

# Financials 2015

(Auditors' Report to the Shareholders)



## K.M. Hasan & Co.

Chartered Accountants  
Hometown Apartment (7th, 8th and 9th Floor),  
87, New Eskaton Road, Dhaka – 1000

## Syful Shamsul Alam & Co

Chartered Accountants  
Paramount Heights (Level 6), 65/2/1,  
Box Culvert Road, Purana Paltan, Dhaka - 1000, Bangladesh

# Independent Auditors' Report to the Shareholders of The Premier Bank Limited

We have audited the accompanying consolidated financial statements of The Premier Bank Limited and its subsidiaries (the “Group”) as well as the separate financial statements of The Premier Bank Limited (the “Bank”), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2015, and the consolidated and separate profit and loss account, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### Auditors' Responsibility

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

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

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

### Opinion

In our opinion, except for the effects of the matters discussed in notes 14.5 and 28 relating to “provision for corporate taxation” and “rent taxes, insurance electricity etc. (VAT on office rent)”, the consolidated financial statements of the Group and also the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2015, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 3.15.

### Report on Other Legal and Regulatory Requirements

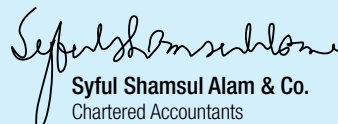
In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Companies Act 1991 (As amended in 2013) and the rules and regulations issued by Bangladesh Bank and the Bangladesh Bank Letter: BRPD(P-1)/661/13/2016-2724 dated 27 April 2016, we also report the following:

- (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 Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
- i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 3.11 appeared to be adequate with immaterial control deficiencies;
  - ii) nothing has come to our attention regarding material instances of forgeries or irregularities or administrative error and exception or anything detrimental committed by employee of the Bank and its related entities;
- (c) financial statements of subsidiary companies of the Bank namely Premier Bank Securities Limited has been audited by K. M. HASAN & CO., Chartered Accountants and Premier Money Transfer (UK) Limited has not been audited which does not qualify to be audited as per laws of UK. However, the accounts preparation responsibilities have been undertaken by Jahan & Co., Chartered Accountants. These accounts have been properly reflected in the consolidated financial statements of the Bank so far as it appeared from the review of the unaudited financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in note 3.15, as well as with related guidance, circulars issued by Bangladesh Bank;
- (h) provisions have been made for loans and advances (Note – 14.1) which are, in our opinion are doubtful of recovery and provision for off-balance sheet item (Note – 14.3), other assets (Note – 14.4.1 and 14.4.2), gratuity (Note – 14.2) and investment in shares (Note – 14.4.3) have been made in line with the Bangladesh Bank Letter: BRPD(P-1)/661/13/2016-2724 dated 27 April 2016;
- (i) Statutory Capital Requirement as per BASEL III has been declined as disclosed in note 15.7 ,
- (j) in our opinion, proper books of accounts as required by law have been kept by Premier Bank Limited so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from 75 branches not visited by us;
- (k) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (l) the information and explanation required by us have been received and found satisfactory;
- (m) 80% of the risk-weighted assets have been audited covering 20 branches; and
- (n) we have spent approximately 4,750 man hours for the audit of the books and accounts of the bank.

  
K. M. HASAN & CO.  
Chartered Accountants

Place: Dhaka  
Dated: 27 April 2016

  
Syful Shamsul Alam & Co.  
Chartered Accountants

# The Premier Bank Limited

Consolidated Balance Sheet as at December 31, 2015

		Amount in Taka	
	Notes	2015	2014
PROPERTY AND ASSETS			
Cash	4(a)	8,534,064,596	7,277,078,390
In hand (including foreign currencies)	4.1(a)	1,150,706,019	1,178,340,047
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.2	7,383,358,577	6,098,738,343
Balance with other banks and financial institutions	5(a)	1,451,506,552	5,183,641,631
In Bangladesh		1,044,913,872	4,873,403,062
Outside Bangladesh		406,592,680	310,238,569
Money at call and short notice	6	-	1,090,000,000
Investments	7(a)	24,426,394,826	20,739,094,903
Government securities	7.1	18,568,585,083	14,836,281,245
Others	7.2(a)	5,857,809,743	5,902,813,658
Loans, advances and lease/ investments	8(a)	91,318,508,129	70,063,724,793
Loans, cash credits, overdrafts, etc.		85,085,336,753	66,112,635,053
Bills purchased and discounted		6,233,171,376	3,951,089,740
Fixed assets including premises, furniture and fixtures	9(a)	2,423,971,952	1,659,538,695
Other assets	10(a)	3,283,490,697	5,563,329,526
Non-banking assets		-	-
Total Assets		131,437,936,752	111,576,407,938
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	4,915,876,816	4,146,546,458
Non-convertible Subordinated bonds	12	3,000,000,000	2,000,000,000
Deposits and other accounts	13(a)	108,875,127,732	92,715,288,551
Savings / Mudaraba Saving deposits		5,699,948,740	4,444,773,517
Fixed deposits/ Mudaraba term deposits		73,138,962,031	62,192,111,823
Current deposits and other accounts		28,901,710,782	24,939,264,710
Bills payable		1,134,506,179	1,139,138,501
Other liabilities	14(a)	4,402,177,000	3,771,202,623
Total Liabilities		121,193,181,548	102,633,037,632
Capital/ Shareholders' Equity			
Paid-up capital	15	6,200,737,030	5,637,033,670
Statutory reserve	16	2,878,188,929	2,536,549,137
Other reserve	17(a)	527,945,768	185,978,583
Retained earnings	18(a)	637,860,708	583,786,684
Non controlling interest	18(b)	22,769	22,232
Total Shareholders' Equity		10,244,755,204	8,943,370,306
Total Liabilities and Shareholders' Equity		131,437,936,752	111,576,407,938

# The Premier Bank Limited

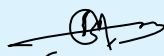
Consolidated Balance Sheet as at December 31, 2015

		Amount in Taka	
	Notes	2015	2014
OFF- BALANCE SHEET ITEMS			
Contingent Liabilities		65,888,690,325	33,871,049,288
Acceptances and endorsements		11,188,269,345	7,302,215,648
Letters of guarantee	19.1	19,885,827,241	11,507,246,010
Irrevocable letters of credit		10,602,873,577	8,918,905,328
Bills for collection		24,211,720,162	6,142,682,302
Other contingent liabilities	19.2	-	-
Other commitments	20	-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchase and forward deposits placement		-	-
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:		65,888,690,325	33,871,049,288

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



Chairman



Director



Director



Director



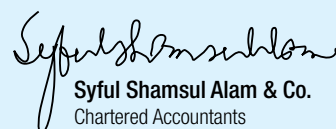
Managing Director

See annexed auditors' report of even date



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

Dated: Dhaka  
27 April 2016



**Syful Shamsul Alam & Co.**  
Chartered Accountants

# The Premier Bank Limited

Consolidated Profit and Loss Statement for the year ended December 31, 2015

	Notes	Amount in Taka	
		2015	2014
<b>OPERATING INCOME</b>			
Interest income/profit on islamic investments	22(a)	9,864,865,010	9,214,592,101
Interest/profit paid on deposits, borrowings, etc.	23(a)	(7,516,734,923)	(7,283,474,420)
<b>Net interest income/ net profit on investments</b>		<b>2,348,130,087</b>	<b>1,931,117,681</b>
Investment income	24	1,668,990,837	1,966,847,133
Commission, exchange and brokerage	25(a)	1,018,945,262	866,398,896
Other operating income	26(a)	435,954,488	400,390,662
		<b>3,123,890,587</b>	<b>3,233,636,691</b>
<b>Total Operating Income (A)</b>		<b>5,472,020,674</b>	<b>5,164,754,372</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	27(a)	1,210,470,323	1,132,094,662
Rent, taxes, insurance, electricity, etc.	28(a)	1,163,289,056	1,115,456,764
Legal expenses	29(a)	32,986,310	44,482,611
Postage, stamps, telecommunication, etc.	30(a)	62,961,845	57,373,505
Stationery, printing, advertisement, etc.	31(a)	573,811,575	536,399,973
Chief executive's salary and fees	32	12,150,000	9,800,000
Directors' fees	33	3,203,000	2,865,000
Auditors' fee		1,194,250	625,000
Depreciation and repair of Bank's assets	34(a)	241,434,705	216,023,435
Charges on loan losses		-	1,467,650
Other expenses	35(a)	198,919,371	230,251,447
<b>Total Operating Expenses (B)</b>		<b>3,500,420,435</b>	<b>3,346,840,047</b>
<b>Profit before provision (C = A-B)</b>		<b>1,971,600,239</b>	<b>1,817,914,325</b>
Specific Provision	36	250,000,000	-
General Provision	36	-	-
Provision for off-balance sheet items	14.3	-	-
Provision for investment in shares	14.4.3	-	300,000,000
Other provisions	14.4.4	5,000,000	10,000,000
<b>Total provision (D)</b>		<b>255,000,000</b>	<b>310,000,000</b>
<b>Profit before taxation (C-D)</b>		<b>1,716,600,239</b>	<b>1,507,914,325</b>
<b>Provision for taxation</b>			
Current Tax	14.5(aa)	707,656,806	611,175,212
Deferred tax	14.5.1	47,386,289	24,382,729
		<b>755,043,095</b>	<b>635,557,941</b>
<b>Profit after taxation</b>		<b>961,557,144</b>	<b>872,356,384</b>
<b>Retained earnings brought forward (restated)</b>	18(aa)	<b>581,647,253</b>	<b>521,641,443</b>
<b>Profit available for appropriation</b>		<b>1,543,204,397</b>	<b>1,393,997,827</b>
<b>Appropriations</b>			
Statutory reserve	16	341,639,792	297,751,311
Issue of bonus shares	18	563,703,360	512,457,600
Non controlling interest	18(b)	537	784
		<b>905,343,689</b>	<b>810,209,695</b>
<b>Retained earnings carried forward</b>		<b>637,860,708</b>	<b>583,788,132</b>
<b>Earnings per share (EPS)</b>	37(a)	<b>1.55</b>	<b>1.41</b>

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



Chairman



Director



Director



Director



Managing Director

See annexed auditors' report of even date

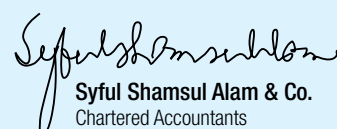


**K. M. HASAN & CO.**

Chartered Accountants

Dated: Dhaka

27 April 2016



**Syful Shamsul Alam & Co.**

Chartered Accountants

# The Premier Bank Limited

Consolidated Statement of Changes in Equity For the year ended 31 December 2015

Amount in Taka

Particulars	Equity attributable to shareholder of Premier Bank Ltd.					Non Controlling Interest	Total
	Paid-up capital	Statutory reserve	Other reserve	Retained earnings	Total		
<b>Balance as at 01 January 2015</b>	5,637,033,670	2,536,549,137	185,978,583	583,786,684	8,943,348,074	22,232	8,943,370,306
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	341,967,185	-	341,967,185	-	341,967,185
Currency translation differences	-	-	-	(2,139,431)	(2,139,431)	-	(2,139,431)
Net profit for the year ended	-	-	-	961,557,144	961,557,144	537	961,557,681
Payment of cash dividend	-	-	-	-	-	-	-
Transfer to statutory reserve	-	341,639,792	-	(341,639,792)	-	-	-
Transfer to general and other reserve	-	-	-	-	-	-	-
Issue of bonus shares for 2014	563,703,360	-	-	(563,703,360)	-	-	-
Non controlling interest	-	-	-	(537)	(537)	-	(537)
<b>Balance as at 31 December 2015</b>	<b>6,200,737,030</b>	<b>2,878,188,929</b>	<b>527,945,768</b>	<b>637,860,708</b>	<b>10,244,732,435</b>	<b>22,769</b>	<b>10,244,755,204</b>
<b>Balance as at 31 December 2014</b>	<b>5,637,033,670</b>	<b>2,536,549,137</b>	<b>185,978,583</b>	<b>583,786,684</b>	<b>8,943,348,074</b>	<b>22,232</b>	<b>8,943,370,306</b>

