

Financials 2017

Auditors Report to the Shareholders



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

Report on the financial statements

We have audited the accompanying 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 balance sheet and the separate balance sheet as at 31 December 2017, and the consolidated and separate profit and loss statements, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements and internal controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2 & 3 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also the separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Companies Act, 1991 (as amended in 2013) and the Bangladesh Bank regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditor's responsibility

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2017, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2 and note 3.15.

Emphasis of matter

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

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act 1991 (as amended in 2013), the rules and regulations issued by Bangladesh Bank and the Bangladesh Bank Letter No.: DBI-1/118/2018-1143 dated 2nd April 2018, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 3.11 appeared to be materially adequate;
 - ii) nothing has come to our attention regarding material instances of forgeries or irregularities or administrative error and exception or anything detrimental committed by employee of the Bank and its related entities other than matters disclosed in these financial statements;
- (c) financial statements of the subsidiary company of the Bank namely 'Premier Bank Securities Limited' have been audited by other auditors and have been properly reflected in the consolidated financial statements of the Bank so far as it appeared from our examination of those books;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (h) provisions have been made for loans and advances (Note 14.1) which are, in our opinion are doubtful of recovery and provision for off-balance sheet item (Note 14.3), other assets (Note 14.4.1 and 14.4.2), gratuity (Note – 14.2) and investment in shares (Note – 14.4.3) have been made in line with the Bangladesh Bank Letter No.: DBI-1/118/2018-1143 dated 2nd April 2018;
- (i) in our opinion, proper books of accounts as required by law have been kept by Premier Bank Limited so far as it appeared from our examination of those books;
- (j) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (k) the information and explanation required by us have been received and found satisfactory;
- (l) 80% of the risk-weighted assets have been audited covering 20 branches; and
- (m) we have spent around 4,850 person hours for the audit of the books and accounts of the Bank.

Dhaka, 04 April, 2018



Mahfel Huq & Co.
Chartered Accountants

The Premier Bank Limited

Consolidated Balance Sheet as at 31 December 2017

	Notes	Amount in Taka	
		2017	2016
PROPERTY AND ASSETS			
Cash	4(a)	11,338,246,488	10,035,167,151
In hand (including foreign currencies)	4.1(a)	1,648,447,462	1,207,373,971
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.2	9,689,799,026	8,827,793,180
Balance with other banks and financial institutions	5(a)	926,436,073	1,100,594,938
In Bangladesh		212,708,609	846,769,364
Outside Bangladesh		713,727,464	253,825,574
Money at call and short notice	6	-	-
Investments	7(a)	23,164,705,952	23,301,143,562
Government securities	7.1	17,040,173,917	16,263,333,802
Others	7.2(a)	6,124,532,035	7,037,809,760
Loans, advances and lease/ investments	8(a)	137,728,107,037	113,777,562,064
Loans, cash credits, overdrafts, etc.		132,924,112,287	108,019,159,866
Bills purchased and discounted		4,803,994,750	5,758,402,198
Fixed assets including premises, furniture and fixtures	9(a)	2,373,477,630	2,408,410,725
Other assets	10(a)	7,006,078,746	4,544,409,242
Non-banking assets		-	-
Total Assets		182,537,051,926	155,167,287,682
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	15,084,474,001	4,869,857,372
Non-convertible Subordinated bonds	12	7,000,000,000	6,000,000,000
Deposits and other accounts	13(a)	140,644,053,680	125,640,370,898
Savings / Mudaraba Saving deposits		9,082,720,699	7,487,133,469
Fixed deposits/Mudaraba term deposits		86,233,068,806	81,593,259,775
Current deposits and other accounts		43,235,048,516	34,880,162,796
Bills payable		2,093,215,659	1,679,814,858
Other liabilities	14(a)	6,649,505,297	6,743,819,530
Total Liabilities		169,378,032,978	143,254,047,800
Capital/ Shareholders' Equity			
Paid-up capital	15	6,957,226,940	6,820,810,730
Statutory reserve	16	3,981,066,735	3,342,002,303
Other reserve	17(a)	133,982,358	175,461,059
Retained earnings	18(a)	2,086,718,332	1,574,941,692
Non controlling interest	18(b)	24,583	24,098
Total Shareholders' Equity		13,159,018,948	11,913,239,882
Total Liabilities and Shareholders' Equity		182,537,051,926	155,167,287,682

The Premier Bank Limited

Consolidated Balance Sheet as at 31 December 2017

	Notes	Amount in Taka	
		2017	2016
OFF- BALANCE SHEET ITEMS			
Contingent Liabilities		88,148,149,137	78,089,695,996
Acceptances and endorsements		18,763,102,486	12,904,751,385
Letters of guarantee	19.1	42,435,425,990	41,066,918,409
Irrevocable letters of credit		16,216,851,844	14,759,463,040
Bills for collection		10,732,768,817	9,358,563,162
Other contingent liabilities	19.2	-	-
Other commitments		494,383,800	157,465,600
Documentary credits and short term trade-related transactions		-	-
Forward assets purchase and forward deposits placement	20	494,383,800	157,465,600
Spot and forward foreign exchange contracts		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet Items including contingent liabilities:		88,642,532,937	78,247,161,596

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



Chairman



Director



Director



Director



Managing Director (In-Charge)

Signed as per our annexed report of even date

Dated: Dhaka
4th April 2018



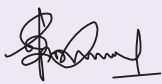
Mahfel Huq & Co.
Chartered Accountants

The Premier Bank Limited

Consolidated Profit and Loss statement for the period ended 31 December 2017

	Notes	Amount in Taka	
		2017	2016
OPERATING INCOME			
Interest income/profit on islamic investments	22(a)	12,372,879,829	10,378,877,712
Interest/profit paid on deposits, borrowings, etc	23(a)	(8,261,516,673)	(7,518,445,665)
Net interest income/ net profit on investments		4,111,363,156	2,860,432,047
Investment income	24(a)	2,048,701,089	2,572,066,116
Commission, exchange and brokerage	25(a)	2,097,296,611	1,439,677,530
Other operating income	26(a)	629,915,429	511,157,761
		4,775,913,129	4,522,901,407
Total Operating Income (A)		8,887,276,285	7,383,333,454
OPERATING EXPENSES			
Salary and allowances	27(a)	1,734,434,020	1,358,660,421
Rent, taxes, insurance, electricity, etc.	28(a)	1,274,219,812	1,226,309,159
Legal expenses	29(a)	93,064,321	37,048,944
Postage, stamps, telecommunication, etc.	30(a)	84,162,997	72,520,279
Stationery, printing, advertisement, etc.	31(a)	579,904,767	503,540,370
Chief executive's salary and fees	32	13,350,000	12,450,000
Directors' fees	33	2,688,000	4,009,000
Auditors' fee		427,500	617,000
Depreciation and repair of Bank's assets	34(a)	275,854,990	287,617,770
Losses on disposal of subsidiary	37	20,000,000	2,500,510
Other expenses	35(a)	414,227,331	534,916,103
Total Operating Expenses (B)		4,492,333,738	4,040,189,556
Profit before provision (C = A-B)		4,394,942,547	3,343,143,898
Specific Provision	36	1,040,000,000	910,000,000
General Provision	36	20,000,000	20,000,000
Provision for off-balance sheet items	14.3	10,000,000	10,000,000
Provision for investment in shares	14.4.3	30,000,000	40,000,000
Other provisions	14	25,000,000	21,156,857
Total provision (D)		1,125,000,000	1,001,156,857
Profit before taxation (C-D)		3,269,942,547	2,341,987,041
Provision for taxation			
Current Tax	14.5(aa)	1,513,976,371	1,071,524,381
Deferred tax expense (Income)	10.1.2.1	(213,372,664)	(331,591,888)
		1,300,603,707	739,932,493
Profit after taxation		1,969,338,840	1,602,054,548
Retained earnings brought forward		1,574,941,692	1,056,775,547
Profit available for appropriation		3,544,280,532	2,658,830,095
Appropriations			
Statutory reserve	16	639,064,432	463,813,374
Issue of bonus shares / Dividend paid	18	818,497,283	620,073,700
Non controlling interest	18(b)	485	1,329
		1,457,562,200	1,083,888,403
Retained earnings carried forward		2,086,718,332	1,574,941,692
Earnings per share (EPS)	38(a)	2.83	2.30

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



Chairman



Director



Director



Director



Managing Director (In-Charge)

Signed as per our annexed report of even date

Dated: Dhaka
4th April 2017



Mahfel Huq & Co.
Chartered Accountants

The Premier Bank Limited

Consolidated Statement of Changes in Equity for the year ended 31 December 2017

Particulars	Equity attributable to shareholder of Premier Bank Ltd.					Amount in Taka	
	Paid-up capital	Statutory reserve	Other reserve	Retained earnings	Total	Non Controlling Interest	Total
Balance as at 01 January 2017	6,820,810,730	3,342,002,303	175,461,059	1,574,941,692	11,913,215,784	24,098	11,913,239,882
Prior period adjustment	-	-	-	-	-	-	-
Restated balance	6,820,810,730	3,342,002,303	175,461,059	1,574,941,692	11,913,215,784	24,098	11,913,239,882
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	(41,478,701)	-	(41,478,701)	-	(41,478,701)
Currency translation differences	-	-	-	-	-	-	-
Net profit for the year ended	-	-	-	1,969,338,840	1,969,338,840	485	1,969,339,325
Transfer to statutory reserve	-	639,064,432	-	(639,064,432)	-	-	-
Transfer to general and other reserve	-	-	-	-	-	-	-
Issue of dividend @10% Cash and @2% Bonus share	136,416,210	-	-	(818,497,283)	(682,081,073)	-	(682,081,073)
Non controlling interest	-	-	-	(485)	(485)	-	(485)
Balance as at 31 December 2017	6,957,226,940	3,981,066,735	133,982,358	2,086,718,332	13,158,994,365	24,583	13,159,018,948
Balance as at 31 December 2016	6,820,810,730	3,342,002,303	175,461,059	1,574,941,692	11,913,215,784	24,098	11,913,239,882

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


Chairman


Director


Director


Director



Managing Director (In-Charge)

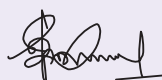
Dated: Dhaka
4th April 2018

The Premier Bank Limited

Consolidated Cash Flow Statement for the year ended 31 December 2017

	Notes	Amount in Taka	
		2017	2016
Cash Flows from Operating Activities			
Interest received in cash		14,424,720,974	12,946,293,172
Interest paid		(8,261,516,673)	(7,518,445,665)
Fee and commission received in cash		1,100,961,599	838,876,452
Payments to employees		(1,747,784,020)	(1,371,110,421)
Payments to suppliers		(664,358,227)	(601,038,230)
Income taxes paid		(1,105,569,869)	(965,605,794)
Receipts from other operating activities		629,915,429	511,157,761
Payments for other operating activities		(1,888,789,961)	(1,876,731,479)
Cash generated from operating activities before changes in operating assets and liabilities		2,487,579,252	1,963,395,796
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(24,418,768,698)	(22,459,053,935)
Other assets		(2,232,758,525)	(670,360,132)
Deposits from other banks		10,214,616,629	(46,019,444)
Deposits from customers		15,003,682,782	16,765,243,166
Other liabilities		(1,154,687,753)	1,397,416,647
		(2,587,915,565)	(5,012,773,698)
Net cash from operating activities (A)		(100,336,313)	(3,049,377,902)
Cash Flows from Investing Activities			
Purchase/sale of trading securities, shares, bonds, etc.		913,277,725	(1,180,000,017)
Purchase of property, plant and equipment		(155,849,591)	(173,998,790)
Net cash used in investing activities (B)		757,428,134	(1,353,998,807)
Cash Flows from Financing Activities			
Dividend paid		(682,081,073)	-
Issue of shares		-	-
Issue of non-convertible variable coupon rate bond		1,000,000,000	3,000,000,000
Net cash from financing activities (C)		317,918,927	3,000,000,000
Net increase in cash (A+B+C)		975,010,748	(1,403,376,709)
Effects of exchange rate changes on cash and cash equivalents		996,335,012	600,801,078
Cash and cash equivalents at the beginning of the year		27,269,020,797	28,071,596,428
Cash and cash equivalents for the period ended (*)		29,240,366,557	27,269,020,797
(*) Cash and cash equivalents at the end of the period:			
Cash in hand (including foreign currencies)	4.1 (a)	1,648,447,462	1,207,373,971
Investments in government securities		16,975,683,996	16,133,258,708
Money at call on short notice	6	-	-
Balance with Bangladesh Bank and its agent bank(s)	4.2	9,689,799,026	8,827,793,180
Balance with other banks and financial institutions	5 (a)	926,436,073	1,100,594,938
		29,240,366,557	27,269,020,797

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



Chairman



Director



Director



Director



Managing Director (In-Charge)

Date: Dhaka
4th April 2018

The Premier Bank Limited

Consolidated Statement of Liquidity Analysis (Maturity Analysis of Assets and Liabilities) as at 31 December 2017

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	2,551,946,488	-	-	-	8,786,300,000	11,338,246,488
Balance with other banks and financial institutions	121,774,989	804,661,084	-	-	-	926,436,073
Money at call on short notice	-	-	-	-	-	-
Investments	1,510,100,000	1,868,387,575	4,641,100,000	5,961,300,000	9,183,818,377	23,164,705,952
Loans and advances	31,234,363,677	19,488,013,931	22,822,268,147	32,347,700,000	31,835,761,282	137,728,107,037
Fixed assets including premises, furniture and fixtures	-	-	315,058,838	1,260,235,347	798,183,445	2,373,477,630
Other assets	2,070,941,738	1,641,643,884	1,197,663,558	1,893,808,888	202,020,678	7,006,078,746
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	37,489,126,892	23,802,706,474	28,976,090,543	41,463,044,235	50,806,083,782	182,537,051,926
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	4,373,574,001	8,000,000,000	2,710,900,000	-	-	15,084,474,001
Non-convertible Subordinated bonds	-	-	-	6,000,000,000	1,000,000,000	7,000,000,000
Deposits and other accounts	10,926,546,396	45,623,972,878	68,367,928,230	12,415,924,012	3,309,682,164	140,644,053,680
Provision and other liabilities	284,012,498	2,848,135,327	1,005,823,980	556,831,495	1,954,701,997	6,649,505,297
Total Liabilities (B)	15,584,132,895	56,472,108,205	72,084,652,210	18,972,755,507	6,264,384,161	169,378,032,978
Net Liquidity Excess/(Shortage) (C=A-B)	21,904,993,997	(32,669,401,731)	(43,108,561,667)	22,490,288,728	44,541,699,621	13,159,018,948



Chairman



Director



Director



Director



Managing Director (In-Charge)

The Premier Bank Limited

Balance Sheet as at 31 December 2017

	Notes	Amount in Taka	
		2017	2016
PROPERTY AND ASSETS			
Cash	4	11,338,163,613	10,035,099,256
In hand (including foreign currencies)	4.1	1,648,364,587	1,207,306,076
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.2	9,689,799,026	8,827,793,180
Balance with other banks and financial institutions	5	908,107,141	1,087,994,527
In Bangladesh	5.1	194,379,677	834,168,953
Outside Bangladesh	5.2	713,727,464	253,825,574
Money at call and short notice	6	-	-
Investments	7	22,334,487,575	22,471,047,470
Government securities	7.1	17,040,173,917	16,263,333,802
Others	7.2	5,294,313,658	6,207,713,668
Loans, advances and lease/ investments	8	135,891,061,280	113,723,813,918
Loans, cash credits, overdrafts, etc.	8.1.1	131,087,066,530	107,965,411,720
Bills purchased and discounted	8.1.2	4,803,994,750	5,758,402,198
Fixed assets including premises, furniture and fixtures	9	2,370,517,478	2,406,155,616
Other assets	10	9,334,038,068	4,856,335,275
Non-banking assets		-	-
Total Assets		182,176,375,155	154,580,446,062
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	15,084,474,001	4,869,857,372
Non-convertible Subordinated bonds	12	7,000,000,000	6,000,000,000
Deposits and other accounts	13	140,690,474,448	125,490,120,818
Savings / Mudaraba Saving deposits		9,082,720,699	7,487,133,469
Fixed deposits/Mudaraba term deposits		86,233,068,806	81,593,259,775
Current deposits and other accounts		43,281,469,284	34,729,912,716
Bills payable		2,093,215,659	1,679,814,858
Other liabilities	14	6,327,482,500	6,305,820,708
Total Liabilities		169,102,430,949	142,665,798,898
Capital/ Shareholders' Equity			
Paid-up capital	15	6,957,226,940	6,820,810,730
Statutory reserve	16	3,981,066,735	3,342,002,303
Other reserve	17	106,412,810	173,729,521
Retained earnings	18	2,029,237,721	1,578,104,610
Total Shareholders' Equity		13,073,944,206	11,914,647,164
Total Liabilities and Shareholders' Equity		182,176,375,155	154,580,446,062

The Premier Bank Limited

Balance Sheet as at 31 December 2017

	Notes	Amount in Taka	
		2017	2016
OFF- BALANCE SHEET ITEMS			
Contingent Liabilities		88,148,149,137	78,089,695,996
Acceptances and endorsements		18,763,102,486	12,904,751,385
Letters of guarantee	19.1	42,435,425,990	41,066,918,409
Irrevocable letters of credit		16,216,851,844	14,759,463,040
Bills for collection		10,732,768,817	9,358,563,162
Other contingent liabilities	19.2	-	-
Other commitments		494,383,800	157,465,600
Documentary credits and short term trade-related transactions		-	-
Forward assets purchase and forward deposits placement	20	494,383,800	157,465,600
Spot and forward foreign exchange contracts		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet Items including contingent liabilities:		88,642,532,937	78,247,161,596

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Chairman



Director



Director



Director



Managing Director (In-Charge)

Signed as per our annexed report of even date

Dated: Dhaka
4th April 2018



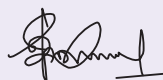
Mahfel Huq & Co.
Chartered Accountants

The Premier Bank Limited

Profit and Loss Account for the year ended 31 December 2017

	Notes	Amount in Taka	
		2017	2016
OPERATING INCOME			
Interest income/profit on Islamic investments	22	12,236,883,466	10,259,668,964
Interest/profit paid on deposits, borrowings, etc.	23	(8,261,516,673)	(7,518,445,665)
Net interest income/ net profit on investments		3,975,366,793	2,741,223,299
Investment income	24	2,041,481,983	2,562,273,612
Commission, exchange and brokerage	25	2,034,088,064	1,411,191,591
Other operating income	26	620,505,120	502,625,307
		4,696,075,167	4,476,090,510
Total Operating Income (A)		8,671,441,960	7,217,313,809
OPERATING EXPENSES			
Salary and allowances	27	1,720,124,399	1,343,814,749
Rent, taxes, insurance, electricity, etc.	28	1,160,147,825	1,109,161,323
Legal expenses	29	92,964,321	37,002,444
Postage, stamps, telecommunication, etc.	30	83,146,222	71,513,824
Stationery, printing, advertisement, etc.	31	579,645,056	503,060,082
Chief executive's salary and fees	32	13,350,000	12,450,000
Directors' fees	33	2,688,000	4,009,000
Auditors' fee		345,000	552,000
Depreciation and repair of Bank's assets	34	275,417,057	287,234,040
Losses on disposal of subsidiary	37	20,000,000	2,500,510
Other expenses	35	403,291,918	525,792,110
		4,351,119,798	3,897,090,082
Profit before provision (C = A-B)		4,320,322,162	3,320,223,727
Specific Provision	36	1,040,000,000	910,000,000
General Provision	36	20,000,000	20,000,000
Provision for off-balance sheet items	14.3	10,000,000	10,000,000
Provision for investment in shares	14.4.3	30,000,000	40,000,000
Other provision	14.4	25,000,000	21,156,857
		1,125,000,000	1,001,156,857
Profit before taxation (C-D)		3,195,322,162	2,319,066,870
Provision for taxation			
Current tax	14.5	1,500,000,000	1,063,575,068
Deferred tax expense (Income)	10.1.2.1	(213,372,664)	(331,591,888)
		1,286,627,336	731,983,180
Profit after taxation		1,908,694,826	1,587,083,690
Retained earnings brought forward	18	1,578,104,610	1,074,907,994
Profit available for appropriation		3,486,799,436	2,661,991,684
Appropriations			
Statutory reserve	16	639,064,432	463,813,374
Issue of bonus shares / Dividend paid	18	818,497,283	620,073,700
		1,457,561,715	1,083,887,074
Retained earnings carried forward		2,029,237,721	1,578,104,610
Earnings per share (EPS)	38	2.74	2.28

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



Chairman



Director



Director



Director



Managing Director (In-Charge)

