ Others	14,834,027	4,775,358
		71,447,391	54,259,905
	Add: Tax Deducted at Source Against Bank Interest	698,833	1,135,879
		72,146,224	55,395,784
	Add: Direct tax AY 2013-2014	-	4,200,000
	Direct tax AY 2014-2015	-	1274000
	Add: Direct tax AY 2018-2019	112,997	-
	Direct tax AY 2019-2020	5,003,060	-
		77,262,281	60,869,784

	Amount in Taka	
	2019	2018
12 Fixed assets		
Fixed Assets (net off depreciation & amortization):		
Land & Building	576,363	720,454
Building & Other Securities	-	-
Other Tangible Assets:	1,742,281	
Office Equipment's	1,924,487	-
Electrical Equipment's	800,415	-
IT Infrastructure	194,422	-
	3,495,687	2,462,735
Intangible Assets :		
Software	99,405	124,256
Goodwill, Patents & other Intangible Assets	-	-
	99,405	124,256
	3,595,092	2,586,991
13 Dhaka Stock Exchange Ltd.		
Opening Balance	487,500,000	650,000,000
Add: Investment made during the year	-	-
	487,500,000	650,000,000
Less: Sale/ Recovery during the year	-	162,500,000
Closing Balance	487,500,000	487,500,000

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. Later DSE have transferred 25% shares to Chinese Consortium-Strategic Partner of DSE by taking over 25% shares of TREC holders. As such Premier Bank Securities Limited sold 1,803,777 shares at Tk. 21 per share amount in Tk. 37,879,317, but the cost value of Tk. 90 per share amount in Tk. 162,500,045, however realised loss amount in Tk.124,620,728. The sale of shares to Chinese Consortium-Strategic Partner of DSE, is decision of government and the loss on such disposal is one-off nature. The management has decided to allocates loss equally to Six successive years.

13.1 Loss on Sale of Strategic Investment in Shares (DSE)

Particulars

Total Cost value of share	103,850,569	162,500,000
Less: Sale value of share	-	37,879,317
	103,850,569	124,620,683
Less: Adjusted during the year (1/6)	20,770,114	20,770,114
	83,080,455	103,850,569
14 Chattogram Stock Exchange		
Opening Balance		
Add: Investment made during the year	180,000,000	180,000,000
	-	-
Less: Sale/ Recovery during the year	180,000,000	180,000,000
Closing Balance	-	-
	180,000,000	180,000,000

As per the provision of the Exchange Demutualization Act, 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Chattogram 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.

		Amount in Taka	
		2019	2018
15	Payable to Clients	108,616,004	148,455,245
16	Short Term Loan from PBL		
	Borrowing for Margin Loan paid to Clients	199,817,318	-
	Borrowing for Investment in Stocks & Margin Loan paid to Clients	184,555,036	-
		384,372,354	199,817,318
17	Payable to Exchanges		
	Payable to Exchanges	12,115,272	(311,346)
	Payable to clearing house	-	-
	Payable to depository	-	-
	Payable to brokers	-	-
		12,115,272	(311,346)
18	Other Liabilities and Provisions :		
	Payable to Leads Corporation	430,000	430,000
	Payable to Issuer (IPO)	200	(2,250)
	Payable agst. Audit Fees	236,250	150,000
	Payable to PBL agst Adv. Off. Rent-H.O.	1,430,000	1,430,000
	Payable to Vat against office Rent Head Office	9,116,250	5,148,000
	Payable to Vat against office Rent H/O Ext. Gulshan	23,456,550	11,138,400
	Payable to Vat against office Rent Motijheel	477,400	225,400
	Payable to CDBL	237,494	-
	Payable agst. Expenses	595,485	-
	Provision for Expenses	331,735	-
	VAT Withheld-Director Fees	17,250	-
	TDS-Directoe Fees	11,500	-
	Payable agst. Salary	58,185	-
	Payable agst. Salary-Kalabagan	13,675	13,675
	Payable agst. Salary-Motijheel	11,914	11,914
	Interest Suspense A/C (Note-18.1)	488,593,123	395,310,764
	Provision for Margin Loan (Note-18.2)	10,200,000	10,200,000
	Provision for Income Tax (Note-18.3)	73,175,705	62,598,097
	Liability for Expenses (Note-18.4)	150,597,859	105,109,733
		758,990,575	591,763,733
18.1	Interest Suspense A/C		
	Opening balance	395,310,764	267,546,312
	Add: Interest Suspense Account	93,282,359	127,764,452
		488,593,123	395,310,764
	Liabilities made (to suspense A/C) against interest income-margin loan which was charged on the clients bearing negative equity.		
18.2	Provision for Margin Loan		
	Opening Balance	10,200,000	-
	Addition during the year	-	10,200,000
		10,200,000	10,200,000
18.3	Provision for Income Tax		
	Opening balance	57,124,097	49,725,028
	Add: Addition during the year	16,051,608	12,873,069
		73,175,705	62,598,097
	Less: Adjustment During the Year	-	-
		73,175,705	62,598,097