  
Chairman

  
Director

  
Director

  
Director

  
Managing Director




# The Premier Bank Limited

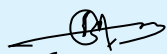
Consolidated Cash Flow Statement For the year ended December 31, 2015

	Notes	Amount in Taka	
		2015	2014
<b>Cash Flows from Operating Activities</b>			
Interest received in cash		11,537,320,006	11,223,590,948
Interest paid		(7,516,734,923)	(7,283,474,420)
Fee and commission received in cash		536,536,017	418,593,966
Payments to employees		(1,244,507,615)	(1,163,093,380)
Payments to suppliers		(639,261,606)	(602,180,733)
Income taxes paid		(639,310,374)	(665,783,022)
Receipts from other operating activities		435,954,488	400,390,662
Payments for other operating activities		(1,462,546,572)	(1,450,295,073)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>		<b>1,007,449,421</b>	<b>877,748,948</b>
<b>Increase/decrease in operating assets and liabilities</b>			
Loans and advances to customers		(21,254,783,336)	(17,368,057,295)
Other assets		2,279,838,829	(1,822,131,728)
Deposits from other banks		769,330,358	173,822,924
Deposits from customers		16,159,839,181	17,233,620,691
Other liabilities		278,664,789	1,008,206,598
		<b>(1,767,110,179)</b>	<b>(774,538,810)</b>
<b>Net cash from operating activities (A)</b>		<b>(759,660,758)</b>	<b>103,210,138</b>
<b>Cash Flows from Investing Activities</b>			
Purchase/sale of trading securities, shares, bonds, etc.		45,003,915	374,900,000
Purchase of property, plant and equipment		(942,145,411)	(210,322,163)
<b>Net cash used in investing activities (B)</b>		<b>(897,141,496)</b>	<b>164,577,837</b>
<b>Cash Flows from Financing Activities</b>			
Dividend paid		-	-
Issue of shares		-	-
Issue of Non-convertible Subordinated bonds		1,000,000,000	2,000,000,000
<b>Net cash from financing activities (C)</b>		<b>1,000,000,000</b>	<b>2,000,000,000</b>
<b>Net increase in cash (A+B+C)</b>		<b>(656,802,254)</b>	<b>2,267,787,975</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>482,409,245</b>	<b>447,804,930</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>28,245,989,437</b>	<b>25,530,396,532</b>
<b>Cash and cash equivalents for the period ended (*)</b>		<b>28,071,596,428</b>	<b>28,245,989,437</b>
(*) Cash and cash equivalents at the end of the period:			
Cash in hand (including foreign currencies)	4.1(a)	1,150,706,019	1,178,340,047
Investments in government securities		18,086,025,280	14,695,269,416
Money at call on short notice	6	-	1,090,000,000
Balance with Bangladesh Bank and its agent bank(s)	4.2	7,383,358,577	6,098,738,343
Balance with other banks and financial institutions	5(a)	1,451,506,552	5,183,641,631
		<b>28,071,596,428</b>	<b>28,245,989,437</b>
<b>Net operating cash flow per share (NOCFPS)</b>	37.1(a)	<b>1.62</b>	<b>1.42</b>

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



Chairman



Director



Director



Director



Managing Director



# The Premier Bank Limited

Consolidated Statement of Liquidity Analysis (Maturity of Assets and Liabilities) as at December 31, 2015

Particulars	Amount in Taka				
	Up to 1 month's maturity	1-3 month's maturity	3-12 month's maturity	1-5 years' maturity	More than 5 years' maturity
<b>Assets</b>					
Cash	2,020,364,596	-	-	-	8,534,064,596
Balance with other banks and financial institutions	445,898,346	1,005,608,206	-	-	1,451,506,552
Money at call on short notice	-	-	-	-	-
Investments	5,177,872,033	253,624,062	5,678,687,709	9,458,573,263	24,426,394,826
Loans and advances	13,988,961,427	23,502,629,099	29,755,044,205	16,195,035,162	91,318,508,129
Fixed assets including premises, furniture and fixtures	-	-	-	1,027,165,105	2,423,971,952
Other assets	778,036,073	481,389,891	488,642,908	1,535,421,825	3,283,490,697
Non-banking assets	-	-	-	-	-
<b>Total Assets (A)</b>	<b>22,411,132,475</b>	<b>25,243,251,258</b>	<b>35,922,374,822</b>	<b>28,216,195,355</b>	<b>131,437,936,752</b>
<b>Liabilities</b>					
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	3,000,000,000	963,529,458	952,347,358	-	4,915,876,816
Non convertible subordinated bonds	-	-	-	3,000,000,000	3,000,000,000
Deposits and other accounts	34,120,911,259	31,019,698,944	35,355,668,279	4,647,841,276	108,875,127,732
Provision and other liabilities	327,457,879	1,533,181,403	431,469,240	658,573,824	4,402,177,000
<b>Total Liabilities (B)</b>	<b>37,448,369,138</b>	<b>33,516,409,805</b>	<b>36,739,484,877</b>	<b>8,306,415,100</b>	<b>121,193,181,548</b>
<b>Net Liquidity Excess/(Shortage) (C=A-B)</b>	<b>(15,037,236,663)</b>	<b>(8,273,158,547)</b>	<b>(817,110,055)</b>	<b>19,909,780,255</b>	<b>10,244,755,204</b>

  
Chairman

  
Director

  
Director

  
Director

  
Managing Director



# The Premier Bank Limited

Balance Sheet as at December 31, 2015

		Amount in Taka	
	Notes	2015	2014
PROPERTY AND ASSETS			
Cash	4	8,533,979,320	7,276,187,578
In hand (including foreign currencies)	4.1	1,150,620,743	1,177,449,235
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.2	7,383,358,577	6,098,738,343
Balance with other banks and financial institutions	5	1,446,488,084	5,159,293,651
In Bangladesh	5.1	1,039,895,404	4,849,055,082
Outside Bangladesh	5.2	406,592,680	310,238,569
Money at call and short notice	6	-	1,090,000,000
Investments	7	23,596,298,741	19,908,994,903
Government securities	7.1	18,568,585,083	14,836,281,245
Others	7.2	5,027,713,658	5,072,713,658
Loans, advances and lease/ investments	8	91,217,453,215	69,818,140,464
Loans, cash credits, overdrafts, etc.	8.1.1	84,984,281,839	65,867,050,724
Bills purchased and discounted	8.1.2	6,233,171,376	3,951,089,740
Fixed assets including premises, furniture and fixtures	9	2,421,404,912	1,654,273,934
Other assets	10	3,790,918,488	6,077,151,738
Non-banking assets		-	-
Total Assets		131,006,542,760	110,984,042,268
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	4,915,876,816	4,146,546,458
Non-convertible Subordinated bonds	12	3,000,000,000	2,000,000,000
Deposits and other accounts	13	108,700,542,280	92,468,994,997
Savings / Mudaraba Saving deposits		5,699,948,740	4,444,773,517
Fixed deposits/Mudaraba term deposits		73,138,962,031	62,192,111,823
Current deposits and other accounts		28,727,125,330	24,692,971,156
Bills payable		1,134,506,179	1,139,138,501
Other liabilities	14	4,128,990,320	3,410,324,010
Total Liabilities		120,745,409,416	102,025,865,465
Capital/ Shareholders' Equity			
Paid-up capital	15	6,200,737,030	5,637,033,670
Statutory reserve	16	2,878,188,929	2,536,549,137
Other reserve	17	526,214,230	184,456,650
Retained earnings	18	655,993,155	600,137,346
Total Shareholders' Equity		10,261,133,344	8,958,176,803
Total Liabilities and Shareholders' Equity		131,006,542,760	110,984,042,268

# The Premier Bank Limited

Balance Sheet as at December 31, 2015

		Amount in Taka	
	Notes	2015	2014
OFF- BALANCE SHEET ITEMS			
Contingent Liabilities		65,888,690,325	33,871,049,288
Acceptances and endorsements		11,188,269,345	7,302,215,648
Letters of guarantee	19.1	19,885,827,241	11,507,246,010
Irrevocable letters of credit		10,602,873,577	8,918,905,328
Bills for collection		24,211,720,162	6,142,682,302
Other contingent liabilities	19.2	-	-
Other commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchase and forward deposits placement	-	-	-
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:		65,888,690,325	33,871,049,288

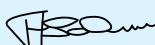
These Financial Statements should be read in conjunction with the annexed notes.



Chairman



Director



Director



Director



Managing Director

See annexed auditors' report of even date



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

Dated: Dhaka  
27 April 2016



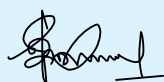
**Syful Shamsul Alam & Co.**  
Chartered Accountants

# The Premier Bank Limited

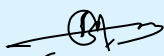
Profit and Loss Statement for the year ended December 31, 2015

	Notes	Amount in Taka	
		2015	2014
<b>OPERATING INCOME</b>			
Interest income/profit on Islamic investments	22	9,773,174,802	9,083,879,056
Interest/profit paid on deposits, borrowings, etc.	23	(7,516,734,923)	(7,216,548,168)
<b>Net interest income/ net profit on investments</b>		<b>2,256,439,879</b>	<b>1,867,330,888</b>
Investment income	24	1,668,990,837	1,966,847,133
Commission, exchange and brokerage	25	984,386,759	802,311,546
Other operating income	26	424,650,766	379,241,214
		<b>3,078,028,362</b>	<b>3,148,399,893</b>
<b>Total Operating Income (A)</b>		<b>5,334,468,241</b>	<b>5,015,730,781</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	27	1,189,118,866	1,109,730,580
Rent, taxes, insurance, electricity, etc.	28	1,074,040,945	1,024,817,076
Legal expenses	29	32,077,164	44,099,315
Postage, stamps, telecommunication, etc.	30	61,450,917	57,123,991
Stationery, printing, advertisement, etc.	31	573,236,686	535,946,425
Chief executive's salary and fees	32	12,150,000	9,800,000
Directors' fees	33	3,203,000	2,865,000
Auditors' fee		1,144,250	575,000
Depreciation and repair of Bank's assets	34	240,577,931	214,915,611
Charges on loan losses		-	1,467,650
Other expenses	35	184,269,521	215,633,580
<b>Total Operating Expenses (B)</b>		<b>3,371,269,280</b>	<b>3,216,974,228</b>
<b>Profit before provision (C = A-B)</b>		<b>1,963,198,961</b>	<b>1,798,756,553</b>
Specific Provision	36	250,000,000	-
General Provision	36	-	-
Provision for off-balance sheet items	4.3	-	-
Provision for investment in shares	14.4.3	-	300,000,000
Other provisions	14.4.4	5,000,000	10,000,000
<b>Total provision (D)</b>		<b>255,000,000</b>	<b>310,000,000</b>
<b>Profit before taxation (C-D)</b>		<b>1,708,198,961</b>	<b>1,488,756,553</b>
<b>Provision for taxation</b>			
Current tax	14.5	699,613,711	600,617,271
Deferred tax	14.5.1	47,386,289	24,382,729
		<b>747,000,000</b>	<b>625,000,000</b>
<b>Profit after taxation</b>		<b>961,198,961</b>	<b>863,756,553</b>
Retained earnings brought forward	18	600,137,346	546,589,704
<b>Profit available for appropriation</b>		<b>1,561,336,307</b>	<b>1,410,346,257</b>
<b>Appropriations</b>			
Statutory reserve	16	341,639,792	297,751,311
Issue of bonus shares	18	563,703,360	512,457,600
		<b>905,343,152</b>	<b>810,208,911</b>
<b>Retained earnings carried forward</b>		<b>655,993,155</b>	<b>600,137,346</b>
<b>Earnings per share (EPS)</b>	37	<b>1.55</b>	<b>1.39</b>