Signed as per our annexed report of even date

Dated: Dhaka
4th April 2018



Mahfel Huq & Co.
Chartered Accountants

The Premier Bank Limited

Statement of Changes in Equity for the year ended 31 December 2017

Particulars	Amount in Taka				
	Paid-up capital	Statutory reserve	Other reserve	Retained earnings	Total
Balance as at 01 January 2017	6,820,810,730	3,342,002,303	173,729,521	1,578,104,610	11,914,647,164
Prior Year's adjustment	-	-	-	-	-
Restated balance as at 01 January 2017	6,820,810,730	3,342,002,303	173,729,521	1,578,104,610	11,914,647,164
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	(67,316,711)	-	(67,316,711)
Currency translation differences	-	-	-	-	-
Adjustment of deferred tax income	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-
Net profit for the year	-	-	-	1,908,694,826	1,908,694,826
Payment of cash dividend	-	-	-	-	-
Transfer to statutory reserve	-	639,064,432	-	(639,064,432)	-
Transfer to general and other reserve	-	-	-	-	-
Issue of bonus shares & cash dividend for the year 2016	136,416,210	-	-	(818,497,283)	(682,081,073)
New issue of shares through RPO	-	-	-	-	-
Balance as at 31 December 2017	6,957,226,940	3,981,066,735	106,412,810	2,029,237,721	13,073,944,206
Balance as at 31 December 2016	6,820,810,730	3,342,002,303	173,729,521	1,578,104,610	11,914,647,164

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


Chairman


Director


Director


Director


Managing Director (In-Charge)

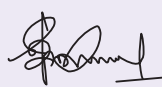
Dated: Dhaka
4th April 2018

The Premier Bank Limited

Cash Flow Statement for the year ended 31 December 2017

	Notes	Amount in Taka	
		2017	2016
Cash Flows from Operating Activities			
Interest received in cash		14,300,735,835	12,888,806,749
Interest paid		(8,280,747,003)	(7,580,167,990)
Fee and commission received in cash		1,037,753,052	810,390,513
Payments to employees		(1,733,474,399)	(1,356,264,749)
Payments to suppliers		(664,098,516)	(600,557,942)
Income taxes paid		(1,105,569,869)	(965,605,794)
Receipts from other operating activities		620,505,120	502,625,307
Payments for other operating activities		(1,763,204,783)	(1,751,091,105)
Cash generated from operating activities before changes in operating assets and liabilities		2,411,899,437	1,948,134,989
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(22,635,471,087)	(22,506,360,703)
Other assets		(4,264,327,475)	(474,858,374)
Deposits from other banks		10,214,616,629	(46,019,444)
Deposits from customers		15,200,353,630	16,789,578,538
Other liabilities		(1,032,684,670)	1,232,510,723
		(2,517,512,973)	(5,005,149,260)
Net cash from operating activities (A)		(105,613,536)	(3,057,014,271)
Cash Flows from Investing Activities			
Purchase/sale of trading securities, shares, bonds, etc.		913,400,010	(1,180,000,010)
Purchase of property, plant and equipment		(154,706,616)	(173,926,990)
Net cash used in investing activities (B)		758,693,394	(1,353,927,000)
Cash Flows from Financing Activities			
Dividend paid		(682,081,073)	-
Issue of shares		-	-
Issue of non-convertible variable coupon rate bond		1,000,000,000	3,000,000,000
Net cash from financing activities (C)		317,918,927	3,000,000,000
Net increase in cash (A+B+C)		970,998,785	(1,410,941,271)
Effects of exchange rate changes on cash and cash equivalents		996,335,012	600,801,078
Cash and cash equivalents at beginning of the year		27,254,620,953	28,064,761,146
Cash and cash equivalents for the period ended (*)		29,221,954,750	27,254,620,953
(*) Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currencies)	4.1	1,648,364,587	1,207,306,076
Investments in government securities		16,975,683,996	16,131,527,170
Money at call on short notice	6	-	-
Balance with Bangladesh Bank and its agent bank(s)	4.2	9,689,799,026	8,827,793,180
Balance with other banks and financial institutions	5	908,107,141	1,087,994,527
		29,221,954,750	27,254,620,953

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


Chairman


Director


Director


Director


Managing Director (In-Charge)

Dated: Dhaka
4th April 2018

The Premier Bank Limited

Statement of Liquidity Analysis (Maturity Analysis of Assets and Liabilities) as at 31 December 2017

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	2,551,863,613	-	-	-	8,786,300,000	11,338,163,613
Balance with other banks and financial institutions	103,446,057	804,661,084	-	-	-	908,107,141
Money at call on short notice	-	-	-	-	-	-
Investments	1,510,100,000	1,868,387,575	4,641,100,000	5,961,300,000	8,353,600,000	22,334,487,575
Loans and advances	29,397,317,920	19,488,013,931	22,822,268,147	32,347,700,000	31,835,761,282	135,891,061,280
Fixed assets including premises, furniture and fixtures	-	-	315,058,838	1,260,235,347	795,223,293	2,370,517,478
Other assets	2,070,941,738	1,641,643,884	1,197,663,558	1,893,808,888	2,529,980,000	9,334,038,068
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	35,633,669,328	23,802,706,474	28,976,090,543	41,463,044,235	52,300,864,575	182,176,375,155
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	4,373,574,001	8,000,000,000	2,710,900,000	-	-	15,084,474,001
Non-convertible Subordinated bonds	-	-	-	6,000,000,000	1,000,000,000	7,000,000,000
Deposits and other accounts	10,972,967,164	45,623,972,878	68,367,928,230	12,415,924,012	3,309,682,164	140,690,474,448
Provision and other liabilities	279,336,047	2,848,135,327	946,023,946	299,285,183	1,954,701,997	6,327,482,500
Total Liabilities (B)	15,625,877,212	56,472,108,205	72,024,852,176	18,715,209,195	6,264,384,161	169,102,430,949
Net Liquidity Excess/(Shortage) (C=A-B)	20,007,792,116	(32,669,401,731)	(43,048,761,633)	22,747,835,040	46,036,480,414	13,073,944,206



Chairman



Director



Director



Director



Managing Director (In-Charge)

The Premier Bank Limited and its subsidiary

Notes to Financial Statements for the year ended December 31, 2017

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 Kemal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh.

At present the Bank has 103 branches including 12 SME Service Centers/Agricultural Branches and 29 own ATM booths with no overseas branch. The Bank has one subsidiary company 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 103 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 Kemal 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 wholly owned subsidiary company of the Bank. As per decision of the executive committee of the Board of Directors, the Company ceased its operation from August 2015. As per Bangladesh Bank letter reference no. BOIMUBI/729/BIBIDHO/2016-3464 dated 28 December 2016, all outstanding liabilities of the company will be adjusted within 31 December 2018.

2 Significant accounting policies & basis of preparation of financial statements

2.1 Basis of preparation of the financial statements

These financial statements of the Bank have been prepared in accordance with the "First Schedule (Section 38)" of the Banking Companies Act 1991 (as amended in 2013) as amended by Banking Regulation and Policy Department (BRPD) circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) named as Bangladesh Financial Reporting Standards (BFRS). The bank complied with the requirements of the following regulatory and legal authorities:

1. The Bank Companies Act 1991 (As amended in 2013);
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 2006;
7. Income Tax Ordinance 1984;
8. Value Added Tax Act 1991;
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."

2.2 Basis of measurement

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

2.3 Use of estimates and judgment and changes of estimate

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

2.4 Islamic banking

The Bank operates Islamic banking in 2 designated branches in compliance with the rules of Islamic Shariah. The Financial Statements of the branches have also been prepared as per Bangladesh Financial Reporting Standards and Bangladesh Bank circular. A separate balance sheet and profit and loss account are shown in Annexure-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 Bangladesh Accounting Standard (BAS) 27: Separate financial statements and Bangladesh Financial Reporting Standard (BFRS) 10: Consolidated Financial Statements, for the year than ended 31 December 2017.

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 BAS 21 "The Effects of Changes in Foreign Exchange Rates" transactions in foreign currencies are recorded in the functional currency at the rate of exchange prevailing on the date of the transactions.
- (b) Assets and liabilities in foreign currencies as at 31 December 2017 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "balances with other banks and financial institution" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD (R) 717/2004-959 dated 21 November 2004.
- (c) Differences arising through buying and selling transactions of foreign currencies on different dates of the Year have been adjusted by debiting /crediting exchange gain or loss account in the Profit and Loss Statement.

2.6.c Commitments

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

2.6.d Translation gain / losses

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

2.6.e Foreign operation

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

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

2.7 Statement of Cash flows

Generally statement of cash flows is prepared in accordance with BAS 7: "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 2017 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 2017 to 31 December 2017.

3 Significant Accounting Policies

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

3.1 Assets and basis of their valuation

3.1.1 Cash and cash equivalent

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

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:

<u>Items</u>	<u>Applicable accounting value</u>
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 BAS 27: "Separate Financial Statements" BFRS 3: "Business Combination" and BFRS 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 BAS 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.

3.1.6.b Initial cost

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

3.1.6.c Subsequent cost

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

3.1.6.d Depreciation

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

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

3.1.6.e Impairment of assets

As per BAS 36: Impairment of assets, at each balance sheet date, the Bank assess whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognized as an expense in the profit and loss statement unless the asset is carried at revalued amount in accordance with Bangladesh Accounting Standard (BAS) 16 - Property, Plant and Equipment, in which case any impairment loss of a revalued asset should be treated as a revaluation decrease under that Accounting Standard. No impairment loss was recognized for the year than ended 31 December 2017. as there were no such indication existed as on Balance Sheet date.

3.1.6.f Disposal of Assets:

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

3.1.6.g Usage & Maintenance of Bank's Vehicles

Total 34 (thirty four) no. of vehicles are under the possession of Bank. Out of those, 01 Jeep has been allocated for Honorable Chairman of the Bank, 02 cars for the Managing Director, 01 car for the Advisor, 01 Jeep for Additional Managing Directors, 02 cars for Deputy Managing Director, 04 (four) cars for 04 (four) Branches. The remaining 23 (twenty three) cars are being used in Bank's pool.

During the period from 01-01-2017 to 31-12-2017, total Tk. 58,15,476 only has been incurred towards repairing and maintenance (including yearly payment of Tax Token, Fitness Certificate etc.) 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. The rates of provision are given below:

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

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

3.1.8 Inventories

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

3.1.8.a Receivables

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

3.1.9 Other assets

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

3.1.9.a Non-Banking Assets

Non-banking assets are acquired on account of the failure of a borrower to repay the loan on time after receiving the decree from the Court regarding the right and title of the mortgaged property. The Bank have no non -banking assets at the end of the year 31 December 2017.

3.2 Liabilities and basis of their valuation

3.2.1 Borrowings from other banks, financial institutions and agents

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

3.2.2 Deposit and other accounts

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

3.2.3 Other liabilities

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

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

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

3.2.3.b Provisions for off balance sheet exposures

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

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

3.2.3.c Provisions for other assets

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

3.3 Shareholders' equity**3.3.a Share Capital**

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

3.3.1 Authorized capital

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

3.3.2 Paid-up capital

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

3.3.3 Statutory reserve

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

3.3.4 Revaluation reserve

As per BAS 16: "Property Plant and Equipment" revaluation surplus on fixed assets directly transferred to equity under the head of revaluation reserve and subsequently the reserve will transferred to retained earnings Proportionately year by year.

Another revaluation reserve arises from the revaluation of Treasury bills and bonds (HFT & HTM) in accordance with the Bangladesh Bank DOS circular no. 5 dated 26 May 2008. The tax effects on revaluation gain are measured and recognized in the financial statements as per BAS 12: Income Taxes.

3.3.5 Non-controlling interest

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

3.3.6 (a) Non Convertible Subordinated Bonds - 1

The Bank issued Non Convertible Subordinated Bond for amount of Taka 200.00 crore in the year 2014 as 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 300.00 crore (Taka 200.00 crore was executed in 2016 and Taka 100.00 crore was executed in 2017) 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.

3.4 Contingent liabilities

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

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

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

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

3.5 Revenue recognition

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

3.5.1 Interest income

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

3.5.2 Dividend income on shares

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

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

3.5.3 Other operating expenses

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

3.5.4 Interest and fees receivable on credit cards

Interest and fees receivable on credit cards are recognized on accrual basis. Interest and fees 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 2017 were 1562 and 1511 as on 31 December 2016.

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 4 (four) members and funded by contributions both from employees and Bank @10% of basic salary. Interest earned from the investment is credited to the members' accounts annually. Provident fund benefits are given to the employees of the Bank in accordance with provident fund rules of the Bank.

3.7.2 (b) Gratuity Fund

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

3.8 Reconciliation of books of account

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch transactions are reconciled and no material difference was found which may affect the financial statements significantly. There exist no reconciled revenue items in Nostro accounts as at 31 December 2017.

3.9 Related party transactions

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

Name of Directors interested in the Company / Firm	Name of the company/ firm/ Individual	Nature of Advance	Amount in lac
Dr.H.B.M Iqbal	Beacon Travels International Ltd, Premier Hotel Management Ltd, Premier Hotel & Resort, Bengal Tiger Cement Ltd	Funded & Non funded	1,314.26
Mr. Mohammad Imran Iqbal	Individual	Credit Card	0.08
Mr. Abdus Salam Murshedy	Envoy Textiles Ltd. (Envoy Group)	Funded	1,161.32
Mr. Shafiqur Rahman	Individual	Credit Card	3.84
Mr. Shah Md. Nayhan Haroon	Individual	Credit Card	0.26
Mrs. Shaila Shelly Khan	Individual	Credit Card	2.53
Mr. Jamal G Ahmed	Individual	Credit Card	0.03

- 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 .	132.12

- 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 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) iv. 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 centre", 42 Kemal Attaturk Avenue, Banani Dhaka-1213 from Mr.Mohammad Imran Iqbal, Honorable Vice Chairman of the Bank for use of our Head Office.

3.10 Segment Reporting

Segment report are prepared in accordance with BFRS 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 2017 and segmental profit and loss account for the year than ended 31 December 2017 have been prepared.

3.11 Core risk management

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

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

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

3.11.1 Credit risk

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

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

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

3.11.2 Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings arising due to unfavorable change in exchange rates. Treasury front office conducts deal for commercial purpose and back office of treasury keeps record and passes entries in books of account. The main risks in treasury and foreign exchange business are exchange rates risk, fund management and liquidity risk. As per Bangladesh Bank guidelines, the Treasury Department 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 28 days maturity. The short-term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

Equity Risk

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

3.12 Report on the activities of the Audit Committee, 2017**1. Constitution of the Audit Committee:**

The Board of Directors in its 179th Meeting held on 26th February, 2017 re-constituted the Audit Committee in line with the Bangladesh Bank BRPD Circular No. 11 dated October 27, 2013 and BSEC Notification dated 07 August 2012. The Board Audit Committee comprises of the following members:

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

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

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

2. Objectives of the Audit Committee:

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

3. Meetings:

The Audit Committee of the Board conducted Seven (07) Meetings during January to December 2017. Minutes of the Audit Committee Meetings have been reported to the Board of Directors.

4. Roles & Responsibilities of Audit Committee:

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

A. Internal Control Systems:

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

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

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

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

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

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

B. Financial Reporting:

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

C. Internal Audit and Inspection Reports:

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

D. Bangladesh Bank Inspection Reports:

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

3.13 Taxation

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

3.13.1 Current tax

Provision for current income tax for the year has been made @ 40% as prescribed in the Finance Act 2017 on the accounting profit made after considering some of the taxable add back income and disallowances of expenditures.

3.13.2 Deferred tax

The Bank has adopted deferred tax accounting policy as per Bangladesh Accounting Standard (BAS) 12. Accordingly, deferred tax liability/asset is accounted for all temporary timing differences arising between the tax base of the assets and liabilities and their carrying value for financial reporting purpose. Deferred tax is computed at the prevailing tax rate as per Finance Act, 2017. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the Profit and Loss Account as per BAS-12 "Income Taxes" (Note 10.1.2.1)."

3.14 Departures from BFRS

The consolidated financial statements of the Group and the Separate financial statements of the Bank as at and for the year ended 31 December 2017 have been prepared under the historical cost convention except investments and in accordance with the "First Schedule" (section 38) of the Bank Companies Act 1991, as amended by Bangladesh Bank (the Central Bank of Bangladesh) through BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange's listing regulations. In case any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities, the provisions and circulars issued by Bangladesh Bank shall prevail.

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

i) Investment in shares and Securities

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

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

ii) Revaluation gain/loss on Government securities

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

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

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

iii) **Provision for loans and advances**

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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 05 dated 29 May 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) **Recognition of interest in suspense**

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

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

iv) **Other comprehensive income**

BFRS: As per BAS 1 Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Comprehensive Income Statement.

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

v) **Financial instruments – presentation and disclosure**

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the accounts.

vi) **Repo transactions**

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

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

vii) **Financial guarantees**

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

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

viii) Cash and cash equivalent

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

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

ix) Non-banking asset

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

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

x) Cash flow statement

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

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

xi) Balance with Bangladesh Bank: (CRR)

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

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

xii) Presentation of intangible asset

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

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

xiii) Off-balance sheet items

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

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

xiv) Disclosure of appropriation of profit

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

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

xv) Loans and advance net of provision

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

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

xv) Recovery of written off loans

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

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

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

3.15 Statement of compliance with Bangladesh Financial Reporting Standards:

Name of the standards	Ref.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS-1	Not applicable
Share-based Payment	BFRS-2	Not applicable
Business Combinations	BFRS-3	Applied
Insurance Contracts	BFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	BFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	BFRS-6	Not applicable
Financial Instruments: Disclosures	BFRS-7	Applied with some departure
Operating Segments	BFRS-8	Applied with some departure
Consolidated Financial Statements	BFRS-10	Applied
Joint Arrangements	BFRS-11	Not applicable
Disclosure of Interests in other Entities	BFRS-12	Applied
Fair Value Measurement	BFRS-13	Applied
Regulatory Deferral Accounts	BFRS-14	Not applicable
Revenue from Contracts with Customers	BFRS-15	Not applicable
Presentation of Financial Statements	BAS-1	Applied with some departure
Inventories	BAS-2	Applied
Statement of Cash Flows	BAS-7	Applied with some departure
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the Reporting Period	BAS-10	Applied
Construction Contracts	BAS-11	Not Applicable
Income Taxes	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied with some departure
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	BAS-21	Applied
Borrowing Costs	BAS-23	Applied
Related Party Disclosures	BAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	Not Applicable
Separate Financial Statements	BAS-27	Applied
Investments in Associates & Joint venture	BAS-28	Not Applicable
Interests in Joint Ventures	BAS-31	Not Applicable
Financial Instruments: Presentation	BAS-32	Applied with some departure
Earnings per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairment of Assets	BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied with some departure
Intangible Assets	BAS-38	Applied with some departure
Financial Instruments: Recognition and Measurement	BAS-39	Applied with some departure
Investment property	BAS-40	Not Applicable
Agriculture	BAS-41	Not Applicable

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
4	Cash		
	Cash in hand (Note - 4.1)	1,648,364,587	1,207,306,076
	Balance with Bangladesh Bank and its agent bank(s) (Note - 4.2)	9,689,799,026	8,827,793,180
		11,338,163,613	10,035,099,256
4(a)	Consolidated Cash and Balance With Bangladesh Bank and its agent Bank(s) In Bangladesh		
	Premier Bank Limited (Note - 4)	11,338,163,613	10,035,099,256
	Premier Bank Securities Limited (Note - 4.1(a))	82,875	67,895
		11,338,246,488	10,035,167,151
4.1	Cash in hand		
	In local currency	1,628,779,663	1,192,052,902
	In foreign currency	19,584,924	15,253,174
		1,648,364,587	1,207,306,076
4.1(a)	Consolidated Cash in hand In Bangladesh		
	Premier Bank Limited (Note - 4.1)	1,648,364,587	1,207,306,076
	Premier Bank Securities Limited	82,875	67,895
		1,648,447,462	1,207,373,971
4.2	Balance with Bangladesh Bank and its agent bank(s)		
	Balance with Bangladesh Bank		
	In local currency	9,514,530,620	8,499,355,621
	In foreign currency	100,831,394	185,234,808
		9,615,362,014	8,684,590,429
	Sonali Bank(as an agent bank of Bangladesh Bank)-local currency	74,437,012	143,202,751
		9,689,799,026	8,827,793,180
4.3	Statutory deposits		
	Cash reserve requirement (CRR) and statutory liquidity ratio (SLR)		

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

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

For Conventional Banking

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

Required reserve	7,791,477,000	6,973,759,000
Actual reserve maintained (6.69%)	8,692,217,000	7,781,564,462
Surplus / (Deficit)	900,740,000	807,805,462

(b) Statutory liquidity reserve (13%)

Required reserve	16,881,534,000	15,109,811,795
Actual reserve maintained (14.38%)	18,671,776,000	18,762,732,270
Surplus / (Deficit)	1,790,242,000	3,652,920,475