		Amount in Taka	
		2019	2018
18.4 Liability for Expenses			
Interest on Borrowing		105,109,733	59,621,608
Opening balance		45,488,126	45,488,125
Add: Addition during the year		150,597,859	105,109,733
Less: Adjustment During the Year		-	-
		150,597,859	105,109,733
19 Long Term Loan (Other than Current Portion)			
Borrowings from Premier Bank Limited		500,000,000	500,000,000
20 Share Capital			
Authorized Capital			
300,000,000 Ordinary Shares of Tk. 10 each		3,000,000,000	3,000,000,000
Issued, Subscribed and Paid Up Capital			
250,000,000 Ordinary Shares of Tk. 10 each		2,500,000,000	2,500,000,000
Name of Shareholders	No. of Shares		
The Premier Bank Ltd.	249,998,000	2,499,980,000	2,499,980,000
Mrs. Fauzia Rekza Banu	1,000	10,000	10,000
Mrs. Eliza Rahman	1,000	10,000	10,000
	250,000,000	2,500,000,000	2,500,000,000
21 Retained Earnings			
Opening Balance		157,142,680	115,054,742
Net profit/ (loss) during the year		392,699	42,087,938
		157,535,379	157,142,680
22 Revenue			
Commission-DSE		102,934,302	33,699,091
Interest Income - Margin Loan		138,331,235	224,060,528
BO Account Opening Fees		147,879	85,800
BO Account Maintenance Fees		1,906,050	2,031,500
CDBL Income		2,823,042	731,169
		246,142,508	260,608,088
23 Direct expenses			
Laga Charges-DSE		7,870,786	2,887,646
CDBL Charges-CDS Charges		5,459,358	1,196,309
CDBL Charges-BO Acc. Maintenance Charges		1,411,550	1,568,000
		14,741,694	5,651,955

	Amount in Taka	
	2019	2018
24 Operating expenses		
Salaries & Allowances	23,733,354	12,850,073
Festival Bonus	2,175,495	1,089,008
Casual Labour	1,120,821	1,202,825
Car Maintenance	339,962	-
Office Rent	127,465,760	127,494,743
Electricity Bill	5,979,917	5,255,229
Audit Fees	86,250	75,000
Tour & Travel	11,715	-
Conveyance	78,359	89,962
Authorisation Exp.-DSE	14,700	7,649
Internet Bill	-	7,500
Mobile Bill	285,642	71,500
Network Connection Charges	930,321	917,085
Office Expenses	-	425,848
Office Maintenance	340,668	216,960
Entertainment	715,037	-
PF Comp. Contribution	679,578	85,366
Printing & Stationeries	256,429	194,381
Paper & Periodicals	81,836	27,470
Postage & Courier	650	1,910
Renewal and Registration	358,000	330,960
Repair & Maintenance	85,410	-
Advertisement Expenses	20,000	-
Legal & Professional Fees	668,750	140,000
Loss on Sale of Strategic Investment in Shares (DSE)	20,770,114	20,770,114
Stamp and Cartridge	-	5,300
Telephone Bill	16,528	35,825
Training Expenses	5,000	5,000
Bidding Fee For ipo	-	40,000
Commission Charge on Dealer A/C	-	338
Gas Bill	22,300	19,200
WASA Bill	351,000	324,000
Legislative Charges	-	200
Director Fees	143,750	-
IPO Bidding/ Subscription Fee	15,000	-
DSE Charges	55,000	-
Depreciation	636,416	610,361
	187,443,762	172,293,807
25 Financing expenses		
Bank Charges	165,755	91,248
Interest Exp. on Loan from PBL (Margin)	60,017,011	45,488,125
	60,182,766	45,579,373

26 Other income

IPO Commission
Service Charges
Dividend Income
Gain from Investment in Share
Miscellaneous Income
Interest Income on FDR
Interest Income-Bank Acc.

Amount in Taka	
2019	2018
84,570	156,890
4,355,505	4,843,139
6,087,903	9,793,854
12,151,447	1,791,669
4,778	133,715
2,997,486	-
6,988,334	11,358,787
32,670,022	28,078,054

27 Events after the reporting period

- (a) The Board of Directors of the company in its meeting held on 10 June, 2020 approved the financial statements of the company for the year ended 31 December 2019 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.



Chairman



Director



Chief Executive Officer

Place: Dhaka, Bangladesh
Dated : 10 June, 2020

Fixed assets

Annexure -A
Amount in Taka

Asset Category	Cost		Rate (%)	Depreciation			Written Down Value at 31 December 2019
	Opening balance as at 01.01.2019	Addition during the year		Closing balance as at 31.12.2019	Opening balance as at 01.01.2019	Charged during the year	
Office Equipment's	3,588,635	719,568	20	1,962,565	421,151	2,383,716	1,924,487
Software	485,000	-	20	360,744	24,851	385,595	99,405
Electrical Equipment's	11,900	924,950	20	9,405	127,030	136,435	800,415
IT Infrastructure	870,100	-	20	627,073	48,605	675,678	194,422
Land & Building	850,000	-	2.5	258,858	14,779	273,637	576,363
Total as at 31 December 2019	5,805,635	1,644,518		3,218,645	636,416	3,855,061	3,595,092
Total as at 31 December 2018	5,568,435	237,200		2,608,283	610,361	3,218,643	2,586,992

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

*Software including TWS software.