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



Chairman



Director



Director



Director



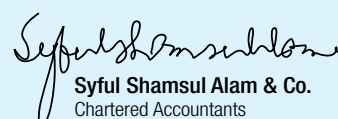
Managing Director

See annexed auditors' report of even date



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

Dated: Dhaka  
27 April 2016



**Syful Shamsul Alam & Co.**  
Chartered Accountants

# The Premier Bank Limited

Statement of Changes in Equity for the year ended December 31, 2015

Particulars	Amount in Taka				
	Paid-up capital	Statutory reserve	Other reserve	Retained earnings	Total
<b>Balance as at 1 January 2015</b>	<b>5,637,033,670</b>	<b>2,536,549,137</b>	<b>184,456,650</b>	<b>600,137,346</b>	<b>8,958,176,803</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	341,757,580	-	341,757,580
Currency translation differences	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-
Net profit for the year	-	-	-	961,198,961	961,198,961
Payment of cash dividend	-	-	-	-	-
Transfer to statutory reserve	-	341,639,792	-	(341,639,792)	-
Transfer to general and other reserve	-	-	-	-	-
Issue of bonus shares for the year 2014	-	-	-	-	-
New issue of shares through RPO	563,703,360	-	-	(563,703,360)	-
<b>Balance as at 31 December 2015</b>	<b>6,200,737,030</b>	<b>2,878,188,929</b>	<b>526,214,230</b>	<b>655,993,155</b>	<b>10,261,133,344</b>
<b>Balance as at 31 December 2014</b>	<b>5,637,033,670</b>	<b>2,536,549,137</b>	<b>184,456,650</b>	<b>600,137,346</b>	<b>8,958,176,803</b>



Chairman



Director



Director



Director



Managing Director

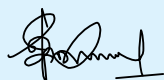


# The Premier Bank Limited

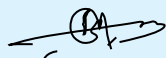
Cash Flow Statement for the year ended 31 December 2015

		Amount in Taka		
		2015	2014	
Notes				
Cash Flows from Operating Activities				
Interest received in cash		11,504,187,758	11,159,874,853	
Interest paid		(7,575,292,883)	(7,283,474,420)	
Fee and commission received in cash		501,977,514	354,506,616	
Payments to employees		(1,223,156,158)	(1,140,729,298)	
Payments to suppliers		(638,295,882)	(601,669,753)	
Income taxes paid		(639,310,374)	(665,783,022)	
Receipts from other operating activities		424,650,766	379,241,214	
Payments for other operating activities		(1,356,701,498)	(1,345,113,962)	
Cash generated from operating activities before changes in operating assets and liabilities		998,059,243	856,852,228	
Increase/decrease in operating assets and liabilities				
Loans and advances to customers		(21,399,312,751)	(17,019,152,521)	
Other assets		2,286,233,250	(1,807,994,408)	
Deposits from other banks		769,330,358	1,127,300,359	
Deposits from customers		16,231,547,283	16,201,562,511	
Other liabilities		374,399,817	724,811,611	
		(1,737,802,043)	(773,472,448)	
Net cash from operating activities (A)		(739,742,800)	83,379,780	
Cash Flows from Investing Activities				
Purchase/sale of trading securities, shares, bonds, etc.		45,000,000	375,000,000	
Purchase of property, plant and equipment		(942,134,011)	(209,731,640)	
Net cash used in investing activities (B)		(897,134,011)	165,268,360	
Cash Flows from Financing Activities				
Dividend paid		-	-	
Issue of shares		-	-	
Issue of non- convertible variable coupon rate bond		1,000,000,000	2,000,000,000	
Net cash from financing activities (C)		1,000,000,000	2,000,000,000.00	
Net increase in cash (A+B+C)		(636,876,811)	2,248,648,140	
Effects of exchange rate changes on cash and cash equivalents		482,409,245	447,804,930	
Cash and cash equivalents at beginning of the year		28,219,228,712	25,522,775,642	
Cash and cash equivalents for the year ended (*)		28,064,761,146	28,219,228,712	
(*) Cash and cash equivalents at the end of the year:				
	Cash in hand (including foreign currencies)	4.1	1,150,620,743	1,177,449,235
	Investments in government securities		18,084,293,742	14,693,747,483
	Money at call on short notice	6	-	1,090,000,000
	Balance with Bangladesh Bank and its agent bank(s)	4.2	7,383,358,577	6,098,738,343
	Balance with other banks and financial institutions	5	1,446,488,084	5,159,293,651
			28,064,761,146	28,219,228,712
Net operating cash flow per share (NOCFPS)		37.1	1.61	1.38

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



Chairman



Director



Director



Director



Managing Director

# The Premier Bank Limited

Statement of Liquidity Analysis (Maturity of Assets and Liabilities) as at December 31, 2015

Particulars	Amount in Taka				
	Up to 1 month's maturity	1-3 month's maturity	3-12 month's maturity	1-5 years' maturity	More than 5 years' maturity
<b>Assets</b>					
Cash	2,020,279,320	-	-	-	6,513,700,000
Balance with other banks and financial institutions	446,488,084	1,000,000,000	-	-	-
Money at call on short notice	-	-	-	-	-
Investments	5,177,872,033	253,627,977	4,848,587,709	9,458,573,263	3,857,637,759
Loans and advances	13,967,396,555	23,467,592,766	29,733,495,845	16,705,477,892	7,343,490,157
Fixed assets including premises, furniture and fixtures	-	-	311,057,832	1,244,231,328	866,115,752
Other assets	778,036,073	481,389,891	488,642,908	1,509,588,624	533,260,992
Non-banking assets	-	-	-	-	-
<b>Total Assets (A)</b>	<b>22,390,072,065</b>	<b>25,202,610,634</b>	<b>35,381,784,294</b>	<b>28,917,871,107</b>	<b>19,114,204,660</b>
<b>Liabilities</b>					
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	3,000,000,000	963,529,458	846,040,944	106,306,414	-
Non convertible subordinated bonds	-	-	-	3,000,000,000	-
Deposits and other accounts	34,120,911,259	31,019,698,944	35,355,668,279	4,473,255,824	3,731,007,974
Provision and other liabilities	327,457,879	1,533,181,403	431,469,240	385,387,144	1,451,494,654
<b>Total Liabilities (B)</b>	<b>37,448,369,138</b>	<b>33,516,409,805</b>	<b>36,633,178,463</b>	<b>7,964,949,382</b>	<b>5,178,019,326</b>
<b>Net Liquidity Excess/(Shortage) (C=A-B)</b>	<b>(15,058,297,073)</b>	<b>(8,313,799,171)</b>	<b>(1,251,394,169)</b>	<b>20,952,921,725</b>	<b>13,936,185,334</b>



Chairman



Director



Director



Director



Managing Director



# The Premier Bank Limited

Notes to Financial Statements for the year ended December 31, 2015

## 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 centre, 42 Kamal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh."

At present the Bank has 95 branches including 12 SME Service Centers/Agricultural Branches and 19 own ATM booths with no overseas branch. The Bank has two subsidiary companies namely, Premier Bank Securities Limited and Premier Money Transfer Company 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 banking, loans and advances, export & import financing, inland and international remittance facility etc. through its branches, islamic branches, SME centres, and vibrant alternative delivery channels (atm booths, mobile banking, internet banking) in Bangladesh.

### 1.3 Islamic Banking Unit

The Bank obtained permission from Bangladesh Bank to operate Islamic Banking Unit vide Bangladesh Bank's letter no. BRPD(P-3)745(53)/2008-4804 dated 17 December, 2008. The Bank commenced operation of this Unit from 24 December 2008. The Islamic Banking Unit is governed under the rules and regulations of Bangladesh Bank. Out of the 95 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. Financial statements of the unit are shown in **Annexure - H**.

### 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. Financial statements of the Unit are shown in **Annexure - I**.

### 1.5 The Bank has 02 (Two) subsidiaries with following details as presented in note 1.5(a) and 1.5(b).

#### 1.5 (a) Premier Bank Securities Limited

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

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

Premier Money Transfer Company Limited (UK) was incorporated as a private company limited by share under United Kingdom Companies Act and registered with Companies House of England and Wales vide registration no. 07085086 as a fully owned subsidiary company of The Premier Bank Limited, Premier Money Transfer Company Limited launched its operation in London on 20 February 2012. Premier Money Transfer Company Limited attaches a fresh width to the Bank's remittance operation and expands its global presence for remittance services. The Premier Bank stretched its business in United Kingdom through its wholly owned subsidiary to facilitate speedy and dependable medium for remitting the hard-earned money of expatriates to home. As per decision of the Board of Directors the Company ceased its operation from August 2015. Financial statements of the company are shown in **Annexure - K**.

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

### 2.1 Basis of preparation of the financial statements

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

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

### 2.5 Basis of Consolidation

"The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard (BAS) 27: Separate financial statements and Bangladesh Financial Reporting Standard (BFRS) 10: Consolidated Financial Statements, for a common financial period ended 31 December 2015. The financial statements include the main operation of The Premier Bank Ltd and its two business units namely, Islamic banking Unit and Offshore Banking Unit operating in Bangladesh. The consolidated financial statements include the financial statements of The Premier Bank Limited and its subsidiaries which consists of Premier Bank Securities Limited and Premier Money Transfer Company (UK) Limited up to the end of the financial year."

#### 2.5.1 Basis of Consolidation

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

#### 2.5.2 Non-controlling interest

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

- a) at fair value; or
- b) at their proportionate share of the acquiree'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 2015 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 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 2015 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 2015 to 31 December 2015.

## **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 and 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).

#### 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 marked to market concept)
Government Treasury Bills & Bonds (HFT)	At present value ( applying amortization 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 recognised 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 recognised 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 derecognised. The costs of the day-to-day servicing of fixed assets are recognised 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.

<u>Asset categories</u>	<u>Rate of depreciation</u>	<u>Method of depreciation</u>
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 recognised 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 2015 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.

**3.1.7 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 recognised at the time of realisation.

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

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

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

### 3.1.8 Inventories

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

#### 3.1.8.a Receivables

Receivables are recognised 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 unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamps. Details are shown in Note 10.

#### 3.1.9.a Non-Banking Assets

Non-banking assets are acquired on account of the failure of a borrower to repay the loan on time after receiving the decree from the Court regarding the right and title of the mortgage property. The Bank have no non -banking assets at the end of the year 31 december 2015.