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
For Islamic Banking			
(a) Cash reserve requirement/ratio (Daily 6%)			
Required reserve		319,020,000	306,663,000
Actual reserve maintained (6.48%)		344,753,000	335,933,714
Surplus / (Deficit)		25,733,000	29,270,714
(b) Statutory liquidity reserve (5.5%)			
Required reserve		292,435,000	281,108,121
Actual reserve maintained (6.41%)		340,952,000	342,500,975
Surplus / (Deficit)		48,517,000	61,392,854
5 Balance with other banks and financial institutions			
In Bangladesh (Note - 5.1)		194,379,677	834,168,953
Outside Bangladesh (Note - 5.2)		713,727,464	253,825,574
		908,107,141	1,087,994,527
5(a) Consolidated balance with other banks and financial institutions			
In Bangladesh			
Premier Bank Limited (Note - 5.1)		194,379,677	834,168,953
Premier Bank Securities Limited		396,024,366	658,918,032
		590,404,043	1,493,086,985
Less: Inter Company transaction		377,695,434	646,317,621
		212,708,609	846,769,364
Outside Bangladesh			
Premier Bank Limited (Note - 5.2)		713,727,464	253,825,574
Premier Bank Securities Limited		-	-
		713,727,464	253,825,574
		926,436,073	1,100,594,938
5.(aa) Account type-wise			
Current account		27,528,199	33,538,195
STD account		1,501,478	630,758
Fixed deposit		165,350,000	800,000,000
		194,379,677	834,168,953
5.1 In Bangladesh			
Janata Bank Limited		91,890	100,540
Modhumoti Bank Limited		165,350,000	-
Standard Chartered Bank		27,405,510	33,406,568
National Bank Limited		1,432,657	261,960
Islami Bank Bangladesh Limited		30,799	31,087
Rupali Bank Limited		68,821	368,798
Mercantile Bank Ltd		-	400,000,000
Brac Bank Ltd		-	400,000,000
		194,379,677	834,168,953

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
5.2	Outside Bangladesh		
	Mashreq Bank NY	180,060,937	21,332,337
	Standard Chartered Bank NY	351,464,428	49,618,650
	Commerz Bank Frankfurt	13,043,278	34,471,409
	Bank of China	1,656,081	1,066,001
	Bank of Ceylon, Srilanka	414,528	1,649,043
	Standard Chartered Bank Kolkata	27,750,385	2,381,936
	United Bank Ltd, Pkistan	23,621,986	8,222,571
	State Bank of India	1,969,189	1,887,408
	ICICI Bank Mumbai	19,476,166	14,457,652
	Himalayan Bank, Nepal	224,215	214,723
	Commerz Bank Frankfrut	3,562,023	501,587
	Westpac Banking Corporation, Sydney	2,759,799	1,892,114
	Mashreqbank psc, London	5,523,313	2,690,156
	Bank of Tokyo Mitsubishi Ltd	8,033,507	3,130,036
	Habib Bank AG Zurich Switzerland	5,779,222	4,720,002
	Al Rajhi Bank KSA	-	1,438,542
	National Commercial Bank, Ksa	6,719,660	4,549,320
	AB Bank Ltd, Mumbai	3,282,685	5,328,319
	Bank Al Jazira	14,152,923	130,935,213
	Habib american Bank, NY	35,902,323	51,798,537
	Mashreq Bank PSC, Mumbai	25,899,921	17,760,211
	UBI BANCA	24,261,712	-
	Off-shore Banking Unit	3,290,303,484	4,233,291,870
		4,045,861,765	4,593,337,637
	Less: Inter Company Transaction	3,332,134,301	4,339,512,063
		713,727,464	253,825,574
5.3	Maturity grouping of balance with other banks and financial institutions		
	Repayable on demand	103,446,057	34,168,953
	Not more than 3 months	804,661,084	1,053,825,574
	More than 3 months but not more than 1 year	-	-
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		908,107,141	1,087,994,527
5.3(a)	Consolidated maturity grouping of Balance with other banks and financial institutions		
	Repayable on demand	121,774,989	34,168,953
	Not more than 3 months	804,661,084	1,053,825,574
	More than 3 months but not more than 1 year	-	-
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	12,600,411
		926,436,073	1,100,594,938

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
6	Money at call and short notice	-	-
7	Investments		
	Government (Note - 7.1)	17,040,173,917	16,263,333,802
	Others (Note - 7.2)	5,294,313,658	6,207,713,668
		22,334,487,575	22,471,047,470
7(a)	Consolidated Investment		
	Premier Bank Limited (Note - 7)	22,334,487,575	22,471,047,470
	Premier Bank Securities Limited	830,218,377	830,096,092
		23,164,705,952	23,301,143,562
7.1	Government		
	Treasury bills (Note - 7.1.1)	1,330,648,223	975,489,310
	Treasury bonds (Note - 7.1.1.1)	15,707,827,294	15,286,363,392
	Reverse Repo	-	-
	Prize bonds	1,698,400	1,481,100
		17,040,173,917	16,263,333,802
7.1.1	Treasury bills		
	91 day Treasury bills	-	-
	182 day Treasury bills	1,330,648,223	-
	364 day Treasury bills	-	975,489,310
	30 day Bangladesh Bank bills	-	-
		1,330,648,223	975,489,310
7.1.1.1	Treasury bonds		
	Bangladesh Bank Islamic Investment Bond	310,000,000	300,000,000
	2 years Bangladesh Government treasury bonds	4,119,564,793	2,460,927,910
	5 years Bangladesh Government treasury bonds	4,041,017,079	6,751,757,884
	10 years Bangladesh Government treasury bonds	3,544,180,497	3,108,170,198
	15 years Bangladesh Government treasury bonds	2,014,344,758	1,652,462,179
	20 years Bangladesh Government treasury bonds	1,678,720,167	1,013,045,221
		15,707,827,294	15,286,363,392
7.2	Others		
	In shares and bonds (quoted and unquoted)		
	Quoted		
	Investment in Shares - Islami	680,635,817	1,320,635,817
	Investment in shares - General	2,371,224,200	3,271,224,200
		3,051,860,017	4,591,860,017
	Unquoted		
	Central Depository Bangladesh Limited	3,138,890	5,138,890
	SWIFT Membership	1,214,751	1,214,751
	Energy Prima Limited	9,500,000	9,500,000
	Lanka Bangla Securities Limited	5,000,000	5,000,000
	Bangladesh fixed Income special purpose vehicle	2,000,000,000	1,500,000,000
	Runner Automobiles Ltd	183,600,000	35,000,010
	Corporate Bond	40,000,000	60,000,000
		2,242,453,641	1,615,853,651
		5,294,313,658	6,207,713,668

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

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
7.2(a)	Consolidated Others Investment		
	Premier Bank Limited (Note - 7.2)	5,294,313,658	6,207,713,668
	Premier Bank Securities Limited	830,218,377	830,096,092
		6,124,532,035	7,037,809,760
7.3	Investments classified as per Bangladesh Bank circular		
	Held for trading (HFT)	1,639,558,656	2,665,356,221
	Held to maturity (HTM)	15,088,916,861	13,296,496,481
	Other securities	5,606,012,058	6,509,194,768
		22,334,487,575	22,471,047,470
7.4	Maturity grouping of Investment		
	Not more than 1 month	1,510,100,000	2,600,000,000
	Not more than 3 months	1,868,387,575	1,702,600,000
	More than 3 months but not more than 1 year	4,641,100,000	5,443,100,000
	More than 1 year but not more than 5 years	5,961,300,000	6,353,900,000
	More than 5 years	8,353,600,000	6,371,447,470
		22,334,487,575	22,471,047,470
7.4(a)	Consolidated Maturity grouping of Investment		
	Not more than 1 month	1,510,100,000	2,600,000,000
	Not more than 3 months	1,868,387,575	1,702,600,000
	More than 3 months but not more than 1 year	4,641,100,000	5,443,100,000
	More than 1 year but not more than 5 years	5,961,300,000	6,353,900,000
	More than 5 years	9,183,818,377	7,201,543,562
		23,164,705,952	23,301,143,562
8	Loans, advances and lease/investments	135,891,061,280	113,723,813,918
8(a)	Consolidated Loans, advances and lease/investments		
	Premier Bank Limited (Note - 8.1.1)	131,087,066,530	107,965,411,720
	Premier Bank Securities Ltd.	2,596,484,683	2,753,565,464
		133,683,551,213	110,718,977,184
	Less: Inter Company Transaction	759,438,926	2,699,817,318
		132,924,112,287	108,019,159,866
	Consolidated bills purchased and discounted		
	Premier Bank Limited (Note - 8.1.2)	4,803,994,750	5,758,402,198
	Premier Bank Securities Ltd.	-	-
		4,803,994,750	5,758,402,198
		137,728,107,037	113,777,562,064
8.1	Breakup of Loans, advances and lease/investments		
	Loans, cash credits, overdrafts, etc. (Note 8.1.1)	131,087,066,530	107,965,411,720
	Bills purchased and discounted (Note 8.1.2)	4,803,994,750	5,758,402,198
		135,891,061,280	113,723,813,918
8.1.1	Broad category-wise breakup of Loans, cash credits, overdrafts, etc.		
	In Bangladesh		
	Loans	78,942,226,077	64,029,361,986
	Overdrafts	33,331,832,546	28,256,062,502
	Cash credits	17,521,295,883	14,557,344,806
		129,795,354,506	106,842,769,294

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

	Amount in Taka	
	2017	2016
Outside Bangladesh		
Loans	-	-
Overdrafts	-	-
Cash credits	-	-
Off-shore Banking Units	1,291,712,024	1,122,642,426
	1,291,712,024	1,122,642,426
	131,087,066,530	107,965,411,720
8.1.1.1 Maturity grouping Loans, cash credits, overdrafts, etc.		
Repayable on demand	27,886,958,635	21,647,065,050
Not more than 3 months	18,074,057,869	22,553,974,508
More than 3 months but not more than 1 year	20,942,588,744	30,716,159,634
More than 1 year but not more than 5 years	32,347,700,000	22,392,026,391
More than 5 years	31,835,761,282	10,656,186,137
	131,087,066,530	107,965,411,720
8.1.2 Bills purchased and discounted		
In Bangladesh	463,010,138	474,912,792
Outside Bangladesh	1,458,802,971	1,191,825,586
Off-shore Banking Units	2,882,181,641	4,091,663,820
	4,803,994,750	5,758,402,198
8.1.2.1 Maturity grouping of bills purchased & discounted		
Payable within 1 month	1,510,359,285	2,222,338,097
Over 1 month but below 3 months	1,413,956,062	1,982,930,219
Over 3 months but below 6 months	1,474,028,719	1,070,486,969
6 months or over	405,650,684	482,646,913
	4,803,994,750	5,758,402,198
8.1.3(a) Consolidated Maturity grouping of Loans, advances and lease/investments		
Repayable on demand	31,234,363,677	23,869,403,147
Not more than 3 months	19,488,013,931	24,536,904,727
More than 3 months but not more than 1 year	22,822,268,147	31,786,646,603
More than 1 year but not more than 5 years	32,347,700,000	22,874,673,304
More than 5 years	31,835,761,282	10,709,934,283
	137,728,107,037	113,777,562,064
8.2 Industry wise concentration of Loans & Advances including bills purchased & discounted		
Advances to allied concerns of directors	132,686,106	237,820,827
Advances to chief executives and senior executives	112,534,000	107,801,555
Loans & Advances to industries		
Textile & RMG industries	24,958,500,000	20,600,100,000
Cement and ceramic industries	1,852,700,000	782,000,000
Food and allied industries	3,806,800,000	2,777,200,000
Transport and communication industries	1,681,600,000	998,400,000
Iron and steel industries	4,290,800,000	3,715,300,000
Other industries	38,573,275,174	16,377,000,000
	75,163,675,174	45,250,000,000

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
	Loans & Advances to other customer groups		
	Commercial lending	25,932,100,000	29,379,000,000
	Export financing	10,742,000,000	7,718,800,000
	House building	7,653,800,000	3,492,100,000
	Consumer credit	4,868,900,000	2,364,800,000
	Small and medium enterprises	8,800,600,000	17,854,900,000
	Other staff loan	351,566,000	460,700,000
	Other customers	2,133,200,000	6,857,891,536
		60,482,166,000	68,128,191,536
		135,891,061,280	113,723,813,918
8.2 (a)	Consolidated Industry wise concentration of Loans & Advances including bills purchased & discounted		
	Advances to allied concerns of directors	132,686,106	237,820,827
	Advances to chief executives and senior executives	112,534,000	107,801,555
	Loans & Advances to industries		
	Textile & RMG industries	24,958,500,000	20,600,100,000
	Cement and ceramic industries	1,852,700,000	782,000,000
	Food and allied industries	3,806,800,000	2,777,200,000
	Transport and communication industries	2,312,630,745	1,308,493,276
	Iron and steel industries	4,290,800,000	3,715,300,000
	Other industries	38,573,275,174	16,377,000,000
		75,794,705,919	45,560,093,276
	Loans & Advances to other customer groups		
	Commercial lending	25,932,100,000	29,379,000,000
	Export financing	10,742,000,000	7,718,800,000
	House building	7,653,800,000	3,492,100,000
	Consumer credit	4,868,900,000	2,364,800,000
	Small and medium enterprises	8,800,600,000	17,854,900,000
	Other staff loan	351,566,000	460,700,000
	Other customers	3,339,215,012	6,601,546,406
		61,688,181,012	67,871,846,406
		137,728,107,037	113,777,562,064
8.3	Geographical location-wise (division) distribution of Loans, advances and lease/investments In Bangladesh		
	Urban		
	Dhaka Division	109,507,803,607	91,154,100,722
	Chittagong Division	15,173,264,803	14,079,226,454
	Khulna Division	1,333,945,831	1,653,162,748
	Sylhet Division	357,954,234	298,498,832
	Rajshahi Division	1,599,628,404	939,373,960
	Barisal Division	226,187,806	130,611,724
	Rangpur Division	317,471,659	288,533,356
		128,516,256,344	108,543,507,796
	Rural		
	Dhaka Division	5,696,763,335	3,771,626,286
	Chittagong Division	1,668,579,440	1,408,229,017
	Rajshahi Division	9,462,161	450,819
		7,374,804,936	5,180,306,122
		135,891,061,280	113,723,813,918

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

	Amount in Taka	
	2017	2016
8.3 (a) Consolidated Geographical location-wise (division) distribution of Loans, advances and lease/investments		
In Bangladesh		
Urban		
Dhaka Division	111,344,849,364	91,207,848,868
Chittagong Division	15,173,264,803	14,079,226,454
Khulna Division	1,333,945,831	1,653,162,748
Sylhet Division	357,954,234	298,498,832
Rajshahi Division	1,599,628,404	939,373,960
Barisal Division	226,187,806	130,611,724
Rangpur Division	317,471,659	288,533,356
	130,353,302,101	108,597,255,942
Rural		
Dhaka Division	5,696,763,335	3,771,626,286
Chittagong Division	1,668,579,440	1,408,229,017
Rajshahi Division	9,462,161	450,819
	7,374,804,936	5,180,306,122
	137,728,107,037	113,777,562,064
8.4 Classification of Loans, advances and lease/investments		
Unclassified		
Standard (Including staff loans)	127,672,308,581	104,690,074,918
Special mention account	1,842,113,699	3,151,906,000
	129,514,422,280	107,841,980,918
Classified		
Substandard	127,051,000	504,935,000
Doubtful	191,332,000	277,087,000
Bad/Loss	6,058,256,000	5,099,811,000
	6,376,639,000	5,881,833,000
	135,891,061,280	113,723,813,918
8.4 (a) Consolidated Classification of Loans, advances and lease/investments		
Unclassified		
Standard (Including staff loans)	129,509,354,338	104,743,823,064
Special mention account	1,842,113,699	3,151,906,000
	131,351,468,037	107,895,729,064
Classified		
Substandard	127,051,000	504,935,000
Doubtful	191,332,000	277,087,000
Bad/Loss	6,058,256,000	5,099,811,000
	6,376,639,000	5,881,833,000
	137,728,107,037	113,777,562,064

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

Amount in Taka

			2017	2016
8.5	Particulars of required provision for Loans, advances and lease/investments			
<u>Unclassified</u>	<u>Base for provision</u>	<u>Rate (%)</u>		
Standard	127,672,308,581	(*) Various	994,477,000	1,031,137,000
Special mentioned account (SMA)	1,842,113,699	5	15,723,000	29,393,000
Sub-total (A)			1,010,200,000	1,060,530,000

(*) 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.

Status				
<u>Classified</u>	<u>Base for provision</u>	<u>Rate(%)</u>		
Substandard	99,178,018	20	19,836,000	56,482,600
Doubtful	84,656,378	50	42,328,189	41,400,400
Bad/loss	2,844,235,811	100	2,844,235,811	2,810,903,000
Unclassified loan (stay order)			4,413,246,000	3,981,247,000
Sub-total (B)			7,319,826,000	6,890,033,000
Required provision for loans and advances (C=A+B)			8,330,026,000	7,950,563,000
Total provision maintained (Note - 14.1)			2,981,552,833	2,386,636,502
Chargeable during following years as per Bangladesh Bank letter			5,348,473,167	5,563,926,498

8.6	Particulars of Loans, advances and lease/investments			
(i)	Loans considered good in respect of which the Bank is fully secured;	78,079,078,726	74,029,035,360	
(ii)	Loans considered good against which the Bank holds no security other than the debtors' personal security;	19,270,660,851	17,013,940,528	
(iii)	Loans considered good secured by the personal undertaking of one or more parties in addition to the personal security of the debtors.	38,541,321,703	22,680,838,030	
(iv)	Loans adversely classified but provision not maintained there against;	-	-	
		135,891,061,280	113,723,813,918	
(v)	Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons;	596,786,106	479,839,417	
(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;	132,686,106	237,820,827	
(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;	596,786,106	479,839,417	
(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;	132,686,106	237,820,827	
(ix)	Due from banking companies;	-	-	
(x)	Amount of classified loans on which interest has not been charged	6,376,639,000	5,881,833,000	
(a)	Increase/decrease of provision (specific)			
	Amount of loan written off	-	-	
	Amount realised against loan previously written off	3,140,056	5,141,848	
(b)	Provision kept against loans classified as bad /loss	2,537,345,277	1,962,428,946	
(c)	Interest charged in interest suspense account	1,113,244,772	2,234,224,608	
(xi)	Written off loan			
	Opening balance	1,714,010,650	1,714,010,650	
	During the year	516,671,659	-	
	Closing balance	2,230,682,309	1,714,010,650	

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
8.7	Details of pledged collaterals received against Loans, advances and lease/investments		
	Collateral of movable/immovable assets	69,192,715,599	68,234,288,351
	Local banks and financial institutions guarantee	2,300,163,127	1,137,238,139
	Government guarantee	-	-
	Foreign Banks guarantee	-	-
	Export documents	9,557,694,310	9,053,273,554
	Fixed deposit receipts	6,586,200,000	5,794,747,009
	Personal guarantee	48,254,288,244	29,504,266,865
		135,891,061,280	113,723,813,918
8.7(a)	Consolidated details of pledged collaterals received against Loans, advances and lease/investments		
	Collateral of movable/immovable assets	71,029,761,356	68,234,288,351
	Local banks and financial institutions guarantee	2,300,163,127	1,137,238,139
	Government guarantee	-	-
	Foreign Banks guarantee	-	-
	Export documents	9,557,694,310	9,053,273,554
	Fixed deposit receipts	6,586,200,000	5,794,747,009
	Personal guarantee	48,254,288,244	29,558,015,011
		137,728,107,037	113,777,562,064
9	Fixed assets including premises, furniture and fixtures	2,370,517,478	2,406,155,616
	Details are shown in Annexure - B.		
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	1,253,955,315	1,204,796,142
	Equipment and computers	942,493,209	841,512,869
	Vehicles	98,329,897	93,762,794
		3,678,321,733	3,523,615,116
	Less: Accumulated depreciation (details are in Annexure - B)	(1,307,804,255)	(1,117,459,500)
	Net book value at the end of the year	2,370,517,478	2,406,155,616
9(a)	Consolidated fixed assets including premises, furniture and fixtures		
	Premier Bank Limited (Note - 9)	2,370,517,478	2,406,155,616
	Premier Bank Securities Limited	2,960,152	2,255,109
		2,373,477,630	2,408,410,725
	Details are shown in Annexure - A.		
10	Other assets		
	Income generating assets	2,529,980,000	499,980,000
	Non-income generating assets	6,804,058,068	4,356,355,275
		9,334,038,068	4,856,335,275
10(a)	Consolidated other assets		
	Premier Bank Limited (Note - 10)	9,334,038,068	4,856,335,275
	Premier Bank Securities Limited	202,020,678	221,334,959
	Premier Money Transfer Company Ltd.	-	-
		9,536,058,746	5,077,670,234
	Less: intercompany adjustment		
	Less: Investment in Premier Bank Securities Ltd.	2,499,980,000	499,980,000
	Less: Investment in Premier Money Transfer Company (UK) Ltd.	30,000,000	33,280,992
		7,006,078,746	4,544,409,242

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
10.1	Breakup of other assets		
	Adjusting account	1,181,596,450	856,477,190
	Advance office rent and maintenance	1,893,808,888	1,147,767,737
	Head office general account	1,007,351,921	-
	Investment in share of subsidiary Companies (Note- 10.1.1)	2,529,980,000	533,260,992
	Stationery, stamps, printing materials, etc.	28,866,644	24,360,996
	Protested bills	14,833,401	17,808,465
	Receivable on Sanchaya Patras (from Bangladesh Bank)	93,133,447	180,081,950
	Security deposits	2,884,117	2,908,714
	Off-shore Banking Units	7,587,941	7,264,168
	Others (Note - 10.1.2)	2,573,995,259	2,086,405,063
		9,334,038,068	4,856,335,275
10.1.1	Investment in share of subsidiary Companies		
	Premier Bank Securities Limited	2,499,980,000	499,980,000
	Premier money transfer co. Limited, UK	30,000,000	33,280,992
		2,529,980,000	533,260,992
10.1.2	Others		
	Sundry debtors	1,261,586,601	1,113,232,548
	Prepaid expenses	267,239,546	272,281,843
	Advance against petty cash	517,813	801,860
	Advance against suits/ cases	58,210,469	45,479,049
	Deferred tax asset (Note-10.1.2.1)	803,931,077	590,558,413
	Advance against proposed branch	22,267,745	3,908,224
	Cash remittance	18,150,280	19,052,418
	Advance payment for remittance	24,000,000	40,719,008
	Advance against margin for bank guarantee	105,059,700	-
	Advance against postage	5,000	10,000
	Advance against TA/DA	482,150	354,200
	Other sundry debtors	3,000	3,000
	Receivable A/C for POS & ATM	12,540,878	-
	DD paid without advice	1,000	4,500
		2,573,995,259	2,086,405,063
10.1.2.1	Deferred tax asset		
	(a) Deferred tax asset		
	Provision for classified loans and advances	2,537,345,277	1,962,428,946
	Provision for gratuity	96,407,532	76,407,532
	Total provision	2,633,752,809	2,038,836,478
	Tax base of provision	-	-
	Total Temporary difference	2,633,752,809	2,038,836,478
	Effective tax rate @ 40%	-	-
	Closing balance of deferred tax asset	1,053,501,124	815,534,591
	Opening balance of deferred tax asset	815,534,591	418,914,839
	Deferred tax income	237,966,533	396,619,752
	(b) Deferred tax liability		
	Opening balance	224,976,178	159,948,314
	add: Provision made during the year	24,593,869	65,027,864
	Closing balance	249,570,047	224,976,178
	Net Deferred tax Income(expense)	213,372,664	331,591,888
	Net deferred tax assets (a-b)	803,931,077	590,558,413
	(c) Deferred tax income included with retained earnings		
	Opening balance	750,506,727	418,914,839
	Add: Addition during the year	213,372,664	331,591,888
	Closing balance	963,879,391	750,506,727

Note : Pursuant to BRPD circular No. 11, dated 12 December 2011, the bank /group can not declare dividend on deferred tax income from classified loans & advances included within retained earnings.

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

Amount in Taka

2017

2016

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 2017.

Aging of outstanding transactions	Number of unresponded entries		Number of unresponded entries (Amount in Taka)	
	Debit	Credit	Debit	Credit
Up to 3 months	379	116	1,285,295,000	298,480,000
Over 3 months but within 6 months	88	5	13,623,000	889,000
Over 6 months	78	11	7,936,000	132,000
Total	545	132	1,306,854,000	299,501,000

11 Borrowings from other banks, financial institutions and agents

In Bangladesh (Note - 11.1)
Outside Bangladesh

15,084,474,001	4,869,857,372
-	-
15,084,474,001	4,869,857,372

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

Premier Bank Limited (Note - 11)
Premier Bank Securities Limited

15,084,474,001	4,869,857,372
759,438,926	2,699,817,318
15,843,912,927	7,569,674,690
759,438,926	2,699,817,318
15,084,474,001	4,869,857,372

Less: Inter Company Transaction

11.1 In Bangladesh

Bangladesh Bank (Refinance facility under Islamic Banking)
FC Placement borrowing from other Banks
Borrowing from other Banks
Bangladesh Bank (Refinance facility under SME)
Bangladesh Bank (EDF)
Bangladesh Bank Refinance Under 10/-TK Account Holder
Bangladesh Bank (Refinance facility under HBL)
Bangladesh Bank (Refinance facility under Women Enterprise)

9,000,000,000	3,000,000,000
242,175,000	-
3,130,000,000	-
14,925,896	30,357,146
2,691,935,314	1,801,989,627
1,390,000	-
2,292,434	2,530,028
1,755,357	34,980,571
15,084,474,001	4,869,857,372

11.2 Analysis by security

Secured
Unsecured

15,084,474,001	4,869,857,372
-	-
15,084,474,001	4,869,857,372

11.3 Repayment pattern

Repayable on demand
Repayable on maturity

-	-
15,084,474,001	4,869,857,372
15,084,474,001	4,869,857,372

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
12	Non-convertible Subordinated Bond	7,000,000,000	6,000,000,000
12.1	Premier Bank Non-convertible Subordinated Bond (1st Issue)		
	Sonali Bank Limited	500,000,000	500,000,000
	Investment Corporation of Bangladesh	250,000,000	250,000,000
	ICB Unit Fund	250,000,000	250,000,000
	EBL First Mutual Fund	-	70,000,000
	Trust Bank 1st Mutual Fund	-	80,000,000
	IFIC Bank 1st Mutual Fund	-	100,000,000
	1st Janata Bank Mutual Fund	10,000,000	120,000,000
	Popular Life First Mutual Fund	120,000,000	120,000,000
	PHP First Mutual Fund	120,000,000	160,000,000
	EBL NRB Mutual Fund	50,000,000	50,000,000
	First Bangladesh Fixed Income Fund	150,000,000	300,000,000
	Multi Securities & Services Limited	550,000,000	-
		2,000,000,000	2,000,000,000
	Premier Bank Non-convertible Subordinated Bond (2nd Issue)(Trance-1)		
	Sonali Bank Limited	300,000,000	300,000,000
	Bank Asia Limited	200,000,000	200,000,000
	First Bangladesh Fixed Income Fund	300,000,000	300,000,000
	EXIM Bank 1st Mutual Fund	50,000,000	50,000,000
	AB Bank 1st Mutual Fund	150,000,000	150,000,000
		1,000,000,000	1,000,000,000
	Premier Bank Non-convertible Subordinated Bond (2nd Issue)(Trance-2)		
	EBL 1ST Mutual Fund	40,000,000	40,000,000
	Trust Bank 1st Mutual Fund	30,000,000	30,000,000
	IFIC Bank 1st Mutual Fund	10,000,000	10,000,000
	1st Janata Bank Mutual Fund	30,000,000	30,000,000
	Popular Life 1st Mutual Fund	30,000,000	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
	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)(Trance-1)		
	Trust Bank 1st Mutual Fund	270,000,000	270,000,000
	IFIC Bank 1st Mutual Fund	190,000,000	190,000,000
	1st Janata Mutual Fund	100,000,000	100,000,000
	PHP 1st Mutual Fund	120,000,000	120,000,000
	Popular Life 1st Mutual Fund	250,000,000	250,000,000
	EBL NRB Mutual Fund	190,000,000	190,000,000
	AB Bank 1st Mutual Fund	100,000,000	100,000,000
	First Bangladesh Fixed Income Fund	730,000,000	730,000,000
	EXIM Bank 1st Mutual Fund	50,000,000	50,000,000
		2,000,000,000	2,000,000,000
	Premier Bank Non-convertible Subordinated Bond (3rd Issue)(Trance-2)		
	Agrani Bank Limited	200,000,000	-
	First Bangladesh Fixed Income Fund	170,000,000	-
	1st Janata Mutual Fund	150,000,000	-
	AB Bank 1st Mutual Fund	120,000,000	-
	EXIM Bank 1st Mutual Fund	100,000,000	-
	PHP 1st Mutual Fund	100,000,000	-
	EBL First Mutual Fund	100,000,000	-
	Trust Bank 1st Mutual Fund	30,000,000	-
	IFIC Bank 1st Mutual Fund	30,000,000	-
		1,000,000,000	-

		Amount in Taka	
		2017	2016
13	Deposits and other accounts		
	Inter-bank deposits (Note - 13.1)	5,666,868,589	5,264,335,437
	Other deposits (Note - 13.2)	135,023,605,859	120,225,785,381
		140,690,474,448	125,490,120,818
13(a)	Consolidated deposits and other accounts		
	Premier Bank Limited (Note - 13)	140,690,474,448	125,490,120,818
	Premier Bank Securities Ltd.	331,274,666	796,567,701
		141,021,749,114	126,286,688,519
	Less: Inter Company transaction	377,695,434	646,317,621
		140,644,053,680	125,640,370,898
13.1	Inter-bank deposits		
	Fixed Deposits		
	Al Arafah Islami Bank Ltd.	-	500,000,000
	Sonali Bank Ltd.	1,150,000,000	1,400,000,000
	Agrani Bank Ltd.	1,500,000,000	1,000,000,000
	Mutual Trust Bank Ltd	-	400,000,000
	Uttara Bank Ltd	-	500,000,000
	Bangladesh Development Bank Ltd	-	150,000,000
	Janata Bank Ltd	500,000,000	500,000,000
	NCC Bank Ltd	-	300,000,000
	Mercantile Bank Ltd.	-	500,000,000
	Modhumoti Bank Limited	300,000,000	-
	AB Bank Limited	200,000,000	-
	Rupali Bank Limited	1,000,000,000	-
	Pubali Bank Limited	250,000,000	-
	Islami Bank Bangladesh Limited	500,000,000	-
	Eastern Bank Limited	260,000,000	-
		5,660,000,000	5,250,000,000
	Special Notice Deposits		
	Meghna Bank Limited	6,156,584	6,153,036
	Basic Bank Ltd.	10,090	10,994
	Exim Bank Ltd.	74,739	74,239
	Farmers Bank Limited	5,127	3,900,358
		6,246,540	10,138,627
	Current Deposits		
	Farmers Bank Limited	-	450,209
	Trust Bank Ltd.	123,147	764,837
	Midland Bank Ltd.	498,902	2,981,764
		622,049	4,196,810
		5,666,868,589	5,264,335,437
13.1.1	Maturity analysis of inter-bank deposits		
	Repayable on demand	622,049	4,196,810
	Repayable within 1 month	2,856,246,540	706,141,444
	Over 1 month but within 3 months	2,810,000,000	403,703,742
	Over 3 months but within 1 year	-	4,150,293,441
	Over 1 year but within 5 years	-	-
	Over 5 years but within 10 years	-	-
	Unclaimed deposits for 10 years or more	-	-
		5,666,868,589	5,264,335,437
13.2	Other deposits		
	Savings bank deposits	9,082,720,699	7,487,133,469
	Fixed deposit		
	One month	1,891,200,704	8,482,803,237
	Three months	39,380,913,681	34,266,702,425
	Six months	11,320,908,671	14,334,916,717
	One year	27,835,814,085	13,427,587,796
	Two years	59,284,852	2,536,279,012
	Three years but not more than five years	84,946,813	3,294,970,588
		80,573,068,806	76,343,259,775

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

	Amount in Taka	
	2017	2016
Others		
Current account	8,491,547,780	6,798,347,826
Special -notice deposits	11,334,981,926	9,424,081,695
Staff security deposits	6,254,450	5,143,482
Deposit in foreign currency	2,091,183,053	1,040,713,733
Monthly savings scheme	3,886,477,398	3,412,508,224
Monthly income account	2,529,522,692	1,316,869,652
Education savings scheme	563,030	488,180
Special deposit scheme	51,534,502	24,347,433
Double benefit scheme	4,218,721,798	4,300,023,917
Mudaraba Hajj deposit	1,436,226	1,250,346
Off-shore Banking Unit	4,108,454,263	5,260,227,348
Sundry deposits (Note - 13.3)	9,886,057,878	7,471,087,506
	46,606,734,996	39,055,089,342
Less: Inter Company transaction	3,332,134,301	4,339,512,063
	43,274,600,695	34,715,577,279
Bills payable (Note - 13.4)	2,093,215,659	1,679,814,858
	135,023,605,859	120,225,785,381
13.2.1 Maturity analysis of other deposits		
Repayable on demand	23,379,449,233	17,663,805,935
Repayable within 1 month	16,082,429,170	18,613,026,376
Over 1 month but within 3 months	47,646,189,517	41,079,993,882
Over 3 months but within 1 year	43,043,200,154	30,991,490,206
Over 1 year but within 5 years	144,231,665	5,831,249,600
Over 5 years but within 10 years	4,728,106,120	6,046,219,382
	135,023,605,859	120,225,785,381
13.3 Sundry deposits		
Sundry creditors	74,057,210	58,987,671
Margin on letter of credit	1,551,458,248	1,395,326,185
Margin on letter of guarantee	1,033,731,595	628,291,237
Sanchaya Patra	68,467,910	152,724,856
Interest/Profit payable on deposit	1,322,168,383	1,225,688,120
Income tax deducted at source	382,901,081	299,020,814
VAT payable to government	267,720,203	213,964,128
Margin on foreign documentary bill purchases	2,580,355	2,580,355
Other sundry deposits	5,182,972,893	3,494,504,140
	9,886,057,878	7,471,087,506
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 honourable High Court. On the basis of this advice, the Bank has not deposited any VAT on Rent collected from the Branches till to date.		
Honourable High Court issued a rule directing the Govt as to why SRO Nos. 202-Ain/2010/551-Mushok, dated 10/05/2010 and 105-Ain/2009/513-Musak, dated 11.06.2009 should not be declared to have been issued without lawful authority and are of no legal effect as being ultravires to the provisions of section 3(1) and Second Schedule of the Value Added Tax Act, 1991. The matter is under adjudication and the outcome is uncertain.		
13.4 Bills payable		
Inside Bangladesh	2,093,215,659	1,679,814,858
Outside Bangladesh	-	-
	2,093,215,659	1,679,814,858

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
14	Other liabilities		
	Head office general account	-	28,846,353
	Provision against loans and advances (Note - 14.1)	2,981,552,833	2,386,636,502
	Provision for gratuity (Note - 14.2)	96,407,532	76,407,532
	Provision for off-balance sheet items (Note - 14.3)	245,438,830	235,438,830
	Other provision (Note - 14.4)	451,218,565	416,218,565
	Provision for corporate taxation (Note - 14.5)	1,024,270,722	629,840,591
	Interest suspense account (Note - 14.6)	1,113,244,772	2,234,224,608
	Adjusting account	366,833,981	250,588,658
	Credit card	13,542,975	3,568,302
	Investment compensation	3,515,374	11,151,962
	BEFT settlement Account	3,276,327	-
	Off-shore Banking Unit	28,180,589	32,898,805
		6,327,482,500	6,305,820,708
14(a)	Consolidated other liabilities		
	Premier Bank Limited (Note - 14)	6,327,482,500	6,305,820,708
	Premier Bank Securities Ltd.	322,022,797	437,998,822
		6,649,505,297	6,743,819,530
	Less: intercompany adjustment	-	-
		6,649,505,297	6,743,819,530
14.1	Accumulated provision against loans and advances		
	<u>On classified loans</u>		
	Opening balance	1,962,428,946	1,047,287,098
	Less : Fully provided debts written off during the year	468,223,725	-
	Add : Recovery of amounts previously written off	3,140,056	5,141,848
	Add : Specific provision made during the year	1,040,000,000	910,000,000
	Closing balance	2,537,345,277	1,962,428,946
	<u>On unclassified loans</u>		
	Opening balance	424,207,556	404,207,556
	Less : Release for the year	-	-
	Add : Provision made during the year	20,000,000	20,000,000
	Closing balance	444,207,556	424,207,556
	Total closing balance	2,981,552,833	2,386,636,502
	Note: The Bank has maintained an accumulated provision of Tk. 253.73 crore against classified loans & advances and a sum of Tk. 44.42 crore as provision against unclassified loans & advances for the year ended 31 December 2017 against a provision requirement of Tk. 290.56 crore and Tk. 101.02 crore for classified loans and unclassified loans respectively. This results in a provision shortfall of Tk. 56.60 Crore against unclassified loans & advances and a sum of Tk. 36.91 crore against classified loans and advances. Provision requirements against stay order by Honorable High Court is Tk. 441.34 crore. However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. DBI-1/118/2018-1143 dated 02 April 2018.		
14.2	Provision for gratuity		
	Opening balance	76,407,532	56,407,532
	Add: Provision made during the year	20,000,000	20,000,000
	Less: Adjustment during the year	-	-
	Closing balance	96,407,532	76,407,532
	Note: The Bank has been maintained an accumulated provision of Tk. 9.64 crore upto 31 December 2017. On the basis of lump sum calculation, Required gratuity provision as at 31 December 2017 amounted to Tk. 34.73 crore resulting in a shortfall of Tk. 25.09 crore. However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. DBI-1/118/2018-1143 dated 02 April 2018.		
14.3	Provision for off-balance sheet items		
	Opening balance	235,438,830	225,438,830
	Add: Provision made during the year	10,000,000	10,000,000
	Less: Adjustment during the year	-	-
	Closing balance	245,438,830	235,438,830
	Note: The Bank has been maintained an accumulated provision of Tk. 24.54 crore against Off-Balance Sheet exposure for the year ended 31 December 2017 against a provision requirement of Tk. 77.91 crore resulting in a provision shortfall of Tk. 53.36 crore. However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. DBI-1/118/2018-1143 dated 02 April 2018.		

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

Amount in Taka

	2017	2016
14.4 Other provisions		
Provision for protested bills (Note - 14.4.1)	14,833,401	12,870,000
Provision for suspense account (Note - 14.4.2)	8,885,164	5,848,565
Provision for investment on shares (Note - 14.4.3)	422,500,000	392,500,000
Provision for good borrowers (Note - 14.4.4)	5,000,000	5,000,000
	451,218,565	416,218,565
14.4.1 Provision for protested bills		
Opening balance	12,870,000	11,713,143
Add: Provision made during the year	1,963,401	1,156,857
Less: Adjustment during the year	-	-
Closing balance	14,833,401	12,870,000
14.4.2 Provision for suspense account		
Opening balance	5,848,565	5,848,565
Add: Provision made during the year	3,036,599	-
Less: Adjustment during the year	-	-
Closing balance	8,885,164	5,848,565
<p>Note: The Bank has been maintained an accumulated provision of Tk. 1.48 crore and Tk. 0.89 crore against protested bills and suspense account respectively for the year ended 31 December 2017 against a provision requirement of Tk. 22.94 crore against other assets (which comprises of protested bills and suspense account) resulting in a provision shortfall of Tk. 20.57 crore. However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. DBI-1/118/2018-1143 dated 02 April 2018.</p>		
14.4.3 Provision for investment in shares		
Opening balance	392,500,000	352,500,000
Add: Provision made during the year (General)	30,000,000	40,000,000
Add: Provision made during the year (Islami)	-	-
Less: Adjustment during the year	-	-
Closing balance	422,500,000	392,500,000
<p>Note: The Bank has been maintained an accumulated provision of Tk. 42.25 crore against investments in shares for the year ended 31 December 2017 against a provision requirement of Tk. 75.56 crore resulting in a provision shortfall of Tk. 33.30 crore. However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. DBI-1/118/2018-1143 dated 02 April 2018.</p>		
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
14.5 Provision for corporate taxation		
Opening balance	629,840,591	531,871,317
Add: Provision made during the year	1,500,000,000	1,063,575,068
Less: Adjustment during the year	1,105,569,869	965,605,794
Closing balance	1,024,270,722	629,840,591
<p>Note: Up to the assessment year 2011-2012 there is a difference of Tk. 33 Crore between the tax claimed and the tax paid thereon. Cases are pending with the Tribunal and honourable High Court. The Bank has not made any provision in this regard since the matter is under adjudication and outcome is uncertain. Please refer to Annexure - D for more details.</p>		
14.5 (a) Consolidated Provision for taxation		
Premier Bank Limited (Note - 14.5)	1,024,270,722	629,840,591
Premier Bank Securities Limited	13,976,371	7,949,313
	1,038,247,093	637,789,904
14.5 (aa) Consolidated Provision for taxation		
Premier Bank Limited	1,500,000,000	1,063,575,068
Premier Bank Securities Limited	13,976,371	7,949,313
	1,513,976,371	1,071,524,381

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
14.6	Interest suspense account		
	Opening balance	2,234,224,608	1,001,310,086
	Add: Transfer during the year	319,122,354	1,232,914,522
	Less: Recovery during the year	1,391,654,256	-
	Less: Write off during the year	48,447,934	-
	Closing balance	1,113,244,772	2,234,224,608
15	Share Capital	6,957,226,940	6,820,810,730
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 and sponsors: 48,650,355 ordinary share 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 and sponsors: 274,533,513 bonus shares of Taka 10 each	2,745,335,130	2,700,012,460
		2,745,335,130	2,700,012,460
	No. of shares owned by other than Directors & Sponsors (General shareholders)		
	372,538,826 ordinary shares of Taka 10 each	3,725,388,260	3,634,294,720
		6,957,226,940	6,820,810,730

Particulars	31.12.2017		31.12.2016	
	No. of shares	% of share holding	No. of shares	% of share holding
(i) Sponsors & Directors				
Local (individual)	210,253,444	30.22	210,924,216	30.92
Govt. of Bangladesh	-	-	-	-
Foreign (individual)	20,892,534	3.00	20,482,877	3.00
Independent Director (individual)	-	-	-	-
(ii) Associated companies	-	-	-	-
(iii) Govt. of Bangladesh	-	-	-	-
(iv) Corporate bodies				
Local	113,629,183	16.33	140,489,732	20.60
Foreign	-	-	-	-
(v) General investors				
Local (individual)	349,743,331	50.27	308,860,225	45.28
Non-resident Bangladeshis	1,204,202	0.17	1,324,023	0.19
Foreign individual	-	-	-	-
(vi) Others	-	-	-	-
	695,722,694	100	682,081,073	100