## 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 recognised 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 recognises 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 recognised 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 Authorised capital

Authorised capital is the maximum amount of share capital that the Bank is authorised 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 recognised 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 crore as Supplementary Capital (Tier-2) under Basel - III of the Bank 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 crore (Taka 100 crore was executed in 2015 and the remaining amount of Taka 100 crore will be executed by 2016) as Supplementary Capital (Tier-2) Basel - III of the Bank 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(BF15)661/14B(P)/2015/18087 dated 27 December 2015 and BSEC/CI/DS-03/2015/601 dated 30 November 2015 respectively.

### 3.3.7 Provision for Good Borrowers

The Bank maintained provision for good borrowers in line with BRPD Circular Letter No. 03 dated 16 February 2016, Which instructed Banks to provide 10% rebate on the interest collected from good borrowers as defined in BRPD Circular No. 06 dated 19 March 2015, subject to some qualifying criteria. The aforementioned circular goes on to clarify that such rebate may be availed to the good borrowers during the year 2016. The Bank had kept a lump sump provision during the year ended 31 December 2015 against this which will be settled during the year 2016. details are shown in note no. 14.4.4.

### 3.3.8 Provision for Climate Risk Fund

The Bank is exploring the oppourtunity to build up climate risk fund in line with Bangladesh Bank GBCSRD Circular No. 04 dated 9 July 2015.

### 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 realised.

### 3.5 Revenue recognition

The accounting policies adopted for the recognition of revenue as prescribed by BAS 18 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 recognised at the time of realisation.
- (e) Investment income  
Investment income is recognized on accrual basis. Income on investments is recognised 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 "Revenue", dividend income from investment in shares is recognised when the Bank's right to receive dividend is established. It recognised 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 recognised 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 2015 were 1,378 of which female employee were 268 and male employee were 1102. The average number of employees per branch were 11.12 excluding 322 employees in the head office of the Bank.

### 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****3.7.3 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.

**3.7.4 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 unreconciled revenue items in Nostro accounts as at 31 December 2015.

**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	Figure in Lac
Dr. H. B. M Iqbal	Beacon Travels International Ltd, Premier Hotel Management Ltd, Premier Hotel & Resort, Bengal Tiger Cement Ltd	Non funded	1,321.92
Mr. Arif Alam	Purple Aviation Systems, Ilham Engineers & Builders Limited	Funded & Non funded	427.84
Mr. B.H. Haroon MP	Individual	Credit Card	4.26
Mr. Mohammad Imran Iqbal	Individual	Credit Card	2.88
Mr. Shafiqur Rahman	Individual	Credit Card	2.14
Mr. Shah Md. Nayhan Haroon	Individual	Credit Card	4.35
Mrs. Shaila Shelly Khan	Individual	Credit Card	2.90

- 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.

Name of service provider	Particulars of service	Figure in lac
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.	118.16

- b) ii. As per Bangladesh Bank approval, the Bank has taken lease of 41,600 sft. Floor space @ TK. 350 per sft. per month at 2nd, 4th, 5th, 7th, 10th and 15th floor of "Iqbal Centre", 42 Kemal Attaturk avenue, Banani, Dhaka-1213 from Dr. H.B.M. Iqbal, honorable Chairman of the Bank for use of its Head Office.
- b) 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 248 at ground floor 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. Bank has taken lease of 1,000 sft. floor space @Tk 350.00 per sft. at ground floor (main entrance), 7000 sft. Floor space @ Tk 250.00 per sft. for car parking and generator room and 4,520 sft. floor space @Tk 400.00 per sft at ground floor and 1st floor of " Iqbal Centre", 42 Kemal Attaturk Avenue, Banani, Dhaka-1213 from Mr. Arif Alam, Honorable Director of the Bank for use of our Head office and Banani Branch.
- b) v. Bank has taken lease of 35,750 sft. Floor space @ Tk 350.00 per sft. at 3rd, 6th, 8th, 9th, 12th and 7,150 sft. @ Tk 300.00 per sft. at 19th floor of "Iqbal centre", 42 Kemal Attaturk Avenue, Banani Dhaka-1213 and also taken lease 25,000 sft space @ Tk 72.00 per sft. at 135, Tejgaon , I/A, Dhaka from Mrs. Fauzia Rekza Banu, Honorable Director of the Bank for use of our Head Office & Central Godown respectively.
- Directors interest in different entities are given in **Annexure- G**.

### 3.10 Segment Reporting

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

The Bank business segments includes products and services whose risk and return are different from those of other business segments. These segments comprises Conventional banking, Islamic banking, Off-shore banking unit, Premier Bank Securities Ltd and Premier Money Transfer Ltd. Details of Segment Report are shown in **Annexure - F**.

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 2015 and segmental profit and loss account for the year than ended 31 December 2015 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.

**3.11.10 Risk Management Committee Disclosures**

The Board of Directors constituted with the following 4 (Four) members Risk Management Committee of the Board, the third Committee of the Board besides the Executive Committee and the Audit Committee in accordance with Bank Company (Amendment) Act 2013 and it does comply with the BRPD Circular no. 11, dated October 27, 2013.

Sl. No.	Names	Status with the Bank	Status with the Committee
i)	Dr. H. B. M. Iqbal	Chairman	Chairman
ii)	Mr. Mohammad Imran Iqbal	Vice Chairman	Director Member
iii)	Mr. Abdus Salam Murshedy	Director Director	Member
iv)	Mr. Shah Md. Nahyan Haroon	Director Director	Member

### 3.12 Report on the activities of the Board Audit Committee, 2015

#### 1. Constitution of the Board Audit Committee:

The Board of Directors in its 131<sup>st</sup> Meeting held on 11th January, 2015 re-constituted the Board Audit Committee in line with the Bangladesh Bank BRPD Circular No. # 11 dated October 27, 2013 and BSEC Notification dated 07 August 2012. The Board Audit Committee comprises of the following members:

Sl. No.	Name	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	Director
3	Mr. Shah Md. Nahyan Haroon	Member	Bar-at-law	Director

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

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

#### 2. Objectives of the Board 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 25 (twenty five) Meetings during January to December 2015. 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 2015 on the accounting Profit made after considering some of the taxable add back income and disallowance of expenditure.

**3.13.2 Deferred taxation**

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, 2015.

**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 2015 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 recognised 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 amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

**iii) Provision on 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 recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised 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 recognised 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	N/A
Share-based Payment	BFRS-2	N/A
Business Combinations	BFRS-3	Applied
Insurance Contracts	BFRS-4	N/A
Non-current Assets Held for Sale and Discontinued Operations	BFRS-5	N/A
Exploration for and Evaluation of Mineral Resources	BFRS-6	N/A
Financial Instruments: Disclosures	BFRS-7	Applied(*)
Operating Segments	BFRS-8	Applied(*)
Consolidated Financial Statements	BFRS-10	Applied
Joint Arrangements	BFRS-11	N/A
Disclosure of Interests in other Entities	BFRS-12	Applied
Fair Value Measurement	BFRS-13	Applied
Presentation of Financial Statements	BAS-1	Applied(*)
Inventories	AS-2	Applied
Statement of Cash Flows	BAS-7	Applied(*)
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the Reporting Period	BAS-10	Applied
Construction Contracts	BAS-11	N/A
Income Taxes	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied(*)
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	N/A
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	N/A
Separate Financial Statements	BAS-27	Applied
Investments in Associates & Joint venture	BAS-28	N/A
Interests in Joint Ventures	BAS-31	N/A
Financial Instruments: Presentation	BAS-32	Applied(*)
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(*)
Intangible Assets	BAS-38	Applied(*)
Financial Instruments: Recognition and Measurement	BAS-39	Applied(*)
Investment property	BAS-40	N/A
Agriculture	BAS-41	N/A