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

Amount in Taka

2017

2016

15.4 Names of the directors/sponsor shareholders and their shareholdings as on 31 December 2017

Sl. No.	Name of the Director/Shareholder	Status	Shareholding (Number of shares)	
			31.12.2017	31.12.2016
1	Dr. H. B. M. Iqbal	Chairman	26,777,846	26,252,791
2	Mr. Mohammad Imran Iqbal	Vice Chairman	13,915,112	13,642,267
3	Mr. B. H. Haroon, MP	Director	13,918,315	13,645,408
4	Mr. Abdus Salam Murshedy	Director	29,297,167	28,722,713
5	Mr. Shafiqur Rahman	Director	13,920,597	13,647,645
6	Mr. Jamal G. Ahmed	Director	34,786,080	21,268,732
7	Mr. Shah Md. Nahyan Haroon	Director	13,918,490	13,645,579
8	Mrs. Shaila Shelly Khan	Director	34,774,527	34,092,674
9	Mr. Yeh Cheng Min	Director	20,892,534	20,482,877
10	Mrs Faiza Rahman	Independent Director	-	-
11	Mr. Chowdhury Jafarullah Sharafat	Independent Director	-	-
12	Dr. Arifur Rahman	Sponsor Shareholder	24,105,902	23,633,238
13	Mr. Nurul Amin	Sponsor Shareholder	4,839,408	4,744,519
14	Mrs Fauzia Rekza banu*		-	17,628,650
Sub-total			231,145,978	231,407,093
No. of shares owned by other than Directors & Sponsors (General shareholders)			464,576,716	450,673,980
Total			695,722,694	682,081,073

* Mrs. Fauzia Rekza Banu resigned from Board of director w.e.f. 06.09.2017

15.5 Classification of shareholders by holding as on 31 December 2017

Shareholding Range	No. of Shareholders	No. of Shares	Percentage of share holding
01 - 500	18,217	3,383,665	0.49%
501 - 5000	27,769	51,981,200	7.47%
5,001 - 10,000	3,360	24,843,070	3.57%
10,001 - 20,000	1,888	26,959,418	3.88%
20,001 - 30,000	685	16,984,086	2.44%
30,001 - 40,000	300	10,500,885	1.51%
40,001 - 50,000	216	10,036,254	1.44%
50,001 - 100,000	373	27,217,357	3.91%
100,001 - 1,000,000	335	86,489,985	12.43%
Over 1,000,000	77	437,326,774	62.86%
Total	53,220	695,722,694	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, the required capital of the Bank as on 31 December 2017 was Taka 1435.23 crore on solo basis and Taka 1438.53 Crore on Consolidated basis against available capital of Taka 1738.90 crore on solo basis and Taka 1744.65 crore on consolidated basis thereby showing Surplus capital/equity. Details are shown below:

15.6.1 Tier I Capital (Solo Basis)

Common Equity Tier 1 Capital

Paid-up capital	6,957,226,940	6,820,810,730
Statutory reserve	3,981,066,735	3,342,002,303
Retained earnings	2,029,237,721	1,578,104,610
Sub-total	12,967,531,396	11,740,917,643
Less: Regulatory adjustment (As per Basel III Guideline)	1,705,025,209	2,048,200,000
Total Common Equity Tier I Capital	11,262,506,187	9,692,717,643
Addition Tier 1 Capital	-	-
Total Tier 1 Capital (Solo Basis)	11,262,506,187	9,692,717,643

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka																								
		2017	2016																							
15.6.2	Tier II Capital (Solo Basis)																									
	General provision	689,646,386	659,646,386																							
	Subordinated debt (As per Basel III Guideline)	5,400,000,000	5,200,000,000																							
	Revaluation Reserve for Securities and Fixed Assets (As per Basel III Guideline)	92,228,325	92,228,325																							
	Sub-total	6,181,874,711	5,951,874,711																							
	Less: Regulatory adjustment (As per Basel III Guideline)	55,336,995	36,891,330																							
	Total Admissible Tier II Capital	6,126,537,716	5,914,983,381																							
	Total Regulatory Capital (Tier I & Tier II Capital) on Solo Basis	17,389,043,903	15,607,701,024																							
	(A) Total risk-weighted assets(RWA) on Solo Basis	143,522,757,167	126,042,500,000																							
	(B) Minimum capital requirement	14,352,275,717	12,604,250,000																							
	(C) Capital Conservation Buffer Requirement	1,794,034,465	787,765,625																							
	(D) Minimum Required Capital plus Capital Conservation Buffer (B+C)	16,146,310,182	13,392,015,625																							
	(E) Actual capital maintained	17,389,043,903	15,607,701,024																							
	(G) Surplus/(Deficit) (E-D)	1,242,733,721	2,215,685,399																							
	Capital to risk weighted assets ratio (CRAR) on Solo Basis	12.12%	12.38%																							
15.6.1(a)	Common Equity Tier I Capital (Consolidated Basis)																									
	Paid-up capital	6,957,226,940	6,820,810,730																							
	Statutory reserve	3,981,066,735	3,342,002,303																							
	Retained earnings	2,086,718,332	1,574,941,692																							
	Minority interest	24,583	24,098																							
	Sub-total	13,025,036,590	11,737,778,823																							
	Less: Regulatory adjustment (As per Basel III Guideline)	1,705,025,209	2,048,200,000																							
	Total Common Equity Tier I Capital	11,320,011,381	9,689,578,823																							
15.6.2(a)	Consolidated Tier II Capital																									
	General provision	689,646,386	659,646,386																							
	Subordinated debt (As per Basel III Guideline)	5,400,000,000	5,200,000,000																							
	Revaluation Reserve for Securities and Fixed Assets (As per Basel III Guideline)	92,228,325	92,228,325																							
	Sub-total	6,181,874,711	5,951,874,711																							
	Less: Regulatory adjustment (As per Basel III Guideline)	55,336,995	36,891,330																							
	Total Admissible Tier II Capital	6,126,537,716	5,914,983,381																							
	Total Regulatory Capital (Tier I & Tier II Capital) on Consolidated Basis	17,446,549,097	15,604,562,204																							
	(A) Total risk-weighted assets(RWA) on Consolidated Basis	143,852,541,200	124,995,800,000																							
	(B) Minimum capital requirement	14,385,254,120	12,499,580,000																							
	(C) Capital Conservation Buffer Requirement	1,798,156,765	781,223,750																							
	(D) Minimum Required Capital plus Capital Conservation Buffer (B+C)	16,183,410,885	13,280,803,750																							
	(F) Actual capital maintained	17,446,549,097	15,604,562,204																							
	(G) Surplus/(Deficit) (C-D)	1,263,138,212	2,323,758,454																							
	Capital to risk weighted assets ratio (CRAR) on Consolidated Basis	12.13%	12.48%																							
15.7	Capital requirement	<table border="1"> <thead> <tr> <th colspan="2">2017 Under Basel-III</th> <th colspan="2">2016 Under Basel-III</th> </tr> <tr> <th>Required</th> <th>Maintained</th> <th>Required</th> <th>Maintained</th> </tr> </thead> <tbody> <tr> <td>Minimum Tier I capital Ratio</td> <td>6.00%</td> <td>7.85%</td> <td>5.50%</td> <td>7.69%</td> </tr> <tr> <td>Minimum Total Capital Ratio</td> <td>10.00%</td> <td>12.12%</td> <td>10.00%</td> <td>12.38%</td> </tr> <tr> <td>Minimum Total Capital plus Capital Conservation Buffer</td> <td>11.25%</td> <td>12.12%</td> <td>10.625%</td> <td>12.38%</td> </tr> </tbody> </table>		2017 Under Basel-III		2016 Under Basel-III		Required	Maintained	Required	Maintained	Minimum Tier I capital Ratio	6.00%	7.85%	5.50%	7.69%	Minimum Total Capital Ratio	10.00%	12.12%	10.00%	12.38%	Minimum Total Capital plus Capital Conservation Buffer	11.25%	12.12%	10.625%	12.38%
2017 Under Basel-III		2016 Under Basel-III																								
Required	Maintained	Required	Maintained																							
Minimum Tier I capital Ratio	6.00%	7.85%	5.50%	7.69%																						
Minimum Total Capital Ratio	10.00%	12.12%	10.00%	12.38%																						
Minimum Total Capital plus Capital Conservation Buffer	11.25%	12.12%	10.625%	12.38%																						
15.7(a)	Consolidated Capital requirement	<table border="1"> <thead> <tr> <th colspan="2">2017 Under Basel-III</th> <th colspan="2">2016 Under Basel-III</th> </tr> <tr> <th>Required</th> <th>Maintained</th> <th>Required</th> <th>Maintained</th> </tr> </thead> <tbody> <tr> <td>Minimum Tier I capital Ratio</td> <td>6.00%</td> <td>7.87%</td> <td>5.50%</td> <td>7.75%</td> </tr> <tr> <td>Minimum Total Capital Ratio</td> <td>10.00%</td> <td>12.13%</td> <td>10.00%</td> <td>12.48%</td> </tr> <tr> <td>Minimum Total Capital plus Capital Conservation Buffer</td> <td>11.25%</td> <td>12.13%</td> <td>10.625%</td> <td>12.48%</td> </tr> </tbody> </table>		2017 Under Basel-III		2016 Under Basel-III		Required	Maintained	Required	Maintained	Minimum Tier I capital Ratio	6.00%	7.87%	5.50%	7.75%	Minimum Total Capital Ratio	10.00%	12.13%	10.00%	12.48%	Minimum Total Capital plus Capital Conservation Buffer	11.25%	12.13%	10.625%	12.48%
2017 Under Basel-III		2016 Under Basel-III																								
Required	Maintained	Required	Maintained																							
Minimum Tier I capital Ratio	6.00%	7.87%	5.50%	7.75%																						
Minimum Total Capital Ratio	10.00%	12.13%	10.00%	12.48%																						
Minimum Total Capital plus Capital Conservation Buffer	11.25%	12.13%	10.625%	12.48%																						

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
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	3,342,002,303	2,878,188,929
	Prior period adjustment	-	-
	Adjusted Opening Balance	3,342,002,303	2,878,188,929
	Add : Addition during the year (20% of profit before tax)	639,064,432	463,813,374
	Closing balance	3,981,066,735	3,342,002,303
17	Other reserve		
	Revaluation on HFT securities Trasury bond (Note - 17.1)	48,470,897	129,129,925
	Revaluation on HFT securities Treasury bill (Note - 17.2)	-	101,765
	Amortization Reserve on HTM Treasury Bond (Note - 17.3)	9,556,151	2,574,942
	Amortization Reserve on HTM Treasury Bill (Note - 17.4)	6,462,873	-
	Fixed Assets Revaluation (Note - 17.5)	41,922,889	41,922,889
		106,412,810	173,729,521
17.1	Revaluation on HFT securities Trasury bond		
	Opening balance	129,129,925	433,606,089
	Add : Addition during the year	-	-
	Less : Adjustment during the year	80,659,028	304,476,164
	Closing balance	48,470,897	129,129,925
17.2	Revaluation on HFT securities Treasury bill		
	Opening balance	101,765	23,269,050
	Add : Addition during the year	-	-
	Less : Adjustment during the year	101,765	23,167,285
	Closing balance	-	101,765
17.3	Amortization Reserve on HTM Treasury Bond		
	Opening balance	2,574,942	315,250
	Add : Addition during the year	6,981,209	2,259,692
	Closing balance	9,556,151	2,574,942
17.4	Amortization Reserve on HTM Treasury Bill		
	Opening balance	-	27,100,952
	Add : Addition during the year	6,462,873	-
	Less : Adjustment during the year	-	27,100,952
	Closing balance	6,462,873	-
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)	106,412,810	173,729,521
	Premier Money Transfer Company Ltd.	27,569,548	1,731,538
		133,982,358	175,461,059
18	Retained earnings		
	Opening balance	1,578,104,610	1,074,907,994
	Add: Post-tax profit for the year	1,908,694,826	1,587,083,690
	Less: Transfer to statutory reserve	639,064,432	463,813,374
	Less: Issue of bonus shares	818,497,283	620,073,700
	Closing balance	2,029,237,721	1,578,104,610

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Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
18(a)	Consolidated retained earnings		
	Opening balance	1,574,941,692	1,056,775,547
	Add: Post-tax profit for the year	1,969,338,840	1,602,054,548
	Less: Transfer to statutory reserve	639,064,432	463,813,374
	Add: Currency difference for investment in subsidiary	-	-
	Add: Adjustment of deferred tax income	-	-
	Less: Issue of bonus shares	818,497,283	620,073,700
	Less: Non controlling interest	485	1,329
	Closing balance	2,086,718,332	1,574,941,692
18(b)	Non-controlling interest		
	Opening balance	24,098	22,769
	Add : Addition during the year	485	1,329
	Less : Adjustment during the year	-	-
	Closing balance	24,583	24,098
19	Contingent Liabilities		
19.1	Letter of guarantee		
	Money for which the Bank is contingently liable in respect of guarantees issued favouring:		
	Directors	68,180,200	5,223,000
	Government	-	-
	Banks and other financial institutions	-	76,390,710
	Others	42,367,245,790	40,985,304,699
		42,435,425,990	41,066,918,409
19.2	Other contingent liabilities		
	Litigation pending against the Bank	-	-
	Value of traveller's cheques	-	-
		-	-
20	Other Commitments		
	Documentary credits and short term trade-related transactions	-	-
	Forward assets purchase and forward deposits placement	4,94,383,800	157,465,600
	Undrawn formal standby facilities, credit lines and commitments to lend	-	-
	Below 3 months	-	-
	Over 3 months but below 1 year	-	-
	Over 1 year but below 5 years	-	-
	Over 5 years	-	-
	Spot and forward foreign exchange contracts	-	-
	Other exchange contracts	494,383,800	157,465,600
21	Income		
	Interest, discount and similar income	12,236,883,466	10,259,668,964
	Dividend income	120,873,332	71,342,759
	Fee, commission and brokerage	1,037,753,052	809,835,787
	Gains less losses arising from dealing in foreign currencies	996,335,012	600,801,078
	Investment income	1,920,608,651	2,490,930,853
	Other operating income	620,505,120	502,625,307
		16,932,958,633	14,735,204,748
	Expenses		
	Interest, fee and commission	8,261,516,673	7,518,445,665
	Administrative expenses	3,756,864,283	3,181,007,066
	Other operating expenses	403,291,918	525,792,110
	Depreciation on banking assets	190,963,597	189,736,180
		12,612,636,471	11,414,981,021
		4,320,322,162	3,320,223,727

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Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
22	Interest income/profit on Islamic investments		
	Interest on call loans	313,681	2,292,306
	Interest received from other banks and financial institutions	531,284	66,572,954
	Interest received from foreign banks and Bangladesh Bank F/C accounts	43,969,443	53,048,054
	Interest received from customers, other than banks	11,961,292,602	10,027,510,272
	Interest income on Off- shore Banking Unit	250,006,786	171,967,703
		12,256,113,796	10,321,391,289
	Less: Inter Company Transaction	19,230,330	61,722,325
		12,236,883,466	10,259,668,964
22(a)	Consolidated interest income		
	Premier Bank Limited (Note - 23)	12,236,883,466	10,259,668,964
	Premier Bank Securities Ltd.	195,617,971	231,505,898
		12,432,501,437	10,491,174,862
	Less: Inter Company Transaction	59,621,608	112,297,150
		12,372,879,829	10,378,877,712
23	Interest/profit paid on deposits, borrowings, etc.		
	Interest paid on deposits	7,306,931,428	6,957,239,379
	Interest paid on borrowings	940,621,600	552,977,206
	Interest paid on repo	13,963,645	8,229,080
	Interest paid on Deposit, Off- shore Banking Unit	19,230,330	61,722,325
		8,280,747,003	7,580,167,990
	Less: Inter Company Transaction	19,230,330	61,722,325
		8,261,516,673	7,518,445,665
23(a)	Consolidated interest paid on deposits, borrowings, etc.		
	Premier Bank Limited (Note - 23)	8,261,516,673	7,518,445,665
	Premier Bank Securities Ltd.	59,621,608	112,297,150
		8,321,138,281	7,630,742,815
	Less: Inter Company Transaction	59,621,608	112,297,150
		8,261,516,673	7,518,445,665
24	Investment income		
	Interest on treasury bills, Bangladesh Bank bills, repo & reverse repo	48,420,590	167,911,699
	Interest on treasury bonds, corporate bonds	1,814,512,997	1,969,002,474
	Interest income on corporate investment	-	2,001,104
	Dividend Income	120,873,332	71,342,759
	Capital gain on govt securities	-	327,527,668
	Capital gain on sale of investment in shares (Note - 24.1)	57,675,064	24,487,908
		2,041,481,983	2,562,273,612
24(a)	Consolidated Investment income		
	Premier Bank Limited (Note - 24)	2,041,481,983	2,562,273,612
	Premier Bank Securities Ltd.	7,219,106	9,792,504
		2,048,701,089	2,572,066,116
24.1	Gain on sale of shares		
	Investment in portfolio	57,675,064	24,487,908
		57,675,064	24,487,908
25	Commission, exchange and brokerage		
	Commission	1,037,753,052	809,835,787
	Commission on Off-shore units	-	554,726
	Exchange earnings	996,335,012	600,801,078
		2,034,088,064	1,411,191,591
25(a)	Consolidated Commission exchange and brokerage		
	Premier Bank Limited (Note - 25)	2,034,088,064	1,411,191,591
	Premier Bank Securities Ltd.	63,208,547	28,485,939
		2,097,296,611	1,439,677,530

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
26	Other operating income		
	Services and other charges	153,607,278	124,908,097
	Income from rent of lockers	2,308,460	2,193,681
	Postage recoveries	31,454,977	27,846,961
	Fax/e-mail charges received	74,279,092	64,046,108
	Incidental charges	51,651,375	44,921,249
	Income sale of Bank Property	-	30,000
	Rent on property	23,093,980	11,274,380
	Miscellaneous earnings	284,109,958	227,404,831
		620,505,120	502,625,307
26(a)	Consolidated other operating income		
	Premier Bank Limited (Note - 26)	620,505,120	502,625,307
	Premier Bank Securities Ltd.	9,410,309	8,532,454
		629,915,429	511,157,761
27	Salary and allowances		
	Basic pay	660,517,577	522,475,284
	Allowances	747,572,459	616,479,383
	Bonus	193,137,168	111,758,057
	Provident fund contribution	59,196,071	47,628,423
	Retirement benefits and gratuity	59,701,124	45,473,602
		1,720,124,399	1,343,814,749
27(a)	Consolidated salary and allowances		
	Premier Bank Limited (Note - 27)	1,720,124,399	1,343,814,749
	Premier Bank Securities Ltd.	14,309,621	14,845,672
		1,734,434,020	1,358,660,421
28	Rent, taxes, insurance, electricity, etc.		
	Rent, rates and taxes	994,410,628	936,388,312
	Insurance	76,946,253	84,329,105
	Electricity, gas, water, etc.	88,790,944	88,443,906
		1,160,147,825	1,109,161,323

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 date.

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.