(\*)Applied with some departure

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>4</b>	<b>Cash</b>		
	Cash in hand (Note - 4.1)	1,150,620,743	1,177,449,235
	Balance with Bangladesh Bank and its agent bank(s) (Note - 4.2)	7,383,358,577	6,098,738,343
		<b>8,533,979,320</b>	<b>7,276,187,578</b>
<b>4(a)</b>	<b>Consolidated Cash and Balance With Bangladesh Bank and its agent Bank(s) In Bangladesh</b>		
	Premier Bank Limited (Note - 4)	8,533,979,320	7,276,187,578
	Premier Money Transfer Company Ltd.	-	795,740
	Premier Bank Securities Limited (Note - 4.1(a))	85,276	95,072
		<b>8,534,064,596</b>	<b>7,277,078,390</b>
<b>4.1</b>	<b>Cash in hand</b>		
	In local currency	1,130,785,918	1,150,050,470
	In foreign currency	19,834,825	27,398,765
		<b>1,150,620,743</b>	<b>1,177,449,235</b>
<b>4.1(a)</b>	<b>Consolidated Cash in hand In Bangladesh</b>		
	Premier Bank Limited (Note - 4.1)	1,150,620,743	1,177,449,235
	Premier Money Transfer Company Ltd.	-	795,740
	Premier Bank Securities Limited	85,276	95,072
		<b>1,150,706,019</b>	<b>1,178,340,047</b>
<b>4.2</b>	<b>Balance with Bangladesh Bank and its agent bank(s)</b>		
	Balance with Bangladesh Bank		
	In local currency	6,944,720,907	5,785,619,240
	In foreign currency	240,557,225	226,101,511
		<b>7,185,278,132</b>	<b>6,011,720,751</b>
	Sonali Bank(as an agent bank of Bangladesh Bank)-local currency	198,080,445	87,017,592
		<b>7,383,358,577</b>	<b>6,098,738,343</b>
<b>4.3</b>	<b>Statutory deposits</b>		
	<b>Cash reserve requirement (CRR) and statutory liquidity ratio (SLR)</b>		
	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:		
	<b>For Conventional Banking</b>		
	(a) Cash reserve requirement/ratio (Daily 6%)		
	Required reserve	5,790,069,000	4,577,229,160
	Actual reserve maintained (6.94%)	6,698,603,000	5,520,735,000
	Surplus / (Deficit)	<b>908,534,000</b>	<b>943,505,840</b>
	(b) Statutory liquidity reserve (13%)		
	Required reserve	12,545,150,000	9,917,330,000
	Actual reserve maintained (21.13%)	20,386,924,000	15,516,369,990
	Surplus / (Deficit)	<b>7,841,774,000</b>	<b>5,599,039,990</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>For Islamic Banking</b>			
<b>(a) Cash reserve requirement/ratio (Daily 6%)</b>			
Required reserve	222,583,000	216,642,000	
Actual reserve maintained (6.74%)	249,924,000	237,894,000	
Surplus / (Deficit)	<b>27,341,000</b>	<b>21,252,000</b>	
<b>(b) Statutory liquidity reserve (5.5%)</b>			
Required reserve	204,035,000	198,588,000	
Actual reserve maintained (7.53%)	279,164,000	256,586,000	
Surplus / (Deficit)	<b>75,129,000</b>	<b>57,998,000</b>	
<b>5</b>	<b>Balance with other banks and financial institutions</b>		
	In Bangladesh (Note - 5.1)	1,039,895,404	4,849,055,082
	Outside Bangladesh (Note - 5.2)	406,592,680	310,238,569
		<b>1,446,488,084</b>	<b>5,159,293,651</b>
<b>5(a)</b>	<b>Consolidated balance with other banks and financial institutions</b>		
	<b>In Bangladesh</b>		
	Premier Bank Limited (Note - 5.1)	1,039,895,404	4,849,055,082
	Premier Bank Securities Limited	488,525,905	229,940,637
		<b>1,528,421,309</b>	<b>5,078,995,719</b>
	Less: Inter Company transaction	483,507,437	205,592,657
		<b>1,044,913,872</b>	<b>4,873,403,062</b>
	<b>Outside Bangladesh</b>		
	Premier Bank Limited (Note - 5.2)	406,592,680	310,238,569
	Premier Bank Securities Limited	-	-
	Premier Money Transfer Company Ltd.	-	-
		<b>406,592,680</b>	<b>310,238,569</b>
		<b>1,451,506,552</b>	<b>5,183,641,631</b>
<b>5.1</b>	<b>In Bangladesh</b>		
	Southeast Bank Limited	-	1,600,000,000
	Social Islami Bank Limited	-	1,400,000,000
	Jamuna Bank Limited	300,000,000	1,000,000,000
	First Security Islamic Bank Limited	-	400,000,000
	One Bank Limited	-	400,000,000
	Standard Chartered Bank	27,253,716	34,051,955
	Sonali Bank Limited	11,765,331	11,571,178
	National Bank Limited	174,118	2,720,052
	United Commercial Bank Limited	669,990	669,990
	Islami Bank Bangladesh Limited	32,249	35,817
	Janata Bank Limited	-	6,090
	AB Bank Limited	400,000,000	-
	Industrial and Infrastructure Development Finance Company Limited	150,000,000	-
	Phoenix Finance and Investment Limited	150,000,000	-
	Off-Shore Banking Unit	-	-
		<b>1,039,895,404</b>	<b>4,849,055,082</b>
<b>5.1.1</b>	<b>Account type-wise</b>		
	Current account	1,438,285,096	6,256,908
	STD account	5,608,206	5,320,360
	Fixed deposit	1,000,032,249	4,837,477,814
		<b>2,443,925,551</b>	<b>4,849,055,082</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>5.2</b>	<b>Outside Bangladesh</b>		
	Mashreq Bank NY	82,182,109	39,476,348
	Standard Chartered Bank NY	155,478,676	197,932,818
	Commerz Bank Frankfurt	12,088,710	505,964
	Bank of Ceylon, Srilanka	2,901,824	10,496,095
	Standard Chartered Bank Kolkata	16,084,792	30,811
	United Bank Ltd, Pakistan	3,973,089	5,984,095
	State Bank of India	1,870,721	1,865,953
	ICICI Bank Mumbai	14,229,115	8,809,335
	Himalayan Bank, Nepal	212,824	212,282
	Commerz Bank Frankfrut	5,660,752	15,829,931
	Baye-Hypo-und Vereinsbank AG	-	2,330,301
	Westpac Banking Corporation, Sydney	1,511,105	626,572
	Mashreqbank psc, London	4,897,516	14,069,899
	The Bank of Nova Scotia	-	854,622
	Bank of Tokyo Mitsubishi Ltd	4,506,737	492,868
	Habib Bank AG Zurich Switzerland	4,144,457	1,352,055
	Al Rajhi Bank KSA	9,251,565	3,184,495
	National Commercial Bank, Ksa	4,321,194	3,276,765
	AB Bank Ltd, Mumbai	862,916	-
	Habib american Bank, NY	59,846,602	-
	Mashreq Bank PSC, Mumbai	22,567,976	2,907,360
	Off-shore Banking Unit	2,217,456,420	1,793,603,649
		<b>2,624,049,100</b>	<b>2,103,842,218</b>
	Less: Inter Company Transaction	2,217,456,420	1,793,603,649
		<b>406,592,680</b>	<b>310,238,569</b>
(Details are shown in <b>Annexure - C</b> )			
<b>5.3</b>	<b>Maturity grouping of balance with other banks and financial institutions</b>		
	Repayable on demand	446,488,084	353,973,291
	Not more than 3 months	1,000,000,000	1,505,320,360
	More than 3 months but not more than 1 year	-	3,300,000,000
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		<b>1,446,488,084</b>	<b>5,159,293,651</b>
<b>5.3(a)</b>	<b>Consolidated maturity grouping of Balance with other banks and financial institutions</b>		
	Repayable on demand	445,898,346	353,973,291
	Not more than 3 months	1,005,608,206	1,529,668,340
	More than 3 months but not more than 1 year	-	3,300,000,000
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		<b>1,451,506,552</b>	<b>5,183,641,631</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>6</b>	<b>Money at call and short notice</b>		
	Bank Al-Falah Limited	-	300,000,000
	Industrial Development Leasing Co. Limited	-	100,000,000
	Phoenix Leasing Co. Limited	-	250,000,000
	Delta Brac Housing Limited	-	140,000,000
	Investment Corporation of Bangladesh	-	250,000,000
	International Leasing and finance	-	50,000,000
		-	<b>1,090,000,000</b>
<b>7</b>	<b>Investments</b>		
	Government (Note - 7.1)	18,568,585,083	14,836,281,245
	Others (Note - 7.2)	5,027,713,658	5,072,713,658
		<b>23,596,298,741</b>	<b>19,908,994,903</b>
<b>7(a)</b>	<b>Consolidated Investment</b>		
	Premier Bank Limited (Note - 7)	23,596,298,741	19,908,994,903
	Premier Bank Securities Limited	830,096,085	830,100,000
		<b>24,426,394,826</b>	<b>20,739,094,903</b>
<b>7.1</b>	<b>Government</b>		
	Treasury bills (Note - 7.1.1)	5,161,380,902	2,068,415,529
	Treasury bonds (Note - 7.1.1.1)	13,405,357,381	11,296,401,327
	Reverse Repo	-	1,470,387,789
	Prize bonds	1,846,800	1,076,600
		<b>18,568,585,083</b>	<b>14,836,281,245</b>
<b>7.1.1</b>	<b>Treasury bills</b>		
	91 days Treasury bills	253,627,977	425,223,342
	182 days Treasury bills	1,481,731,087	616,846,548
	364 days Treasury bills	2,826,856,622	1,026,345,638
	30 days Bangladesh Bank bills	599,165,216	-
		<b>5,161,380,902</b>	<b>2,068,415,529</b>
<b>7.1.1.1</b>	<b>Treasury bonds</b>		
	Bangladesh Bank Islamic Investment Bond	240,000,000	210,000,000
	2 years Bangladesh Government treasury bonds	2,630,937,327	979,031,443
	5 years Bangladesh Government treasury bonds	6,683,135,936	6,304,897,188
	10 years Bangladesh Government treasury bonds	1,978,238,392	1,701,087,076
	15 years Bangladesh Government treasury bonds	900,009,859	1,296,932,786
	20 years Bangladesh Government treasury bonds	973,035,867	804,452,834
		<b>13,405,357,381</b>	<b>11,296,401,327</b>
<b>7.2</b>	<b>Others</b>		
	In shares and bonds (quoted and unquoted)		
	<b>Quoted</b>		
	Investment in Shares - Islami	1,320,635,817	1,320,635,817
	Investment in shares - General	3,256,224,200	3,256,224,200
		<b>4,576,860,017</b>	<b>4,576,860,017</b>
	<b>Unquoted</b>		
	Central Depository Bangladesh Limited	5,138,890	5,138,890
	SWIFT Membership	1,214,751	1,214,751
	Energy Prima Limited	9,500,000	9,500,000
	Lanka Bangla Securities Limited	5,000,000	5,000,000
	SEML Lecture fund	50,000,000	-
	Commercial Paper	300,000,000	-
	Corporate Bond	80,000,000	475,000,000
		<b>450,853,641</b>	<b>495,853,641</b>
		<b>5,027,713,658</b>	<b>5,072,713,658</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>7.2(a) Consolidated Others Investment</b>			
Premier Bank Limited (Note - 7.2)		5,027,713,658	5,072,713,658
Premier Bank Securities Limited		830,096,085	830,100,000
		<b>5,857,809,743</b>	<b>5,902,813,658</b>
<b>7.3 Investments classified as per Bangladesh Bank circular</b>			
Held for trading (HFT)		4,755,307,910	3,952,720,329
Held to maturity (HTM)		13,811,430,373	9,412,096,527
Other securities		5,029,560,458	6,544,178,047
		<b>23,596,298,741</b>	<b>19,908,994,903</b>
<b>7.4 Maturity grouping of Investment</b>			
Not more than 1 month		5,177,872,033	6,857,181,913
Not more than 3 months		253,627,977	956,812,883
More than 3 months but not more than 1 year		4,848,587,709	886,537,817
More than 1 year but not more than 5 years		9,458,573,263	7,240,135,954
More than 5 years		3,857,637,759	3,968,326,336
		<b>23,596,298,741</b>	<b>19,908,994,903</b>
<b>7.4(a) Consolidated Maturity grouping of Investment</b>			
Repayable on demand		5,177,872,033	6,857,181,913
Not more than 3 months		253,624,062	956,812,883
More than 3 months but not more than 1 year		5,678,687,709	1,716,637,817
More than 1 year but not more than 5 years		9,458,573,263	7,240,135,954
More than 5 years		3,857,637,759	3,968,326,336
		<b>24,426,394,826</b>	<b>20,739,094,903</b>
<b>8 Loans, advances and lease/investments</b>		<b>91,217,453,215</b>	<b>69,818,140,464</b>
<b>8(a) Consolidated Loans, advances and lease/investments</b>			
Premier Bank Limited (Note - 8.1.1)		84,984,281,839	65,867,050,724
Premier Bank Securities Ltd.		2,466,876,701	2,220,234,329
		<b>87,451,158,540</b>	<b>68,087,285,053</b>
Less: Inter Company Transaction		2,365,821,787	1,974,650,000
		<b>85,085,336,753</b>	<b>66,112,635,053</b>
<b>Consolidated bills purchased and discounted</b>			
Premier Bank Limited (Note - 8.1.2)		6,233,171,376	3,951,089,740
Premier Bank Securities Ltd.		-	-
		<b>6,233,171,376</b>	<b>3,951,089,740</b>
		<b>91,318,508,129</b>	<b>70,063,724,793</b>
<b>8.1 Breakup of Loans, advances and lease/investments</b>			
Loans, cash credits, overdrafts, etc. (Note 8.1.1)		84,984,281,839	65,867,050,724
Bills purchased and discounted (Note 8.1.2)		6,233,171,376	3,951,089,740
		<b>91,217,453,215</b>	<b>69,818,140,464</b>
<b>8.1.1 Broad category-wise breakup of Loans, cash credits, overdrafts, etc. In Bangladesh</b>			
Loans		47,935,564,214	38,392,159,357
Overdrafts		25,398,371,688	17,351,309,901
Cash credits		10,997,410,485	8,922,141,923
		<b>84,331,346,387</b>	<b>64,665,611,181</b>
<b>Outside Bangladesh</b>			
Loans		-	-
Overdrafts		-	-
Cash credits		-	-
Off-shore Banking Units		652,935,452	1,201,439,543
		<b>652,935,452</b>	<b>1,201,439,543</b>
		<b>84,984,281,839</b>	<b>65,867,050,724</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

## 8.1.1.1 Maturity grouping Loans, cash credits, overdrafts, etc.

Repayable on demand  
Not more than 3 months  
More than 3 months but not more than 1 year  
More than 1 year but not more than 5 years  
More than 5 years

## 8.1.2 Bills purchased and discounted

In Bangladesh  
Outside Bangladesh  
Off-shore Banking Units

## 8.1.2.1 Maturity grouping of bills purchased & discounted

Payable within 1 month  
Over 1 month but below 3 months  
Over 3 months but below 6 months  
6 months or over

## 8.1.3(a) Consolidated Maturity grouping of Loans, advances and lease/investments

Repayable on demand  
Not more than 3 months  
More than 3 months but not more than 1 year  
More than 1 year but not more than 5 years  
More than 5 years

## 8.2 Industry wise concentration of Loans & Advances including bills purchased & discounted

Advances to allied concerns of directors  
Advances to chief executives and senior executives

### Advances to industries

Textile & RMG industries  
Cement and ceramic industries  
Food and allied industries  
Transport and communication industries  
Iron and steel industries  
Other industries

### Advances to other customer groups

Commercial lending  
Export financing  
House building  
Consumer credit  
Small and medium enterprises  
Other staff loan  
Other customers

## 8.2 (a) Consolidated Industry wise concentration of Loans & Advances including bills purchased & discounted

Advances to allied concerns of directors  
Advances to chief executives and senior executives

### Advances to industries

Textile & RMG industries  
Cement and ceramic industries  
Food and allied industries  
Transport and communication industries  
Iron and steel industries  
Other industries

Amount in Taka

	2015	2014
11,584,455,138	19,220,194,507	
21,411,269,529	6,342,658,602	
28,470,032,007	21,602,593,021	
16,175,035,008	13,360,132,076	
7,343,490,157	5,341,472,518	
<b>84,984,281,839</b>	<b>65,867,050,724</b>	
3,496,710,086	2,502,170,288	
1,172,725,076	857,558,808	
1,563,736,214	591,360,644	
<b>6,233,171,376</b>	<b>3,951,089,740</b>	
2,382,941,417	1,777,990,384	
2,056,323,237	1,501,414,101	
1,263,463,838	434,619,871	
530,442,884	237,065,384	
<b>6,233,171,376</b>	<b>3,951,089,740</b>	
11,606,020,010	20,998,184,890	
21,446,305,862	7,844,072,703	
28,491,580,367	22,037,212,893	
16,195,035,162	13,842,781,789	
7,346,395,352	5,341,472,518	
<b>85,085,336,753</b>	<b>70,063,724,793</b>	
<b>170,751,681</b>	<b>40,135,721</b>	
<b>96,255,000</b>	<b>210,012,523</b>	
10,371,400,000	9,690,500,000	
1,201,500,000	1,367,100,000	
753,500,000	1,607,200,000	
1,355,800,000	935,000,000	
3,537,063,000	2,333,500,000	
10,436,971,522	19,439,933,101	
<b>27,656,234,522</b>	<b>35,373,233,101</b>	
18,949,400,000	12,570,000,000	
7,271,400,000	3,864,700,555	
1,781,786,908	1,368,400,000	
3,807,200,000	1,008,901,245	
16,535,064,039	13,016,503,797	
337,079,000	166,949,953	
14,612,282,065	2,199,303,569	
<b>63,294,212,012</b>	<b>34,194,759,119</b>	
<b>91,217,453,215</b>	<b>69,818,140,464</b>	
<b>170,751,681</b>	<b>40,135,721</b>	
<b>96,255,000</b>	<b>210,012,523</b>	
10,371,400,000	9,690,500,000	
1,201,500,000	1,367,100,000	
753,500,000	1,607,200,000	
1,355,800,000	935,000,000	
3,537,063,000	2,333,500,000	
10,436,971,522	19,439,933,101	
<b>27,656,234,522</b>	<b>35,373,233,101</b>	



# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015



Amount in Taka

## Advances to other customer groups

Commercial lending  
Export financing  
House building  
Consumer credit  
Small and medium enterprises  
Other staff loan  
Other customers

2015	2014
18,949,400,000	12,570,000,000
7,271,400,000	3,864,700,555
1,781,786,908	1,368,400,000
3,807,200,000	1,008,901,245
16,535,064,039	13,016,503,797
337,079,000	166,949,953
14,713,336,979	2,444,887,898
<b>63,395,266,926</b>	<b>34,440,343,448</b>
<b>91,318,508,129</b>	<b>70,063,724,793</b>

Details of large loan are shown in Annexure - E.

## 8.3 Geographical location-wise (division) distribution of Loans, advances and lease/investments

### In Bangladesh

#### Urban

Dhaka Division  
Chittagong Division  
Khulna Division  
Sylhet Division  
Rajshahi Division  
Barisal Division  
Rangpur Division

71,391,714,622	54,907,364,467
13,761,961,351	9,579,291,350
1,349,579,456	1,210,931,086
237,964,816	224,604,568
823,042,260	649,658,631
142,072,510	125,002,563
268,192,157	242,886,253
<b>87,974,527,172</b>	<b>66,939,738,918</b>

#### Rural

Dhaka Division  
Chittagong Division

2,314,029,132	1,998,700,000
928,896,911	879,701,546
<b>3,242,926,043</b>	<b>2,878,401,546</b>
<b>91,217,453,215</b>	<b>69,818,140,464</b>

## 8.3(a) Consolidated Geographical location-wise (division) distribution of Loans, advances and lease/investments

### In Bangladesh

#### Urban

Dhaka Division  
Chittagong Division  
Khulna Division  
Sylhet Division  
Rajshahi Division  
Barisal Division  
Rangpur Division

71,492,769,536	55,152,948,796
13,761,961,351	9,579,291,350
1,349,579,456	1,210,931,086
237,964,816	224,604,568
823,042,260	649,658,631
142,072,510	125,002,563
268,192,157	242,886,253
<b>88,075,582,086</b>	<b>67,185,323,247</b>

#### Rural

Dhaka Division  
Chittagong Division

2,314,029,132	1,998,700,000
928,896,911	879,701,546
<b>3,242,926,043</b>	<b>2,878,401,546</b>
<b>91,318,508,129</b>	<b>70,063,724,793</b>

## 8.4 Classification of Loans, advances and lease/investments

### Unclassified

Standard  
Special mention account

83,163,507,605	62,178,272,049
1,992,651,747	1,334,771,879
<b>85,156,159,352</b>	<b>63,513,043,928</b>

### Classified

Substandard  
Doubtful  
Bad/Loss

123,307,341	539,401,913
117,160,034	537,105,652
5,820,826,488	5,228,588,971
<b>6,061,293,863</b>	<b>6,305,096,536</b>
<b>91,217,453,215</b>	<b>69,818,140,464</b>

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

### Unclassified

Standard  
Special mention account

83,264,562,519	62,423,856,378
1,992,651,747	1,334,771,879
<b>85,257,214,266</b>	<b>63,758,628,257</b>

### Classified

Substandard  
Doubtful  
Bad/Loss

123,307,341	539,401,913
117,160,034	537,105,652
5,820,826,488	5,228,588,971
<b>6,061,293,863</b>	<b>6,305,096,536</b>
<b>91,318,508,129</b>	<b>70,063,724,793</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

			Amount in Taka	
			2015	2014
<b>8.5</b>	<b>Particulars of required provision for Loans, advances and lease/investments</b>			
<b>Unclassified</b>	<b>Base for provision</b>	<b>Rate (%)</b>		
Standard	83,163,507,605	(*) Various	836,899,749	587,297,155
Special mentioned account	1,992,651,747	5	20,454,000	7,462,380
Sub-total (A)			<b>857,353,749</b>	<b>594,759,535</b>
(*) General provision is kept @ 2% on loan for professional, 2% on housing loan, 5% on consumer financing and 2% on Brokerage House, 0.25% on small and medium enterprise financing (both standard and SMA category) and at the rate of 1% on all other unclassified loans and advances.				
<b>Status</b>				
<b>Classified</b>	<b>Base for provision</b>	<b>Rate (%)</b>		
Substandard	90,568,833	20	18,113,767	55,266,438
Doubtful	52,619,721	50	26,309,861	198,050,040
Bad/loss	4,098,522,623	100	4,098,522,623	3,002,723,987
Sub-total (B)			<b>4,142,946,251</b>	<b>3,256,040,465</b>
Required provision for loans and advances (C=A+B)			<b>5,000,300,000</b>	<b>3,850,800,000</b>
Total provision maintained (Note - 14.1)			1,451,494,654	1,198,030,495
Chargeable during next year as per Bangladesh Bank letter			3,548,805,346	2,652,769,505
Excess/(Shortfall) provision at 31 December 2015			-	-
<b>8.6</b>	<b>Particulars of Loans, advances and lease/investments</b>			
(i)	Loans considered good in respect of which the Bank is fully secured;		43,784,377,543	33,745,849,843
(ii)	Loans considered good against which the Bank holds no security other than the debtors' personal security;		28,277,410,497	21,469,910,561
(iii)	Loans considered good secured by the personal undertaking of one or more parties in addition to the personal security of the debtors		19,155,665,175	14,602,380,060
(iv)	Loans adversely classified but provision not maintained there against;		-	-
			<b>91,217,453,215</b>	<b>69,818,140,464</b>
(v)	Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons;		435,001,752	457,695,380
(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;		170,751,681	40,135,721
(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;		435,001,752	457,695,380
(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;		170,751,681	40,135,721
(ix)	Due from banking companies;		-	-
(x)	Amount of classified loans on which interest has not been charged		6,061,293,863	6,305,096,536
(a)	Increase/decrease of provision (specific)			
	Amount of loan written off		-	-
	Amount realised against loan previously written off		3,464,159	42,151,714
(b)	Provision kept against loans classified as bad /loss on the date of preparing Balance Sheet"		1,047,287,098	793,822,939
(c)	Interest charged in interest suspense account		1,001,310,086	730,483,244
(xi)	Written off loan			
	Opening balance		1,714,010,650	1,712,543,000
	Write-off during the year		-	1,467,650
	Closing balance		<b>1,714,010,650</b>	<b>1,714,010,650</b>