28(a)	Consolidated Rent, taxes, insurance, electricity, etc.		
	Premier Bank Limited (Note - 28)	1,160,147,825	1,109,161,323
	Premier Bank Securities Ltd.	114,071,987	117,147,836
		1,274,219,812	1,226,309,159
29	Legal expenses		
	Law charges	3,750,825	458,611
	Other professional charges	89,213,496	36,543,833
		92,964,321	37,002,444
29(a)	Consolidated Legal expenses		
	Premier Bank Limited (Note- 29)	92,964,321	37,002,444
	Premier Bank Securities Ltd.	100,000	46,500
		93,064,321	37,048,944

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
30	Postage, stamp, telecommunication, etc.		
	Telephone	12,451,104	11,899,545
	Postage, stamp and swift charges	48,210,310	40,109,922
	Telegram, internet, fax and e-mail	22,484,808	19,504,357
		83,146,222	71,513,824
30(a)	Consolidated Postage, stamp, telecommunication, etc.		
	Premier Bank Limited (Note - 30)	83,146,222	71,513,824
	Premier Bank Securities Ltd.	1,016,775	1,006,455
		84,162,997	72,520,279
31	Stationery, printing, advertisement, etc.		
	Printing and stationery	218,093,950	182,239,420
	Publicity, advertisement, contribution, etc.	361,551,106	320,820,662
		579,645,056	503,060,082
31(a)	Consolidated Stationery, printing, advertisement, etc.		
	Premier Bank Limited (Note- 31)	579,645,056	503,060,082
	Premier Bank Securities Ltd.	259,711	480,288
		579,904,767	503,540,370
32	Chief executive's salary and fees		
	Basic pay	6,600,000	6,600,000
	Bonus	2,550,000	1,650,000
	Other Allowances	4,200,000	4,200,000
		13,350,000	12,450,000
33	Directors' fees	2,688,000	4,009,000
		2,688,000	4,009,000
34	Depreciation and repair of Bank's assets		
	Repairs:		
	Furniture and fixtures	5,495,429	6,298,581
	Office equipment	41,035,606	27,084,120
	Renovation and maintenance of premises	37,922,425	64,115,159
		84,453,460	97,497,860
	Depreciation: (Annexure - B)		
	Vehicles	12,430,163	9,461,335
	Furniture and fixtures	72,438,372	75,881,666
	Equipment & Computer	73,874,405	71,362,219
	Land and building	31,601,815	32,412,118
	Amortisation of license fee	618,842	618,842
		190,963,597	189,736,180
	Total Depreciation and repair of Bank's assets	275,417,057	287,234,040
34(a)	Consolidated Depreciation and repair of Bank's assets		
	Repairs:		
	Premier Bank Limited (Note - 34)	84,453,460	97,497,860
	Premier Bank Securities Ltd.	-	-
		84,453,460	97,497,860
	Depreciation: (Annexure - A)		
	Premier Bank Limited (Note- 34)	190,963,597	189,736,180
	Premier Bank Securities Ltd.	437,933	383,730
		191,401,530	190,119,910
		275,854,990	287,617,770

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

Amount in Taka

	2017	2016
35 Other expenses		
Training expenses	9,139,915	3,092,736
Car maintenance	14,426,127	13,397,538
Washing and cleaning	7,400,789	6,150,636
Subscription	10,725,812	10,100,627
Entertainment	35,007,412	37,621,250
Travelling	11,334,182	8,473,564
Conveyance	7,485,913	7,386,201
Cartage and freight	57,450	51,860
Liveries and uniform	489,510	843,550
Cash carrying charges	16,113,167	13,173,495
Credit card fees	69,184,444	56,428,375
Security and auxiliary service	29,191,819	7,239,849
Losses of property	-	81,517
Loss for Revaluation	97,868,438	309,116,111
Loss on revaluation for HFT TB	685,412	33,590
Loss on Amortization for HTM TB	37,045,776	22,504,607
AGM expenses	11,087,690	7,908,321
Remittance charges	397,390	746,988
Sundry expenses	45,650,672	21,441,295
	403,291,918	525,792,110
35(a) Consolidated other expenses		
Premier Bank Limited (Note - 35)	403,291,918	525,792,110
Premier Bank Securities Ltd.	10,935,413	9,123,993
	414,227,331	534,916,103
36 Provision against loans and advances		
Specific provision	1,040,000,000	910,000,000
General provision	20,000,000	20,000,000
	1,060,000,000	930,000,000
37 Losses on disposal of subsidiary	20,000,000	2,500,510
<p>Premier Money Transfer Company Limited was a wholly owned subsidiary company of the Bank. As per decision of the executive committee of the Board of Directors, the Company ceased its operation from August 2015. As per Bangladesh Bank letter reference no. BOIMUBI/729/BIBIDHO/2016-3464 dated 28 December 2016, all outstanding liabilities of company will be adjusted within 31 December 2018. Accordingly an amount of Tk. 20,000,000 recognise as expense in the current year.</p>		
38 Earnings per share (EPS)		
Net profit after taxation (Numerator)	1,908,694,826	1,587,083,690
Number of ordinary shares outstanding (Denominator)	695,722,694	695,722,694
Earnings per share (EPS)	2.74	2.28
<p>Earnings per share (EPS) has been calculated in accordance with BAS - 33 : "Earnings per share (EPS)". Previous year's EPS has been restated due to issue of bonus share. Actual EPS for 2016 was Taka 2.33.</p>		
38 (a) Consolidated earnings per share (CEPS)		
Net profit after taxation (Numerator)	1,969,338,840	1,602,054,548
Number of ordinary shares outstanding (Denominator)	695,722,694	695,722,694
Consolidated earnings per share (CEPS)	2.83	2.30
<p>Consolidated earnings per share (CEPS) has been calculated in accordance with BAS - 33 : "Earnings per share (EPS)". Previous year's CEPS has been restated due to issue of bonus share. Actual CEPS for 2016 was Taka 2.35.</p>		
39 Number of Employees		
<p>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 1,562 and 1511 as on 31 December 2017 and 31 December 2016 respectively.</p>		

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

	Amount in Taka	
	2017	2016
40 Highlights of Activities		
Paid-up capital	6,957,226,940	6,820,810,730
Total capital	17,389,043,903	15,607,744,029
Capital surplus/(shortfall)	1,242,733,721	2,215,728,404
Total assets	182,176,375,155	154,580,446,062
Total deposits	140,690,474,448	125,490,120,818
Total loans and advances	135,891,061,280	113,723,813,918
Total contingencies	88,642,532,937	78,247,161,596
Loan-deposit ratio	92.14%	90.62%
Ratio of classified loans against total loans	4.69%	5.17%
Profit after tax and provision	1,908,694,826	1,587,083,690
Provision against classified loans	2,537,345,277	1,962,428,946
Provision surplus (Deficit)	-	-
Cost of funds	5.65%	6.12%
Profit-earning assets	158,225,548,855	136,194,861,388
Non-profit earning assets	23,950,826,300	18,385,584,674
Return on investments (ROI)	6.78%	11.40%
Return on assets (ROA)	1.13%	1.11%
Income from investment	2,041,481,983	2,562,273,612
Earnings per share	2.74	2.28
Net income per share	2.74	2.28
Price earning ratio (approximate)	5.73 Times	4.21 Times
40 (a) Consolidated Highlights of Activities		
Paid-up capital	6,957,226,940	6,820,810,730
Total capital	17,446,549,097	15,604,605,209
Capital surplus/(shortfall)	1,263,138,212	2,323,801,459
Total assets	182,537,051,926	155,167,287,682
Total deposits	140,644,053,680	125,640,370,898
Total loans and advances	137,728,107,037	113,777,562,064
Total contingencies	88,642,532,937	78,247,161,596
Loan-deposit ratio	95.83%	90.56%
Ratio of classified loans against total loans	4.63%	5.17%
Profit after tax and provision	1,969,338,840	1,602,054,548
Provision against classified loans	2,537,345,277	1,962,428,946
Provision surplus (Deficit)	-	-
Cost of funds	5.65%	6.12%
Profit-earning assets	160,892,812,989	137,078,705,626
Non-profit earning assets	21,644,238,937	18,088,582,056
Return on investments	8.84%	11.04%
Return on assets (profit after tax)	1.17%	1.12%
Income from investment	2,048,701,089	2,572,066,116
Earnings per share	2.83	2.30
Net income per share	2.83	2.30
Price earning ratio (approximate)	5.55 Times	4.17 Times

The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2017

Amount in Taka

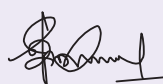
2017

2016

- 41 Assets and liabilities at 31 December 2017 denominated in foreign currencies have been converted to local currency Bangladesh Taka (BDT) at the following exchange rates:

<u>Currency</u>	<u>Abbreviation and unit</u>		<u>Equivalent BDT</u>
British Pound Sterling	GBP	1.00	110.9334
European Currency	EURO	1.00	98.4619
Canadian Dollar	CAD	1.00	65.4386
Australian Dollar	AUD	1.00	64.3295
Japanese Yen	JPY	1.00	0.7305
US Dollar	USD	1.00	82.675
Chinese yuan	CNY	1.00	12.6284
Saudi Arabian Riyal	SAR	1.00	22.0963
Swiss Franc	CHF	1.00	82.5209

- 42 Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- 43 Wherever considered necessary, previous year figures have been rearranged for the purpose of comparison with current year presentation without causing any impact on the profit as well as value of assets and liabilities as reported in the said financial year.
- 44 These notes form an integral part of the said financial statements and accordingly are to be read in conjunction therewith.
- 45 **Events After Reporting Period**
The board of directors in its 199th meeting held on 4th April 2018 recommended 15% of stock dividend. Eligible shareholders will received dividend subject to approval of the dividend in the Annual General Meeting (AGM).



Chairman



Director



Director



Director



Managing Director (In-Charge)

Dhaka, 4th April 2018

The Premier Bank Limited

Schedule of fixed assets including premises, furniture and fixtures as at 31 December 2017 (Consolidated)

Annexure -A
Amount in Taka

Asset Category	Cost				Rate (%)	Depreciation				Written Down Value at 31 December 2017
	As at 01 January 2017	Additions during the year	Adjustment during the year	As at 31 December 2017		As at 01 January 2017	Charge for the year	Adjustment for disposal during the year	As at 31 December 2017	
Land and Building	1,384,393,311	-	-	1,384,393,311	2.5	119,562,822	31,620,762	-	151,183,584	1,233,209,728
Furniture and fixtures	1,205,009,276	49,159,173	-	1,254,168,449	10	481,534,902	72,438,372	-	553,973,274	700,195,175
Equipment and computers	845,148,221	102,123,315	-	947,271,536	20	470,127,250	74,293,391	-	544,420,641	402,850,895
Vehicles	93,770,794	4,567,103	-	98,337,897	20	48,685,903	12,430,163	-	61,116,066	37,221,832
Total at 31 December 2017	3,528,321,602	155,849,591	-	3,684,171,193		1,119,910,877	190,782,688	-	1,310,693,565	2,373,477,630
Total at 31 December 2016	3,355,160,762	173,998,790	837,950	3,528,321,602		931,188,810	189,501,069	779,002	1,119,910,877	2,408,410,725

Schedule of fixed assets including premises, furniture and fixtures as at 31 December 2017 (Solo)

Annexure -B
Amount in Taka

Asset Category	Cost				Rate (%)	Depreciation				Written Down Value at 31 December 2017
	As at 01 January 2017	Additions during the year	Adjustment during the year	As at 31 December 2017		As at 01 January 2017	Charge for the year	Adjustment for disposal during the year	As at 31 December 2017	
Land and Building	1,383,543,311	-	-	1,383,543,311	2.5	119,470,696	31,601,815	-	151,072,511	1,232,470,800
Furniture and fixtures	1,204,796,142	49,159,173	-	1,253,955,315	10	481,240,760	72,438,372	-	553,679,132	700,276,183
Equipment and computers	841,512,869	100,980,340	-	942,493,209	20	468,062,141	73,874,405	-	541,936,546	400,556,663
Vehicles	93,762,794	4,567,103	-	98,329,897	20	48,685,903	12,430,163	-	61,116,066	37,213,832
Total as at 31 December 2017	3,523,615,116	154,706,616	-	3,678,321,732		1,117,459,500	190,344,755	-	1,307,804,255	2,370,517,478
Total as at 31 December 2016	3,350,526,076	173,926,990	837,950	3,523,615,116		929,121,164	189,117,338	779,002	1,117,459,500	2,406,155,616

The Premier Bank Limited

Balance with other banks and financial institutions - Outside Bangladesh As at 31 December 2017

Annexure - c

Name of the Bank	Location	Currency	31.12.2017			31.12.2016		
			Amount in foreign currency	Conversion rate	Amount in Taka	Amount in foreign currency	Conversion rate	Amount in Taka
Mashreq Bank NY	New York	USD	2,177,936.95	82.6750	180,060,937	269,432.74	79.1750	21,332,337
Standard Chartered Bank	New York	USD	4,251,157.28	82.6750	351,464,428	626,695.93	79.1750	49,618,650
Commerz Bank AG	Frankfurt	EURO	132,470.31	98.4619	13,043,278	435,382.49	82.6272	34,471,409
Bank of Ceylon	Colombo	ACUD	5,013.95	82.6750	414,528	20,827.82	79.1750	1,649,043
Standard Chartered Bank	Mumbai	ACUD	335,656.30	82.6750	27,750,385	30,084.45	79.1750	2,381,936
United Bank Ltd	Karachi	ACUD	285,721.03	82.6750	23,621,986	103,853.12	79.1750	8,222,571
Bank of China	Shanghai	CNY	131,139.42	12.6284	1,656,081	93,640.28	11.3840	1,066,001
State Bank of India	Mumbai	ACUD	23,818.43	82.6750	1,969,189	23,838.43	79.1750	1,887,408
ICICI Bank	Mumbai	ACUD	235,575.03	82.6750	19,476,166	182,603.75	79.1750	14,457,652
Himalayan Bank	Kathmandu	ACUD	2,712.00	82.6750	224,215	2,712.01	79.1750	214,723
Commerz Bank AG	Frankfurt	USD	43,084.64	82.6750	3,562,023	6,070.48	82.6272	501,587
Westpac Banking Corporation	Sydney	AUD	42,900.99	64.3295	2,759,799	32,509.82	58.2013	1,892,114
Mashreqbank psc	London	GBP	49,789.45	110.9334	5,523,313	27,751.30	96.9380	2,690,156
Bank of Tokyo Mitsubishi Ltd	Tokyo	JPY	10,997,271.73	0.7305	8,033,507	4,616,572.27	0.6780	3,130,036
Habib Bank AG Zurich Switzerland	Zurich	CHF	70,033.43	82.5209	5,779,222	61,233.28	77.0823	4,720,002
Al Rajhi Banking & Investment Corp.	Riyadh	SAR	-	22.0963	-	68,007.49	21.1527	1,438,542
National Commercial Bank	Jeddah	SAR	304,107.93	22.0963	6,719,660	215,070.42	21.1527	4,549,320
Mashreq Bank PSC	Mumbai	ACUD	313,273.92	82.6750	25,899,921	224,315.89	79.1750	17,760,211
Bank Al-zazira	Jeddah	SAR	640,510.99	22.0963	14,152,923	6,190,000.00	21.1527	130,935,213
AB Bank Ltd	Mumbai	ACUD	39,705.90	82.6750	3,282,685	67,298.00	79.1750	5,328,319
Habib American Bank	New York	USD	434,258.52	82.6750	35,902,323	654,228.44	79.1750	51,798,537
UBI Banka	Milano	EURO	246,407.11	98.4619	24,261,712	-	82.6272	-
Total					755,558,281			360,045,767
Off-shore Banking Unit					3,290,303,484			4,233,291,870
Grand Total					4,045,861,765			4,593,337,637

The Premier Bank Limited

Status of provision for income tax as at 31 December 2017

Annexure-D

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

The Premier Bank Limited

Details of Large Loan As at 31 December 2017

Annexure-E

(Taka in crore)

Sl. No.	Name of Parties	Outstanding 2017			Status
		Funded	Non-Funded	Total	
1	Karnafuly	93.25	389.59	482.84	UC
2	Jaj Bhuyan	399.43	-	399.43	UC
3	Sikder	211.49	165.00	376.49	UC
4	ShaSha	106.24	194.84	301.08	UC
5	S Alam	271.13	-	271.13	UC
6	Fakir Apparels Ltd	158.10	101.89	259.99	UC
7	Western Engineering (Pvt.) Ltd	247.91	-	247.91	UC
8	Diamond	238.29	-	238.29	UC
9	Mars	154.55	59.60	214.15	UC
10	Saad Musa	210.26	-	210.26	UC
11	Labib	156.34	51.82	208.16	UC
12	ABA	138.70	40.08	178.78	UC
Total		2,385.69	1,002.82	3,388.51	

The Premier Bank Limited

Segment reporting

The Bank reports its operations under the following business segment as per Bangladesh Financial Reporting Standards (BFRS) 8 "Operating Segment"
For the year ended 31 December 2017

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
Interest income/profit on Islamic investments	11,402,919,558	603,187,452	250,006,786	(19,230,330)	12,236,883,466	195,617,971	(59,621,608)	12,372,879,829
Interest/profit paid on deposits, borrowings, etc.	(7,853,836,364)	(407,680,309)	(19,230,330)	19,230,330	(8,261,516,673)	(59,621,608)	59,621,608	(8,261,516,673)
Net interest income/ net profit on investments	3,549,083,194	195,507,143	230,776,456	-	3,975,366,793	135,996,363	-	4,111,363,156
Investment income	2,041,481,983	-	-	-	2,041,481,983	7,219,106	-	2,048,701,089
Commission, exchange and brokerage	2,023,804,619	10,283,445	-	-	2,034,088,064	63,208,547	-	2,097,296,611
Other operating income	609,979,207	10,525,913	-	-	620,505,120	9,410,309	-	629,915,429
Total Operating Income (A)	8,224,349,003	216,316,501	230,776,456	-	8,671,441,960	215,834,325	-	8,887,276,285
Salary and allowances	1,691,112,327	29,012,072	-	-	1,720,124,399	14,309,621	-	1,734,434,020
Rent, taxes, insurance, electricity, etc.	1,146,811,335	13,336,490	-	-	1,160,147,825	114,071,987	-	1,274,219,812
Legal expenses	92,964,321	-	-	-	92,964,321	100,000	-	93,064,321
Postage, stamps, telecommunication, etc.	81,640,422	1,505,800	-	-	83,146,222	1,016,775	-	84,162,997
Stationery, printing, advertisement, etc.	578,923,563	721,493	-	-	579,645,056	259,711	-	579,904,767
Chief executive's salary and fees	13,350,000	-	-	-	13,350,000	-	-	13,350,000
Directors' fees	2,688,000	-	-	-	2,688,000	-	-	2,688,000
Auditors' fee	345,000	-	-	-	345,000	82,500	-	427,500
Depreciation and repair of Bank's assets	272,370,262	3,046,795	-	-	275,417,057	437,933	-	275,854,990
Losses on disposal of subsidiary	20,000,000	-	-	-	20,000,000	-	-	20,000,000
Other expenses	402,081,846	1,210,072	-	-	403,291,918	10,935,413	-	414,227,331
Total Operating Expenses (B)	4,302,287,076	48,832,722	-	-	4,351,119,798	141,213,940	-	4,492,333,738
Profit before provision (C = A-B)	3,922,061,927	167,483,779	230,776,456	-	4,320,322,162	74,620,385	-	4,394,942,547
Provision for loans and advances/ Investments	1,018,261,063	-	41,738,937	-	1,060,000,000	-	-	1,060,000,000
Provision for off-balance sheet items	10,000,000	-	-	-	10,000,000	-	-	10,000,000
Provision for investment in shares	30,000,000	-	-	-	30,000,000	-	-	30,000,000
Other provisions	25,000,000	-	-	-	25,000,000	-	-	25,000,000
Total provision (D)	1,083,261,063	-	41,738,937	-	1,125,000,000	-	-	1,125,000,000
Profit before taxation (E=C-D)	2,838,800,864	167,483,779	189,037,519	-	3,195,322,162	74,620,385	-	3,269,942,547
Provision for taxation (F)	1,286,627,336	-	-	-	1,286,627,336	13,976,371	-	1,300,603,707
Profit after tax	1,552,173,528	167,483,779	189,037,519	-	1,908,694,826	60,644,014	-	1,969,338,840

The Premier Bank Limited

Segment reporting

The Bank reports its operations under the following business segment as per Bangladesh Financial Reporting Standards (BFRS) 8 "Operating Segment"
As at 31 December 2017

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	11,307,212,014	30,951,599	-	-	11,338,163,613	82,875	-	11,338,246,488
Balance with other banks and financial institutions	3,866,669,463	1,707,187	185,932,396	(3,146,201,905)	908,107,141	396,024,366	377,695,434	926,436,073
Money at call on short notice	-	-	-	-	-	-	-	-
Investments	21,343,851,758	990,635,817	-	-	22,334,487,575	830,218,377	-	23,164,705,952
Loans, advances, and lease/ investments	124,957,183,058	6,759,984,557	4,173,893,665	-	135,891,061,280	2,596,484,683	759,438,926	137,728,107,037
"Fixed assets including premises, furniture and fixtures"	2,351,857,933	11,074,258	7,585,287	-	2,370,517,478	2,960,152	-	2,373,477,630
Other assets	2,465,159,710	6,868,878,358	-	-	9,334,038,068	202,020,678	2,529,980,000	7,006,078,746
Non-banking assets	-	-	-	-	-	-	-	-
Total Assets	166,291,933,936	14,663,231,776	4,367,411,348	(3,146,201,905)	182,176,375,155	4,027,791,131	3,667,114,360	182,537,051,926
LIABILITIES AND CAPITAL								
Liabilities								
"Borrowings from other banks, financial institutions and agents"	6,084,474,001	9,000,000,000	-	-	15,084,474,001	759,438,926	759,438,926	15,084,474,001
Non-convertible variable coupon rate bonds	7,000,000,000	-	-	-	7,000,000,000	-	-	7,000,000,000
Deposits and other accounts	134,345,698,477	5,382,523,613	4,108,454,263	(3,146,201,905)	140,690,474,448	331,274,666	377,695,434	140,644,053,680
Other liabilities	5,976,854,771	280,708,163	69,919,566	-	6,327,482,500	322,022,797	-	6,649,505,297
Total Liabilities	153,407,027,249	14,663,231,776	4,178,373,829	(3,146,201,905)	169,102,430,949	1,412,736,389	1,137,134,360	169,378,032,978
Paid up								
Shareholders' Equity	12,884,906,687	-	189,037,519	-	13,073,944,206	2,615,054,742	2,529,980,000	13,159,018,948
Total Liabilities and Shareholders' Equity	166,291,933,936	14,663,231,776	4,367,411,348	(3,146,201,905)	182,176,375,155	4,027,791,131	3,667,114,360	182,537,051,926

The Premier Bank Limited

Name of Directors and the entities in which they had interest as at 31 December 2017

Annexure -G

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

The Premier Bank Limited

Name of Directors and the entities in which they had interest as at 31 December 2017

Annexure -G

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

The Premier Bank Ltd

Investment in Shares as at 31 December 2017

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 31.12.2017	Total market value as at 31.12.2017
		Taka		Taka	Taka	Taka	Taka
A. Quoted							
1	ABBANK	10	206,183	6,847,476	33.21	22.10	4,556,644
2	NBL	10	2,351,544	58,302,792	24.79	13.00	30,570,072
3	PUBALIBANK	10	38,271	1,317,500	34.43	30.40	1,163,438
4	UCB	10	703,212	20,793,122	29.57	23.60	16,595,803
5	LAFSURCEML	10	289,481	36,002,906	124.37	69.90	20,234,722
6	MEGHNAECM	10	80,100	11,181,960	139.60	101.70	8,146,170
7	MICEMENT	10	132,000	16,269,051	123.25	84.70	11,180,400
8	PREMIERCEM	10	582,190	62,150,303	106.75	87.70	51,058,063
9	AFTABAUTO	10	871,320	85,355,957	97.96	64.20	55,938,744
10	ATLASBANG	10	192,069	33,812,550	176.04	131.40	25,237,867
11	LINDEBD	10	8,463	11,176,173	1,320.59	1,284.70	10,872,416
12	SALAMCRST	10	70,000	3,991,052	57.02	33.40	2,338,000
13	FUWANGFOOD	10	562,430	14,489,094	25.76	19.80	11,136,114
14	DESCO	10	1,438,399	95,961,121	66.71	45.40	65,303,315
15	JAMUNAOIL	10	1,135,225	260,226,908	229.23	189.70	215,352,183
16	MPETROLEUM	10	170,000	39,530,064	232.53	188.90	32,113,000
17	PADMAOIL	10	302,475	104,759,249	346.34	239.00	72,291,525
18	POWERGRID	10	244,150	15,753,301	64.52	52.20	12,744,630
19	TITASGAS	10	949,500	86,805,250	91.42	44.20	41,967,900
20	BGIC	10	735,485	34,399,569	46.77	22.20	16,327,767
21	DELTALIFE	10	159,062	33,519,162	210.73	107.60	17,115,071
22	EASTERNINS	10	14,000	536,725	38.34	28.70	401,800
23	EASTLAND	10	1,152,054	50,260,257	43.63	23.80	27,418,885
24	FAREASTLIF	10	41,348	3,275,089	79.21	71.50	2,956,382
25	JANATAINS	10	330,421	6,411,340	19.40	15.70	5,187,610
26	MEGHNALIFE	10	62,577	7,663,366	122.46	59.90	3,748,362
27	PIONEERINS	10	159,225	7,161,470	44.98	30.50	4,856,363
28	PADMALIFE	10	149,478	8,952,462	59.89	50.20	7,503,796
29	PARAMOUNT	10	381,305	9,263,053	24.29	18.30	6,977,882
30	POPULARLIF	10	33,320	4,196,702	125.95	71.50	2,382,380
31	PRAGATILIF	10	118,926	16,949,930	142.53	113.60	13,509,994
32	REPUBLIC	10	1,642,074	61,367,514	37.37	26.30	43,186,546
33	RUPALIINS	10	703,252	27,626,423	39.28	20.40	14,346,341
34	RUPALILIFE	10	172,067	10,840,338	63.00	47.30	8,138,769
35	SANDHANINS	10	17,107	640,877	37.46	31.50	538,871
36	SUNLIFEINS	10	194,483	11,698,641	60.15	24.70	4,803,730
37	BAYLEASING	10	151,869	7,714,945	50.80	27.40	4,161,211
38	BDFINANCE	10	50,000	1,108,315	22.17	21.60	1,080,000
39	DBH	10	29,057	3,945,794	135.79	136.00	3,951,752
40	FIRSTFIN	10	1,786,673	50,086,555	28.03	11.60	20,725,407
41	PLFSL	10	414,839	19,034,750	45.88	13.70	5,683,294
42	PHOENIXFIN	10	115,830	4,785,750	41.32	37.70	4,366,791
43	PREMIERLEA	10	285,354	8,151,937	28.57	17.50	4,993,695
44	PRIMEFIN	10	278,819	8,883,103	31.86	12.20	3,401,592
45	UNIONCAP	10	1,068,898	30,336,643	28.38	20.10	21,484,850
46	KEYACOSMET	10	287,768	6,832,678	23.74	12.30	3,539,546
47	DACCADYE	10	2,093,421	48,487,733	23.16	8.90	18,631,447
48	DELTASPINN	10	860,750	12,970,253	15.07	9.40	8,091,050
49	ENVOYTEX	10	481,868	21,935,046	45.52	34.80	16,769,006
50	GENNEXT	10	18,317	251,432	13.73	9.40	172,180
51	MALEKSPIN	10	133,500	3,656,537	27.39	19.70	2,629,950
52	MAKSONSPIN	10	629,238	7,787,669	12.38	10.10	6,355,304
53	MATINSPINN	10	150,968	7,028,288	46.55	38.60	5,827,365
54	PTL	10	5,389	211,872	39.32	43.90	236,577
55	RNSPIN	10	983,160	24,079,091	24.49	16.50	16,222,140
56	SAHAMCOT	10	1,330,250	29,258,920	22.00	16.90	22,481,225
57	APEXFOOT	10	231,520	108,278,111	467.68	328.60	76,077,472
58	BEXIMCO	10	335,952	11,781,188	35.07	27.00	9,070,704
59	FORTUNE	10	641	-	-	39.70	25,448
60	EHL	10	70,000	3,707,590	52.97	49.20	3,444,000

The Premier Bank Ltd

Investment in Shares as at 31 December 2017

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 31.12.2017	Total market value as at 31.12.2017
		Taka		Taka	Taka	Taka	Taka
61	BSC	10	99,600	5,715,166	57.38	46.70	4,651,320
62	BSCCL	10	1,402,120	319,313,352	227.74	103.10	144,558,572
63	GOBALLPEN	10	23,620	3,384,132	143.27	90.00	2,125,800
64	MARICO	10	2,000	2,246,720	1,123.36	1,106.10	2,212,200
65	GEMINISEA	10	2,500	1,103,287	441.31	454.70	1,136,750
66	UNIQUEHRL	10	295,500	37,243,203	126.03	56.80	16,784,400
67	USMANIAGL	10	2,401	270,341	112.60	90.70	217,771
Sub total (A)				2,049,079,147			1,299,310,374

B. Mutual Fund

1	ABB1STMF	10	501,234	4,372,325	8.72	6.6	3,308,144
2	EBLNRBMF	10	19,942,767	148,357,689	7.44	6.6	131,622,262
3	EXIM1STMF	10	24,403,290	183,997,578	7.54	7	170,823,030
4	FBFF	10	36,673,402	250,000,000	6.82	5.7	209,038,391
5	SEMILLECMF	10	5,000,000	50,263,874	10.05	7.5	37,500,000
6	YAMLBDMF1	10	10,000,000	100,000,000	10.00	9.5	95,000,000
7	ICB2NDNRB	10	317,500	4,476,750	14.10	10.6	3,365,500
Sub total (B)				741,468,216			650,657,327
Total (A+B)				2,790,547,363			1,949,967,701
Available cash balance				261,312,654			
Total				3,051,860,017			

C. Unquoted

1	Central Depository Bangladesh Limited			3,138,890	-	-	3,138,890
2	SWIFT Membership			1,214,751	-	-	1,214,751
3	Energy Prima Limited			9,500,000	-	-	9,500,000
4	Lanka Bangla Securities Limited			5,000,000	-	-	5,000,000
5	Bangladesh fixed Income special purpose vehicle			2,000,000,000	-	-	2,000,000,000
6	Runner Automobiles Ltd			183,600,000	-	-	183,600,000
Sub total				2,202,453,641			2,202,453,641

D. Bond

1	FSIB Mudharaba subordinated bond			40,000,000	-	-	40,000,000
Sub total				40,000,000			40,000,000
Total				5,294,313,658			

The Premier Bank Limited

Balance Sheet of Islamic Banking Branches As at December 31, 2017

Annexure- I

PROPERTY AND ASSETS	Notes	Amount in Taka	
		2017	2016
Cash		32,658,786	27,418,360
In hand (including foreign currencies)	1.1	30,951,599	25,735,846
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	1.2	1,707,187	1,682,514
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	990,635,817	1,620,635,817
Government	3.1	310,000,000	300,000,000
Others	3.2	680,635,817	1,320,635,817
Investments (including bills)	4	6,759,984,557	4,718,119,346
General investment		6,625,033,565	4,569,459,446
Bills purchased and discounted		134,950,992	148,659,900
Fixed assets including premises, furniture and fixtures	5	11,074,258	11,413,672
Other assets	6	6,868,878,358	2,141,628,891
Non-banking assets		-	-
Total Assets		14,663,231,776	8,519,216,086
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	7	9,000,000,000	3,000,000,000
Deposits and other accounts		5,382,523,613	5,316,421,179
Mudaraba savings deposits		367,606,870	343,399,456
Mudaraba term deposits		4,745,945,742	4,666,762,556
Al -waduah Current deposits and other accounts		221,827,171	284,773,281
Bills payable		47,143,830	21,485,886
Other liabilities	8	280,708,163	202,794,907
Total Liabilities & Capital		14,663,231,776	8,519,216,086
Contingent Liabilities			
Acceptances and endorsements		365,544,887	218,121,000
Letters of guarantee		105,515,341	116,722,097
Irrevocable letters of credit		580,943,000	259,548,500
Bills for collection		30,904,000	26,369,000
Other contingent liabilities		-	-
		1,082,907,228	620,760,597
Other commitments		-	-
Total Off-Balance Sheet Items		1,082,907,228	620,760,597

The Premier Bank Limited

Profit and Loss Statement of Islamic Banking Branches For the year ended 31 December 2017

	Notes	Amount in Taka	
		2017	2016
OPERATING INCOME			
Investment income	9	891,367,378	603,187,452
Profit paid on deposits, borrowings, etc	10	(522,956,466)	(407,680,309)
Net investment income		368,410,913	195,507,143
Commission, exchange and brokerage	11	14,372,328	10,283,445
Other operating income	12	12,030,565	10,535,553
Total operating income (A)		394,813,805	216,326,141
Salary and allowances	13	33,175,561	29,012,072
Rent, taxes, insurance, lighting, etc	14	14,980,014	13,336,490
Postage, stamps, telecommunication, etc	15	1,704,862	1,505,800
Stationery, printing, advertisement, etc	16	915,669	721,493
Depreciation and repair of Bank's assets	17	2,575,248	3,046,795
Other expenses	18	1,846,049	1,219,712
Total operating expenses (B)		55,197,403	48,842,362
Total operating profit (C=A-B)		339,616,403	167,483,779

The Premier Bank Limited

Notes to Financial Statements of Islamic Banking Branches as at 31 December 2017

		Amount in Taka	
		2017	2016
1	Cash		
1.1	Cash in hand		
	In local currency	29,927,551	25,424,714
	In foreign currency	1,024,048	311,132
		30,951,599	25,735,846
1.2	Balance with Bangladesh Bank and its agent bank(s)		
	Balance with Bangladesh Bank		
	In local currency	1,707,187	1,682,514
	In foreign currency	-	-
		1,707,187	1,682,514
		32,658,786	27,418,360
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	310,000,000	300,000,000
	Treasury bonds	-	-
	Repo	-	-
	Prize bonds	-	-
		310,000,000	300,000,000
3.2	Others		
	In shares and bonds (quoted and unquoted)		
	Quoted		
	Investment in Shares (Islami)	680,635,817	1,320,635,817
		680,635,817	1,320,635,817
	Unquoted	-	-
		990,635,817	1,620,635,817
4.	Investments (including bills)		
	General investment	6,625,033,565	4,569,459,446
	Bills purchased and discounted	134,950,992	148,659,900
		6,759,984,557	4,718,119,346
5.	"Fixed assets including premises, furniture and fixtures, property, plant & equipment"		
	Land and Building	-	-
	Furniture and fixtures	7,574,371	8,274,621
	Equipment and computers	3,499,887	3,139,051
	Vehicles	11,074,258	11,413,672

The Premier Bank Limited

Notes to Financial Statements of Islamic Banking Branches for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
6.	Other assets		
	Head Office general account	6,840,736,712	2,101,756,500
	Adjusting account	18,715,257	23,814,988
	Stock of stationery	149,694	125,351
	Stamp in hand	101,305	52,765
	Advance income tax	13	2,501,202
	Prepaid expenses	114,777	610,585
	Sundry assets	9,060,600	12,767,500
		6,868,878,358	2,141,628,891
7.	"Borrowings from other banks, financial institutions and agents"		
	In Bangladesh (note 7.1)	9,000,000,000	3,000,000,000
	Outside Bangladesh	-	-
		9,000,000,000	3,000,000,000
7.1	In Bangladesh		
	Bangladesh Bank (Refinance facility)	9,000,000,000	3,000,000,000
		9,000,000,000	3,000,000,000
8.	Other liabilities		
	Adjusting account	275,813,997	181,159,241
	Profit suspense A/C	1,378,792	10,483,706
	Investment compensation	3,515,374	11,151,960
		280,708,163	202,794,907
9.	Investment income		
	Profit received from customers other than banks	466,147,683	474,513,521
	Profit received on Head Office general account	389,386,745	87,194,778
	Profit received on deposit with other banks	-	-
	Profit on Government Securities	4,398,435	-
	Dividend Income	21,582,987	28,128,409
	Capital gain on sale of investment in shares	9,851,528	13,350,744
		891,367,378	603,187,452
10.	Profit paid on deposits, borrowings, etc		
	Profit paid on deposits	522,956,466	407,680,309
		522,956,466	407,680,309
11.	Commission, exchange and brokerage		
	Commission	11,300,311	7,514,903
	Exchange earnings	3,072,017	2,768,542
		14,372,328	10,283,445
12.	Other income		
	Services and other charges	2,354,979	1,929,225
	Postage recovers	330,433	429,955
	Telex/fax/e-mail charges received	1,854,575	1,442,593
	Incidental charges	1,624,795	1,453,494
	Miscellaneous earnings	5,865,783	5,280,286
		12,030,565	10,535,553

The Premier Bank Limited

Notes to Financial Statements of Islamic Banking Branches for the year ended December 31, 2017

		Amount in Taka	
		2017	2016
13.	Salary and allowances		
	Basic pay	13,684,880	12,217,381
	Allowances	14,893,272	13,648,900
	Bonus	3,301,473	2,104,523
	Provident fund contribution & retirement benefit	1,295,936	1,041,268
		33,175,561	26,656,752
14.	Rent, taxes, insurance, electricity, etc		
	Rent, rates and taxes	10,467,740	9,442,686
	Insurance	3,688,163	3,074,531
	Electricity, gas, water, etc	824,111	819,273
		14,980,014	13,336,490
15.	Postage, stamp, telecommunication, etc		
	Telephone	161,357	129,510
	Postage, stamp and swift charges	1,096,751	910,175
	Telegram, telex, fax and e-mail	446,754	466,115
		1,704,862	1,505,800
16.	Stationery, printing, advertisement, etc		
	Printing and stationery	915,669	721,493
	Publicity and advertisement	-	-
		915,669	721,493
17.	Depreciation and repair of Bank's assets		
	Repairs:		
	Furniture and fixtures	105,316	25,125
	Office equipment	195,478	336,410
	Renovation and maintenance of premises	717,715	1,039,792
		1,018,509	1,401,327
	Depreciation:		
	Vehicles	-	-
	Furniture and fixtures	816,738	897,063
	Office equipment	740,001	748,405
		1,556,739	1,645,468
		2,575,248	3,046,795
18.	Other expenses		
	Washing and cleaning	165,493	160,109
	Subscription	31,576	19,890
	Entertainment	744,254	317,998
	Travelling	97,500	92,100
	Conveyance	131,180	84,477
	Liveries and uniform	15,050	28,650
	Cash carrying charges	262,400	223,500
	Training expenses	-	-
	Law charges	251,300	138,580
	Sundry expenses	147,296	154,408
		1,846,049	1,219,712

The Premier Bank Limited

Balance Sheet of Off-shore Banking Units as at December 31, 2017

Annexure- J

	Notes	31.12.2017		31.12.2016	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash					
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-	-	-
		-	-	-	-
Balance with other banks and financial institutions					
In Bangladesh	3	2,248,956	185,932,396	2,317,935	183,522,531
Outside Bangladesh		-	-	-	-
		2,248,956	185,932,396	2,317,935	183,522,531
Loans and advances					
Loans, cash credits, overdrafts, etc.	4	15,623,974	1,291,712,024	14,179,254	1,122,642,426
Bills purchased and discounted	5	34,861,586	2,882,181,641	51,678,735	4,091,663,820
		50,485,560	4,173,893,665	65,857,989	5,214,306,246
		-	-	-	-
		-	-	-	-
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets		91,748	7,585,248	91,748	7,264,168
Non - banking assets		-	-	-	-
Total assets		52,826,263	4,367,411,308	68,267,672	5,405,092,945
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents					
Deposits and other accounts					
Current deposits	6	45,209	3,737,656	88,167	6,980,610
Savings bank deposits		-	-	-	-
Term deposits		49,648,825	4,104,716,608	66,210,955	5,242,252,384
Sundry Deposit		-	-	138,861	10,994,354
		49,694,034	4,108,454,263	66,437,984	5,260,227,348
		-	-	-	-
Other liabilities	7	845,715	69,919,526	1,074,100	85,041,876
Total liabilities		50,539,749	4,178,373,789	67,512,084	5,345,269,224
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Foreign currency gain		-	-	-	-
Other reserve		-	-	-	-
Surplus in profit and loss account		2,286,514	189,037,519	755,589	59,823,721
Total Shareholders' equity		2,286,514	189,037,519	755,589	59,823,721
Total liabilities and Shareholders' equity		52,826,263	4,367,411,308	68,267,672	5,405,092,945

The Premier Bank Limited

Balance Sheet of Off-shore Banking Units as at December 31, 2017

Notes	2017		2016	
	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

Profit and Loss Statement of Off-shore Banking Units for the year ended December 31, 2017

	Notes	31.12.2017		31.12.2016	
		USD	Taka	USD	Taka
Interest income	8	3,023,971	250,006,786	2,194,865	171,967,703
Interest paid on deposits, borrowings, etc.	9	(232,602)	(19,230,330)	(787,777)	(61,722,325)
Net interest		2,791,369	230,776,456	1,407,088	110,245,378
Commission, exchange, brokerage, etc.		-	-	7,080	1,721,415
Other operating income		-	-	-	-
Total operating income (A)		2,791,369	230,776,456	1,414,169	111,966,793
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)		2,791,369	230,776,456	1,414,169	111,966,793
Provision for loans and advances / investments		-	-	-	-
Specific provision		-	-	-	-
General provision		504,856	41,738,937	658,580	52,143,072
		504,856	41,738,937	658,580	52,143,072
Provision for diminution in value of investments		-	-	-	-
Other provision		-	-	-	-
Total provision (D)		504,855.60	41,738,937	658,580	52,143,072
Total profit / (loss) before taxes (C-D)		2,286,514	189,037,519	755,589	59,823,721

The Premier Bank Limited

Off-shore Banking Units Notes to the Financial Statements for the year ended December 31, 2017

1.1 Status of the units

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

1.1.1 Principal activities

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

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 Basis of accounting

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

1.2.2 Use of estimates and judgements

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

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

1.2.3 Foreign currency transaction

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

1.2.4 Reporting period

These financial statements cover from January 01 to December 31, 2017.

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 82.6750 at mid rate of December 31, 2017.

The Premier Bank Limited

Notes to the Financial Statements of Off-shore Banking Units for the year ended December 31, 2017

	31.12.2017		31.12.2016	
	USD	Taka	USD	Taka
3 Balance with other banks and financial institutions				
In Bangladesh (note-3.1)	2,248,956	185,932,396	2,317,935	183,522,531
Outside Bangladesh (note-3.2)	-	-	-	-
	2,248,956	185,932,396	2,317,935	183,522,531
3.1 In Bangladesh	2,248,956	185,932,396	2,317,935	183,522,531
3.2 Outside Bangladesh (Nostro accounts)				
<u>Current account</u>	-	-	-	-
4 Loans and advances				
i) Loans, cash credits, overdrafts, etc.				
Loan (General)	15,623,974	1,291,712,024	13,665,791	1,081,988,996
Lease finance	-	-	-	-
Syndication Terms Loans	-	-	513,463	40,653,430
	15,623,974	1,201,439,543	14,179,254	1,122,642,426
ii) Bills purchased and discounted (note-4.1)				
Payable Inside Bangladesh				
Inland bills purchased	-	-	-	-
Payable Outside Bangladesh				
Foreign bills purchased and discounted	34,861,586	2,882,181,641	51,678,735	4,091,663,820
	34,861,586	2,882,181,641	51,678,735	4,091,663,820
	50,485,560	4,083,621,183	65,857,988	5,214,306,245
5 Bills purchased and discounted				
Payable in Bangladesh	-	-	-	-
Payable outside Bangladesh	34,861,586	2,882,181,641	51,678,735	4,091,663,820
	34,861,586	2,882,181,641	19,926,553	1,563,736,214
6 Deposits and other accounts				
Bank deposits	-	-	-	-
Customer deposits and other accounts (note-6.1)	49,694,034	4,108,454,263	66,437,984	5,260,227,348
	49,694,034	4,108,454,263	66,437,984	5,260,227,348
6.1 Customer deposits and other accounts				
Current deposits	45,209	3,737,656	88,167	6,980,610
Term deposits	49,648,825	4,104,716,608	66,210,955	5,242,252,384
Savings bank deposits	-	-	-	-
Sundry deposits	-	-	138,861	10,994,354
	49,694,034	4,108,454,263	66,437,984	5,260,227,348
7 Other liabilities				
Interest on bills discount	-	-	-	-
Provision for loan & advances	504,856	41,738,937	658,580	52,143,072
Interest Suspense	17,030	1,407,955	-	-
Accrued interest on FDR	323,830	26,772,634	415,520	32,898,805
Head Office DEPZ Dollar Account	-	-	-	-
	845,715	69,919,526	1,074,100	85,041,876

The Premier Bank Limited

Notes to the Financial Statements of Off-shore Banking Units for the year ended December 31, 2017

	31.12.2017		31.12.2016	
	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)	3,023,971	250,006,786	2,194,865	171,967,703
LTR loan	-	-	-	-
Lease finance	-	-	-	-
Payment against documents	-	-	-	-
Interest on loans and advances	3,023,971	250,006,786	2,194,865	171,967,703
Commission	-	-	7,080	554,726
Others	-	-	-	-
Interest on balance with other banks and financial institutions	-	-	-	-
Interest received from foreign banks	-	-	-	-
			7,080	554,726
Total income	3,023,971	250,006,786	2,201,945	172,522,428
9 Interest on deposits, borrowings, etc.				
a) Interest paid on deposits	232,602	19,230,330	787,777	61,722,325
b) Interest paid on local bank accounts	-	-	-	-
c) Interest paid on foreign bank accounts	-	-	-	-
	232,602	19,230,330	787,777	61,722,325

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 2017

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

K. M. HASAN & CO.

Chartered Accountants
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Independent Auditor's Report

To The Shareholders of Premier Bank Securities Limited

We have audited the accompanying financial statements of **Premier Bank Securities Limited**, which comprise the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standard (BFRSs), give a true and fair view of the financial position as at 31 December 2017 and its financial performance and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987, conditions and regulations issued by the Bangladesh Securities and Exchange Commission and other applicable laws and regulations.

We also report that:

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

Place: Dhaka, Bangladesh
Dated: 18 February 2018


K. M. HASAN & CO.
Chartered Accountants

Premier Bank Securities Limited


Statement of Financial Position as at 31 December 2017

	Notes	Amount in Taka	
		2017	2016
ASSETS			
Non-current assets			
Property, Plant & Equipment	5	2,960,152	2,255,109
Investment in Share with TREC	6	830,000,000	830,000,000
Investment in Dealer Account	7	218,377	96,092
		833,178,529	832,351,201
Current assets			
Margin Loan to Clients	8	2,596,484,683	2,753,565,464
Advances, Deposit & Prepayments	9	195,955,775	214,270,717
Accounts Receivable	10	6,064,903	29,621,259
Cash and Cash Equivalents	11	396,107,241	658,985,928
		3,194,612,602	3,656,443,368
Total assets		4,027,791,131	4,488,794,569
EQUITY AND LIABILITIES			
Capital and reserves			
Share Capital	12	2,500,000,000	500,000,000
Retained Earnings		115,054,742	54,410,728
		2,615,054,742	554,410,728
Non-current liabilities			
Long Term Loan	13	500,000,000	500,000,000
Current liabilities			
Short Term Loan From PBL	14	199,817,318	1,697,418,000
Accounts Payable	15	336,026,123	797,462,839
Liability for Expenses	16	59,621,608	502,485,443
Provision for Income Tax	17	49,725,028	35,748,657
Other Liabilities	18	267,546,312	401,268,902
		912,736,389	3,434,383,841
Total equity and liabilities		4,027,791,131	4,488,794,569

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 18 February 2018 and were signed on its behalf by :

FOR PREMIER BANK SECURITIES LIMITED.


Chairman


Director


Managing Director and CEO

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

Place: Dhaka, Bangladesh
Dated: 18 February 2018


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 2017

	Notes	Amount in Taka	
		2017	2016
Revenue	19	66,427,139	31,856,704
Less: Direct Expenses	20	8,865,827	5,150,520
Gross Profit		57,561,312	26,706,184
Less: Operating Expenses	21	132,254,556	137,885,610
Operating Profit/ (Loss)		(74,693,244)	(111,179,426)
Other Income	22	209,028,794	246,460,091
		134,335,550	135,280,665
Less: Finance Expenses	23	59,715,165	112,360,493
Profit Before Provision and Income Tax		74,620,385	22,920,172
Less: Provision for Margin Loan		-	-
Net Profit before Income Tax		74,620,385	22,920,172
Less: Provision for Income Tax	24	13,976,371	7,949,313
Net Profit After Income Tax		60,644,014	14,970,859
Add: Other Comprehensive Income		-	-
Total Comprehensive Income		60,644,014	14,970,859

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 18 February 2018 and were signed on its behalf by :



Chairman



Director



Managing Director and CEO

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

Place: Dhaka, Bangladesh
Dated: 18 February 2018



K. M. HASAN & CO.
Chartered Accountants

Premier Bank Securities Limited

Statement of Changes in Equity for the Year Ended 31 December 2017

Particulars	Amount in Taka		
	Share capital	Retained earnings	Total
Opening Balance as at 01 January 2017	500,000,000	54,410,728	554,410,728
Profit for the year	-	60,644,014	60,644,014
Addition during the year	2,000,000,000	-	2,000,000,000
Balance as at 31 December 2017	2,500,000,000	115,054,742	2,615,054,742

For the year ended 31 December 2016


Particulars	Amount in Taka		
	Share capital	Retained earnings	Total
Opening Balance as at 01 January 2016	500,000,000	39,439,869	539,439,869
Profit for the year	-	14,970,859	14,970,859
Balance as at 31 December 2016	500,000,000	54,410,728	554,410,728

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 18 February 2018 and were signed on its behalf by :

FOR PREMIER BANK SECURITIES LIMITED.



Chairman



Director



Managing Director and CEO

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

Place: Dhaka, Bangladesh
Dated: 18 February 2018



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 2017

	Amount in Taka	
	2017	2016
A. Cash flows from operating activities		
Profit before tax	74,620,385	22,920,172
Adjustment for non-cash items:		
Add: Depreciation	437,932	383,730
	<u>75,058,317</u>	<u>23,303,902</u>
Add/Less: Adjustment for changes in working capital:		
(Increase)/Decrease in margin loan to client	157,080,781	(286,688,763)
(Increase)/Decrease in advance, deposit & prepayments	32,789,000	(181,194,000)
(Increase)/Decrease in trade receivable	23,556,356	(28,915,462)
Increase/(Decrease) in trade payable	(461,436,716)	138,998,737
Increase/(Decrease) in other liabilities	(133,722,590)	178,809,796
Increase/(Decrease) in liability for expenses	(442,863,835)	111,313,657
	<u>(824,597,004)</u>	<u>(67,676,036)</u>
Less: Income tax paid	(14,474,058)	(7,949,313)
	<u>(839,071,062)</u>	<u>(75,625,349)</u>
Net Cash (Used in) / flow from operating activities	<u>(764,012,745)</u>	<u>(52,321,446)</u>
B. Cash flows from investing activities		
Purchase of property, plant & equipment	(1,142,975)	(71,800)
Investment in Dealer Account	(122,285)	(7)
Net Cash used in investing activities	<u>(1,265,260)</u>	<u>(71,807)</u>
C. Cash flows from financing activities		
Short Term Loan from PBL	(1,497,600,682)	222,768,000
Additional share capital	2,000,000,000	-
Net Cash flows from financing activities	<u>502,399,318</u>	<u>222,768,000</u>
Net Increase in cash and cash equivalents (A+B+C)	<u>(262,878,687)</u>	<u>170,374,746</u>
Opening cash and cash equivalents	658,985,928	488,611,182
Closing cash and cash equivalents	<u>396,107,241</u>	<u>658,985,928</u>

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 18 February 2018 and were signed on its behalf by :

FOR PREMIER BANK SECURITIES LIMITED.



Chairman



Director



Managing Director and CEO



K. M. HASAN & CO.
Chartered Accountants

Place: Dhaka, Bangladesh
Dated: 18 February 2018

Premier Bank Securities Limited

Notes to the Financial Statements as at and for the Year Ended 31 December 2017

1. INTRODUCTION

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

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

2. PRINCIPAL ACTIVITIES

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of financial statements

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

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

3.2 Use of estimates and judgments

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

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

3.3 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 to the Financial Statements

3.4 Cash and Cash Equivalents

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

3.5 Statement of Cash Flows

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

3.6 Reporting period

These financial statements cover period from 01 January 2017 to 31 December 2017.

3.7 Depreciation on Property, Plant & Equipment

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

3.8 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.

Premier Bank Securities Limited

Notes to the Financial Statements as at and for the Year Ended 31 December 2017

3.9 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.

3.10 Account receivables

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

3.11 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 Bangladesh Accounting Standard (BAS) 18 "Revenue Recognition":

a) Brokerage commission

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

b) Interest income on margin loan

Interest Income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on monthly basis and applied to the customers' account on quarterly basis.

c) Dividend Income

Dividend income is recognized when right to receive payment is established.

d) Capital Gain on Sale of share

Capital gain on investments in shares is recognized when it is realized.

3.12 Events after the reporting period

Where necessary, all the material events after the reporting period date have been considered and appropriate adjustment/disclosures have been made in the financial statements.

3.13 Management' responsibility on financial statements

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

4. GENERAL

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

5. PROPERTY, PLANT AND EQUIPMENT

Amount in Taka

PARTICULARS	COST			Rate (%)	DEPRECIATION			Written down value as at 31.12.2017
	Opening balance as at 01.01.2017	Addition during the year	Closing balance as at 31.12.2017		Opening balance as at 01.01.2017	Charged during the year	Closing balance as at 31.12.2017	
Office Equipment's	2,296,060	1,055,375	3,351,435	20	1,285,291	307,143	1,592,434	1,759,001
Software	485,000	-	485,000	20	290,850	38,830	329,680	155,320
Electrical Equipment's	11,900	-	11,900	20	8,001	780	8,781	3,119
IT Infrastructure	782,500	87,600	870,100	20	494,084	72,232	566,316	303,784
Land & Building	850,000	-	850,000	2.5	92,125	18,947	111,072	738,928
Total as at 31 December 2017	4,425,460	1,142,975	5,568,435		2,170,351	437,932	2,608,283	2,960,152
Total as at 31 December 2016	4,353,660	71,800	4,425,460		1,786,621	383,730	2,170,351	2,255,109

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

*Software including TWS software.

Premier Bank Securities Limited

Notes to the Financial Statements as at and for the Year Ended 31 December 2017

		Amount in Taka	
		2017	2016
6.	INVESTMENT IN SHARE WITH TREC		
	Membership License-DSE	650,000,000	650,000,000
	Membership License-CSE	180,000,000	180,000,000
		830,000,000	830,000,000
(a)	Investment in DSE Shares & TREC		
	As per the provision of the Exchange Demutualization Act, 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange allotted 7,215,106 ordinary Shares of Taka 10 each and Trading Right Entitlement Certificate (TREC) in favor of the company against the membership of DSE. Out of the total 7,215,106 Shares DSE transferred and credited 2,886,042 shares directly to Company's BO Account (1294590050888175) and rest 4,329,064 shares were credited to the "Demutualization Blocked Account" maintained by the DSE.		
(b)	Investment in CSE Shares & TREC		
	As per the provision of the Exchange Demutualization Act, 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Chittagong Stock Exchange allotted 4,287,330 ordinary Shares of Taka 10 each and Trading Right Entitlement Certificate (TREC) in favor of the company against the membership of CSE. Out of the total 4,287,330 Shares CSE transferred and credited 1,714,932 shares directly to Company's BO Account (1204590050888175) and rest 2,572,398 shares were credited to the "Demutualization Blocked Account" maintained by the CSE.		
7.	INVESTMENT IN DEALER ACCOUNT		
	Opening balance	96,092	96,085
	Addition Share Investment	122,285	7
	Closing balance	218,377	96,092

SL.No.	Name of Company	Quantity	31.12.2017 Cost Value	31.12.2016 Market Value
1.	Jamuna Oil Company	450	86,472	105,975
2.	Line Bangladesh Ltd.	100	131,905	106,130
		Total	218,377	212,105

8.	MARGIN LOAN TO CLIENT	2,596,484,683	2,753,565,464
9.	ADVANCE, DEPOSIT & PREPAYMENTS		
	Advances (Note-9.1)	195,930,775	214,245,717
	Deposit (Note-9.2)	25,000	25,000
		195,955,775	214,270,717
9.1	Advances		
	Advance to RJSC Bill	195,000	195,000
	Advance Office rent of gulshan Office	143,871,000	180,999,000
	Advance Office rent of Motijheel Office	4,339,000	-
	AIT on Dividend Income	3,401,522	1,958,501
	AIT through DSE	32,359,754	23,303,978
	AIT through CSE	59,080	59,040
	AIT against Bank Interest Income	11,672,033	7,713,744
	AIT against Bank Interest Income	33,386	16,454
		195,930,775	214,245,717
9.2	Deposit		
	Security Deposit against Clearing House-CSE	25,000	25,000

Premier Bank Securities Limited

Notes to the Financial Statements as at and for the Year Ended 31 December 2017

		Amount in Taka	
		2017	2016
10. ACCOUNTS RECEIVABLE			
	Receivable from DSE	2,536,336	26,500,631
	Receivable from CSE	8,567	8,567
	Interest Receivable on Margin Loan	3,520,000	3,112,061
		6,064,903	29,621,259
11. CASH AND CASH EQUIVALENTS			
	Cash in hand (Note 11.1)	82,875	67,895
	Cash at bank (Note 11.2)	396,024,366	658,918,033
		396,107,241	658,985,928
11.1 Cash in hand			
	Head Office	23,577	32,530
	Gulshan extended Office of HO	8,772	7,437
	Kakrail	10,000	4,634
	Kawran Bazar	12,158	5,005
	Kalabagan	6,060	8,132
	Motijheel	10,770	2,007
	O. R. Nizam Road (Ctg.)	11,538	8,150
		82,875	67,895
11.2 Cash at bank			
	The Premier Bank Ltd. (Banani Branch)		
	STD Account No. 1026	(307,600)	(307,600)
	STD Account No. 2818	83,147	82,265
	STD Account No. 1358	376,728,489	637,131,816
	STD Account No. 2858	727,815	8,854,393
	Revenue Account No. 2817	463,583	556,748
	The City Bank Ltd. (Banani Branch)		
	STD Account No. 5001	10,316,039	4,616,237
	Revenue Account No. 65001	8,005,941	7,975,497
	The Bank Asia Ltd. (Paltan Branch)		
	STD Account No. 705	6,952	8,677
		396,024,366	658,918,033
12. SHARE CAPITAL			
	Authorized Capital		
	300,000,000 Ordinary Shares of Tk. 10 each	3,000,000,000	1,000,000,000
	Issued, Subscribed and Paid Up Capital		
	50,000,000 Ordinary Shares of Tk. 10 each	500,000,000	500,000,000
	Name of Shareholders	No. of Shares	
	The Premier Bank Ltd.	249,998,000	2,499,980,000
	Mrs. Fauzia Rekza Banu	1,000	10,000
	Mrs. Eliza Rahman	1,000	10,000
		250,000,000	2,500,000,000
13. LONG TERM LOAN			
	Borrowing from Premier Bank Limited	500,000,000	500,000,000
14. SHORT TERM LOAN FROM PBL			
	Borrowing for Margin Loan paid to Clients	199,817,318	1,081,650,000
	Borrowing from Membership	-	615,768,000
		199,817,318	1,697,418,000

Premier Bank Securities Limited

Notes to the Financial Statements as at and for the Year Ended 31 December 2017

	Amount in Taka	
	2017	2016
15. ACCOUNTS PAYABLE		
Payable to DSE	2,785,251	(1,856,995)
Payable to CSE	5,611	5,620
Payable to Leads Corporation	430,000	430,000
Payable to Dhaka Com.	-	130,500
Payable to Link 3	-	103,500
Payable to Clients (Clients Deposit)	331,274,666	796,567,701
Payable to CDBL	-	433,595
Payable to Audit fees	75,000	107,500
Payable to PBL Adv. Office rent-H.O.	1,430,000	1,430,000
Payable to PBL Adv. Office rent-Kawran Bazar	-	74,504
Payable to Utility Bill at ctg Branch	-	11,325
Payable to Salary-Kalabagan	13,675	13,675
Payable to Salary-Motijheel	11,920	11,914
	336,026,123	797,462,839
16. LIABILITY FOR EXPENSES		
Interest on Borrowing	59,621,608	502,399,318
Provision for expenses	-	86,125
	59,621,608	502,485,443
17. PROVISION FOR INCOME TAX		
Opening balance	35,748,657	27,799,344
Add: Addition during the year	13,976,371	7,949,313
	49,725,028	35,748,657
Less: Payment During the Year	-	-
	49,725,028	35,748,657
18. OTHER LIABILITIES		
Opening balance	401,268,902	222,459,106
Add: Interest on Suspense's Account	(133,722,590)	178,809,796
	267,546,312	401,268,902
Liabilities made (to suspense A/C) against interest income-margin loan which was charged on the clients bearing negative equity.		
19. REVENUE		
Commission Income	63,113,082	28,352,124
Account Opening Fees	95,600	80,800
BO Maintenance Fees	2,267,500	2,396,000
CDBL Income	950,957	1,027,780
	66,427,139	31,856,704
20. DIRECT EXPENSES		
Laga Charges	4,527,874	1,982,018
CDBL Charges-CDS bill	2,737,353	1,491,052
CDBL Charges-BO Maintenance bill	1,600,600	1,677,450
	8,865,827	5,150,520

Premier Bank Securities Limited

Notes to the Financial Statements as at and for the Year Ended 31 December 2017

	Amount in Taka	
	2017	2016
21. OPERATING EXPENSES		
Salary & Allowances	12,151,038	12,654,167
Audit Fee	82,500	65,000
Car Maintenance	153,635	368,724
Casual Labour	1,091,267	847,262
Conveyance	67,898	77,190
DSE Monthly Expenses	17,776	8,382
Electricity Bill	4,673,935	4,216,112
Exhibition Expenses	246,665	-
Cheque Clearing Charge	-	3,620
Festival Bonus	958,397	1,152,798
Gas Bill	17,700	13,200
Internet Bill	16,180	18,010
Mobile Bill	83,307	114,078
Network Connectivity Charge	858,000	826,792
Office Expenses	430,272	305,765
Office Maintenance	129,721	164,972
Office Rent	109,056,352	112,621,524
Journal & Periodicals	32,094	31,504
PF Contribution by PBSL	108,919	191,445
Postage & Courier	2,460	1,870
Printing & Stationery	259,711	480,288
Renewal & Registration	825,560	2,936,965
Repair & Maintenance	30,600	-
Legal & Professional Fees	100,000	53,500
Stamp & Cartridge	8,410	2,010
Telephone Bill	56,828	45,704
Training Expenses	5,000	-
Authorization Expense	-	1,000
Tour & Travel	12,940	2,998
Wasa Bill	324,000	297,000
Legislative Charges	459	-
Donation	15,000	-
Depreciation	437,932	383,730
	132,254,556	137,885,610
22. OTHER INCOME		
Interest Income on-Margin Loan	155,865,753	211,238,151
IPO Commission	95,465	133,815
Service Charges	5,948,651	4,963,194
Dividend Income	7,219,106	9,792,504
Miscellaneous Income	147,601	64,680
Interest Income on Bank Deposit	39,752,218	20,267,747
	209,028,794	246,460,091
23. FINANCE EXPENSES		
Bank Charges	93,557	63,343
Interest Expenses on loan from PBL	59,621,608	112,297,150
	59,715,165	112,360,493

Premier Bank Securities Limited

Notes to the Financial Statements as at and for the Year Ended 31 December 2017

	Amount in Taka	
	2017	2016
24. PROVISION FOR INCOME TAX		
Provision during the year	<u>13,976,371</u>	<u>7,949,313</u>


25. EVENTS AFTER THE REPORTING PERIOD

- (a) The Board of Directors of the company in its meeting held on 18 February 2018 approved the financial statements of the company for the year ended 31 December 2017 and authorized the same for issue.
- (b) There is no other significant event that has occurred between the date of financial position and the date when the financial statements were authorized for issue by the Board of Directors.

FOR PREMIER BANK SECURITIES LIMITED.



Chairman



Director



Managing Director and CEO

Place: Dhaka, Bangladesh
Dated: 18 February 2018