		Amount in Taka	
		2015	2014
<b>8.7</b>	<b>Details of pledged collaterals received against Loans, advances and lease/investments</b>		
	Collateral of movable/immovable assets	54,274,384,663	41,527,088,791
	Local banks and financial institutions guarantee	1,094,609,439	825,785,867
	Government guarantee	182,434,906	159,263,898
	Foreign Banks guarantee	-	-
	Export documents	6,385,221,725	4,888,454,839
	Fixed deposit receipts	5,108,177,380	3,916,514,446
	Personal guarantee	6,658,874,085	5,099,899,025
	Other securities	17,513,751,017	13,401,133,598
		<b>91,217,453,215</b>	<b>69,818,140,464</b>
<b>8.7(a)</b>	<b>Consolidated details of pledged collaterals received against Loans, advances and lease/investments</b>		
	Collateral of movable/immovable assets	54,274,384,663	41,527,088,791
	Local banks and financial institutions guarantee	1,094,609,439	825,785,867
	Government guarantee	182,434,906	159,263,898
	Foreign Banks guarantee	-	-
	Export documents	6,385,221,725	4,888,454,839
	Fixed deposit receipts	5,108,177,380	3,916,514,446
	Personal guarantee	6,658,874,085	5,099,899,025
	Other securities	17,614,805,931	13,646,717,927
		<b>91,318,508,129</b>	<b>70,063,724,793</b>
<b>9</b>	<b>Fixed assets including premises, furniture and fixtures</b>	<b>2,421,404,912</b>	<b>1,654,273,934</b>
	Details are shown in Annexure - B.		
<b>9.1</b>	<b>Fixed assets including premises, furniture &amp; fixture at cost</b>		
	Cost		
	Land and Building	1,383,543,311	670,895,311
	Furniture and fixtures	1,169,273,039	1,074,895,677
	Equipment and computers	726,927,836	623,633,525
	Vehicles	70,781,890	39,013,104
		<b>3,350,526,076</b>	<b>2,408,437,617</b>
	Less: Accumulated depreciation (details are in Annexure - B)	(929,121,164)	(754,163,682)
	Net book value at the end of the year	<b>2,421,404,912</b>	<b>1,654,273,935</b>
<b>9(a)</b>	<b>Consolidated fixed assets including premises, furniture and fixtures</b>		
	Premier Bank Limited (Note - 9)	2,421,404,912	1,654,273,934
	Premier Bank Securities Limited	2,567,040	3,021,579
	Premier Money Transfer Company Ltd.	-	2,243,182
		<b>2,423,971,952</b>	<b>1,659,538,695</b>
	Details are shown in Annexure - A.		
<b>10</b>	<b>Other assets</b>		
	Income generating assets	533,260,992	533,260,992
	Non-income generating assets	3,257,657,496	5,543,890,746
		<b>3,790,918,488</b>	<b>6,077,151,738</b>
<b>10(a)</b>	<b>Consolidated other assets</b>		
	Premier Bank Limited (Note - 10)	3,790,918,488	6,077,151,738
	Premier Bank Securities Limited	25,833,201	17,889,685
	Premier Money Transfer Company Ltd.	-	1,549,095
		<b>3,816,751,689</b>	<b>6,096,590,518</b>
	Less: Investment in Premier Bank Securities Ltd.	499,980,000	499,980,000
	Less: Investment in Premier Money Transfer Company (UK) Ltd.	33,280,992	33,280,992
		<b>3,283,490,697</b>	<b>5,563,329,526</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>10.1 Breakup of other assets:</b>			
Adjusting account		544,914,735	649,439,966
Advance office rent and maintenance		1,509,588,624	1,869,193,305
Advance against interior decoration		10,060,000	119,105,800
Head office general account		155,627,953	2,129,503,662
Investment in share of subsidiary Companies (Note- 10.1.1)		533,260,992	533,260,992
Stationery, stamps, printing materials, etc.		19,174,390	16,893,133
Protested bills		14,833,401	14,833,401
Receivable on Sanchaya Patras (from Bangladesh Bank)		88,930,402	84,721,812
Security deposits		2,281,508	2,256,852
Off-shore Banking Units		7,199,945	7,181,597
Others (Note - 10.1.2)		905,046,538	650,760,495
		<b>3,790,918,488</b>	<b>6,077,151,738</b>
<b>10.1.1 Investment in share of subsidiary Companies</b>			
Premier Bank Securities Limited		499,980,000	499,980,000
Premier money transfer co. Limited, UK		33,280,992	33,280,992
		<b>533,260,992</b>	<b>533,260,992</b>
<b>10.1.2 Others</b>			
Sundry debtors		709,974,550	482,573,004
Prepaid expenses		104,430,296	59,132,529
Clearing adjustment account		290,466	9,307,231
Advance against petty cash		1,371,063	1,237,183
Advance against suits/ cases		25,431,175	4,943,481
Advance against proposed branch		20,901,412	46,463,259
Cash remittance		4,000,190	24,262,000
Advance payment for remittance		38,305,755	22,218,498
Advance against postage		5,000	13,000
Advance against TA/DA		326,850	193,310
DD paid without advice		1,000	407,000
Income tax deducted at source on BGTB bonds		8,781	10,000
		<b>905,046,538</b>	<b>650,760,495</b>
<b>10.2 Head Office General account</b>			
Head Office general account represents outstanding inter Branch and Head Office transactions originated before but remaining un-reconciled as at 31 December 2015.			

Aging of outstanding transactions	Number of unresponded entries		Number of unresponded entries (Amount in Taka)	
	Debit	Credit	Debit	Credit
Up to 3 months	238	159	224,151,953	74,024,000
Over 3 months but within 6 months	43	8	1,419,000	46,000
Over 6 months	33	-	4,127,000	-
<b>Total</b>	<b>314</b>	<b>167</b>	<b>229,697,953</b>	<b>74,070,000</b>

<b>11 Borrowings from other banks, financial institutions and agents</b>			
In Bangladesh (Note - 11.1)		4,915,876,816	4,146,546,458
Outside Bangladesh		-	-
		<b>4,915,876,816</b>	<b>4,146,546,458</b>
<b>11(a) Consolidated Borrowings from other banks, financial institutions and agents</b>			
Premier Bank Limited (Note - 11)		4,915,876,816	4,146,546,458
Premier Bank Securities Limited		2,365,821,787	1,974,650,000
Premier Money Transfer Company Ltd.		-	-
		7,281,698,603	6,121,196,458
Less: Inter Company Transaction		2,365,821,787	1,974,650,000
		<b>4,915,876,816</b>	<b>4,146,546,458</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>11.1 In Bangladesh</b>			
Bangladesh Bank (Refinance facility under Islamic Banking)		3,500,000,000	4,000,000,000
Bangladesh Bank (REPO)		-	-
Borrowing from other Banks		-	-
Bangladesh Bank (Refinance facility under SME)		56,554,021	91,099,735
Bangladesh Bank (EDF)		1,309,570,403	-
Bangladesh Bank (Refinance facility under HBL)		2,840,178	3,072,509
Bangladesh Bank (Refinance facility under Women Enterprise)		46,912,214	52,374,214
		<b>4,915,876,816</b>	<b>4,146,546,458</b>
<b>11.2 Analysis by security</b>			
Secured		4,915,876,816	4,146,546,458
Unsecured		-	-
		<b>4,915,876,816</b>	<b>4,146,546,458</b>
<b>11.3 Repayment pattern</b>			
Repayable on demand		-	-
Repayable on maturity		4,915,876,816	4,146,546,458
		<b>4,915,876,816</b>	<b>4,146,546,458</b>
<b>12 Non-convertible Subordinated Bond</b>			
Sonali Bank		800,000,000	500,000,000
First Bangladesh Fixed Income Fund		800,000,000	500,000,000
Investment Corporation Of Bangladesh		250,000,000	250,000,000
ICB Unit Fund		250,000,000	250,000,000
PHP 1st Mutual Fund		100,000,000	100,000,000
EBL 1st Mutual Fund		100,000,000	100,000,000
IFIC Bank 1st Mutual Fund		50,000,000	50,000,000
1st Janata Bank Mutual Fund		50,000,000	50,000,000
Popular Life 1st Mutual Fund		50,000,000	50,000,000
EBL NRB Mutual Fund		50,000,000	50,000,000
EXIM Bank 1st Mutual Fund		100,000,000	50,000,000
AB Bank 1st Mutual Fund		200,000,000	50,000,000
Bank Asia limited		200,000,000	-
		<b>3,000,000,000</b>	<b>2,000,000,000</b>
<b>13 Deposits and other accounts</b>			
Inter-bank deposits (Note - 13.1)		3,115,104,257	6,711,238,023
Other deposits (Note - 13.2)		105,585,438,023	85,757,756,974
		<b>108,700,542,280</b>	<b>92,468,994,997</b>
<b>13(a) Consolidated deposits and other accounts</b>			
Premier Bank Limited (Note - 13)		108,700,542,280	92,468,994,997
Premier Bank Securities Ltd.		658,092,889	451,886,211
		<b>109,358,635,169</b>	<b>92,920,881,208</b>
Less: Inter Company transaction		483,507,437	205,592,657
		<b>108,875,127,732</b>	<b>92,715,288,551</b>
<b>13.1 Inter-bank deposits</b>			
<b>Fixed Deposits</b>			
Shahjalal Islamic Bank Limited		-	1,400,000,000
First Security Islami Bank Limited		-	400,000,000
Southeast Bank Limited		-	1,600,000,000
Jamuna bank Limited		-	1,000,000,000
Farmers Bank Limited		3,086,857,120	2,184,010,000
Rajshahi Krishi Unnayan Bank		13,342,218	116,929,326
		<b>3,100,199,338</b>	<b>6,700,939,326</b>
<b>Special Notice Deposits</b>			
Meghna Bank Limited		6,149,099	6,141,445
Farmers Bank Limited		3,819,009	3,703,743
		<b>9,968,108</b>	<b>9,845,188</b>
<b>Current Deposits</b>			
Farmers Bank Limited		451,859	453,509
Midland Bank		4,484,952	-
		<b>4,936,811</b>	<b>453,509</b>
		<b>3,115,104,257</b>	<b>6,711,238,023</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>13.1.1 Maturity analysis of inter-bank deposits</b>			
Repayable on demand		4,936,811	453,509
Repayable within 1 month		9,968,108	706,141,444
Over 1 month but within 3 months		13,342,218	403,703,742
Over 3 months but within 1 year		3,086,857,120	5,600,939,328
Over 1 year but within 5 years		-	-
Over 5 years but within 10 years		-	-
Unclaimed deposits for 10 years or more		-	-
		<b>3,115,104,257</b>	<b>6,711,238,023</b>
<b>13.2 Other deposits</b>		<b>5,699,948,740</b>	<b>4,444,773,517</b>
Savings bank deposits			
Fixed deposits:			
One month		8,953,708,833	19,785,133,381
Three months		30,996,388,618	1,674,244,244
Six months		14,197,315,055	8,979,789,785
One year		14,971,296,766	24,927,699,706
Two years		902,551,633	48,374,177
Three years but not more than five years		17,501,788	75,931,204
		<b>70,038,762,693</b>	<b>55,491,172,497</b>
<b>Others:</b>			
Current account		5,056,415,048	6,185,278,463
Special -notice deposits		9,608,959,174	5,737,095,423
Staff security deposits		5,062,790	4,999,654
Deposit in foreign currency		736,231,016	733,364,428
Monthly savings scheme		2,892,775,764	2,373,740,911
Monthly income account		640,226,359	527,619,316
Education savings scheme		416,830	360,716
Special deposit scheme		18,410,295	9,999,451
Double benefit scheme		3,726,524,672	3,350,804,197
Mudaraba Hajj deposit		1,373,155	1,078,175
Off-shore Banking Unit		2,215,987,043	1,749,905,464
Sundry deposits (Note - 13.3)		6,027,294,685	5,802,029,910
		<b>30,929,676,831</b>	<b>26,476,276,108</b>
Less: Inter Company transaction		2,217,456,420	1,793,603,649
		<b>28,712,220,411</b>	<b>24,682,672,459</b>
Bills payable (Note - 13.4)		1,134,506,179	1,139,138,501
		<b>105,585,438,023</b>	<b>85,757,756,974</b>
<b>13.2.1 Maturity analysis of other deposits</b>			
Repayable on demand		14,945,624,717	12,250,452,845
Repayable within 1 month		19,160,381,623	28,822,524,969
Over 1 month but within 3 months		31,006,356,726	1,674,244,244
Over 3 months but within 1 year		32,268,811,159	34,657,394,955
Over 1 year but within 5 years		4,473,255,824	3,037,103,950
Over 5 years but within 10 years		3,726,524,672	3,350,804,197
		<b>105,580,954,721</b>	<b>83,792,525,160</b>
<b>13.3 Sundry deposits</b>			
Sundry creditors		57,904,157	89,435,549
Margin on letter of credit		779,977,330	490,089,037
Margin on letter of guarantee		467,340,657	396,417,857
Sanchaya Patra		27,386,741	13,696,703
Interest/Profit payable on deposit		1,777,140,181	1,965,231,814
Income tax deducted at source		328,093,160	256,673,207
VAT payable to government		175,321,336	127,722,291
Margin on foreign documentary bill purchases		2,580,295	2,580,354
Advance deposits against consumer credit scheme		-	1,950,177
Other sundry deposits		2,411,550,828	2,458,232,921
		<b>6,027,294,685</b>	<b>5,802,029,910</b>



# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

Amount in Taka

	2015	2014
<p><b>Note:</b> Our Tax and VAT adviser, M/S Zia &amp; Associates advised us vide a letter dated March 11, 2011 not to deduct VAT on office rent and pay at source in view of VAT Act 1991 section 3(1). Subsequently a writ petition was submitted before the honourable High Court. On the basis of this advice, the Bank has not deposited any VAT on Rent collected from the Branches till to date.</p> <p>Honourable High Court issued a rule directing the Govt as to why SRO Nos. 202-Ain/2010/551-Mushok, dated 10/05/2010 and 105-Ain/2009/513-Musak, dated 11.06.2009 should not be declared to have been issued without lawful authority and are of no legal effect as being ultravires to the provisions of section 3(1) and Second Schedule of the Value Added Tax Act, 1991. The matter is under adjudication.</p>		
<b>13.4 Bills payable</b>		
Inside Bangladesh	1,134,506,179	1,139,138,501
Outside Bangladesh	-	-
	<b>1,134,506,179</b>	<b>1,139,138,501</b>
<b>14 Other liabilities</b>		
Head office general account	-	-
Provision against loans and advances (Note - 14.1)	1,451,494,654	1,198,030,495
Provision for gratuity (Note - 14.2)	56,407,532	78,294,824
Provision for off-balance sheet items (Note - 14.3)	225,438,830	225,438,830
Other provision (Note - 14.4)	375,061,708	370,061,708
Provision for corporate taxation (Note - 14.5)	531,871,317	359,005,955
Interest suspense account (Note - 14.6)	1,001,310,086	800,391,244
Adjusting account	293,042,576	211,909,279
Credit card	12,555,914	(3,275,434)
Investment compensation	8,478,379	4,232,221
Deferred Tax Liability (Note 14.5.1)	159,948,314	112,562,025
Off-shore Banking Unit	13,381,010	53,672,863
	<b>4,128,990,320</b>	<b>3,410,324,010</b>
<b>14(a) Consolidated other liabilities</b>		
Premier Bank Limited (Note - 14)	4,128,990,320	3,410,324,010
Premier Bank Securities Ltd.	253,093,395	347,990,954
Premier Money Transfer Company Ltd. UK	20,093,285	12,887,659
	<b>4,402,177,000</b>	<b>3,771,202,623</b>
<b>14.1 Accumulated provision against loans and advances</b>		
<b>On classified loans</b>		
Opening balance	793,822,939	751,671,225
Less : Fully provided debts written off during the year	-	-
Add : Recovery of amounts previously written off	3,464,159	42,151,714
Add : Specific provision made during the year	250,000,000	-
Less : Recoveries and release of provision no longer required	-	-
Net charge to Profit and Loss Statement	-	-
Closing balance	<b>1,047,287,098</b>	<b>793,822,939</b>
<b>On unclassified loans</b>		
Opening balance	404,207,556	404,207,556
Less : Release for the year	-	-
Add : Provision made during the year	-	-
Closing balance	<b>404,207,556</b>	<b>404,207,556</b>
Total closing balance	<b>1,451,494,654</b>	<b>1,198,030,495</b>

**Note:** The Bank had maintained an accumulated provision of Tk. 104.73 Crore against classified loans & advances and a sum of Tk. 40.42 Crore as provision against unclassified loans & advances for the year ended 31 December 2015 against a provision requirement of Tk. 416.34 Crore and Tk. 83.69 Crore for classified loans and unclassified loans respectively. This results in a provision shortfall of Tk. 311.61 Crore against classified loans & advances and a sum of Tk. 43.27 Crore against unclassified loans and advances.

However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. BRPD(P-1)/661/13/2016-2724 dated 27 April 2016 which instructed the Bank to meet up remaining provision shortfall @ 30% in 2016, @ 35% in 2017 and rest 35% in 2018.



# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>14.2</b>	<b>Provision for gratuity</b>		
	Opening balance	78,294,824	89,493,542
	Add: Provision made during the year	-	10,000,000
	Less: Adjustment during the year	21,887,292	21,198,718
	Closing balance	<b>56,407,532</b>	<b>78,294,824</b>

**Note:** The Bank had maintained an accumulated provision of Tk. 5.64 Crore upto 31 December 2015. On the basis lump sum calculation, the required gratuity provision as at 31 December 2015 comes to Tk. 30.39 Crore resulting in a shortfall of Tk. 24.75 Crore. Bank is under process to appoint an actuary to compute the actual gratuity payable to the employees. After receiving the actuary report, the Bank will build up the gratuity provision in the following year.

<b>14.3</b>	<b>Provision for off-balance sheet items</b>		
	Opening balance	225,438,830	225,438,830
	Add: Provision made during the year	-	-
	Less: Adjustment during the year	-	-
	Closing balance	<b>225,438,830</b>	<b>225,438,830</b>

**Note:** The Bank had maintained an accumulated provision of Tk. 22.54 Crore against Off-Balance Sheet exposure for the year ended 31 December 2015 against a provision requirement of Tk. 41.67 Crore resulting in a provision shortfall of Tk. 19.13 Crore. However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. BRPD(P-1)/661/13/2016-2724 dated 27 April 2016 which instructed the Bank to meet up remaining provision shortfall @ 30% in 2016, @ 35% in 2017 and rest 35% in 2018.

<b>14.4</b>	<b>Other provisions</b>		
	Provision for protested bills (Note - 14.4.1)	11,713,143	11,713,143
	Provision for suspense account (Note - 14.4.2)	5,848,565	5,848,565
	Provision for good borrowers (note-14.4.4)	5,000,000	-
	Provision for investment on shares (Note - 14.4.3)	352,500,000	352,500,000
		<b>375,061,708</b>	<b>370,061,708</b>

<b>14.4.1</b>	<b>Provision for protested bills</b>		
	Opening balance	11,713,143	11,713,143
	Add: Provision made during the year	-	-
	Less: Adjustment during the year	-	-
	Closing balance	<b>11,713,143</b>	<b>11,713,143</b>

<b>14.4.2</b>	<b>Provision for suspense account</b>		
	Opening balance	5,848,565	5,848,565
	Add: Provision made during the year	-	-
	Less: Adjustment during the year	-	-
	Closing balance	<b>5,848,565</b>	<b>5,848,565</b>

**Note:** The Bank had maintained an accumulated provision of Tk. 1.17 Crore and Tk. 0.58 Core against protested bills and suspense account respectively for the year ended 31 December 2015 against a provision requirement of Tk. 34.48 Crore against other assets (which comprises of protested bills and suspense account) resulting in a provision shortfall of Tk. 32.73 Crore. However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. BRPD(P-1)/661/13/2016-2724 dated 27 April 2016 which instructed the Bank to meet up remaining provision shortfall @ 30% in 2016, @ 35% in 2017 and rest 35% in 2018.

<b>14.4.3</b>	<b>Provision for investment in shares</b>		
	Opening balance	352,500,000	52,500,000
	Add: Provision made during the year (General)	-	300,000,000
	Add: Provision made during the year (Islamic)	-	-
	Less: Adjustment during the year	-	-
	Closing balance	<b>352,500,000</b>	<b>352,500,000</b>

**Note:** The Bank had maintained an accumulated provision of Tk. 35.25 Crore against investments in shares for the year ended 31 December 2015 against a provision requirement of Tk. 125.97 Crore resulting in a provision shortfall of Tk. 90.72 Crore. However, the Bank has maintained provision in line with the letter issued by Bangladesh Bank, vide their letter No. BRPD(P-1)/661/13/2016-2724 dated 27 April 2016 which instructed the Bank to meet up remaining provision shortfall @ 30% in 2016, @ 35% in 2017 and rest 35% in 2018.

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>14.4.4 Provision for good borrowers</b>			
Opening balance		-	-
Add: Provision made during the year		5,000,000	-
Less: Adjustment during the year		-	-
Closing balance		<b>5,000,000</b>	-
<b>14.5 Provision for corporate taxation</b>			
Opening balance		447,185,251	512,351,002
Add: Provision made during the year		699,613,711	600,617,271
Current tax		699,613,711	600,617,271
Less: Adjustment during the year		614,927,645	665,783,022
Closing balance		<b>531,871,317</b>	<b>447,185,251</b>
Note: Up to the assessment year 2011-2012 there is a difference of Tk. 33 Crore between the tax claimed and the tax paid thereon. Cases are pending with the Tribunal and honourable High Court. The Bank has not made any provision in this regard since the matter is under adjudication. Please refer to Annexure - D for more details.			
<b>14.5.1 Deferred tax liability</b>			
Opening balance		112,562,025	88,179,296
Add: Provision made during the year		47,386,289	24,382,729
Less: Adjustment during the year		-	-
Closing balance		<b>159,948,314</b>	<b>112,562,025</b>
<b>14.5(a) Consolidated provision for taxation</b>			
Premier Bank Limited (Note - 14.5)		579,257,606	471,567,980
Premier Bank Securities Limited		8,043,095	10,557,941
		<b>587,300,701</b>	<b>482,125,921</b>
<b>14.5(aa) Consolidated provision for taxation</b>			
Premier Bank Limited (Note-13.5)			
Current tax		699,613,711	600,617,271
Deferred tax		47,386,289	24,382,729
		747,000,000	625,000,000
Premier Bank Securities Limited		8,043,095	10,557,941
		<b>755,043,095</b>	<b>635,557,941</b>
<b>14.6 Interest suspense account</b>			
Opening balance		800,391,244	610,424,993
Add: Transfer during the year		200,918,842	189,966,251
Less: Recovery during the year		-	-
Less: Write off during the year		-	-
Closing balance		<b>1,001,310,086</b>	<b>800,391,244</b>
<b>15 Share Capital</b>		<b>6,200,737,030</b>	<b>5,637,033,670</b>
<b>15.1 Authorised Capital</b>			
1000,000,000 ordinary shares of Taka 10 each		<b>10,000,000,000</b>	<b>6,000,000,000</b>
<b>15.2 Issued, subscribed and paid-up capital</b>			
<b>Issued for cash</b>			
Directors and sponsors: 48,650,355 ordinary share of Taka 10 each		486,503,550	486,503,550
		<b>486,503,550</b>	<b>486,503,550</b>
<b>Issued for other than cash as bonus shares</b>			
Directors and sponsors: 248,782,426 bonus shares of Taka 10 each		2,487,824,260	2,215,409,700
		<b>2,487,824,260</b>	<b>2,215,409,700</b>
<b>No. of shares owned by other than Directors &amp; Sponsors (General shareholders)</b>			
322,640,922 ordinary shares of Taka 10 each		3,226,409,220	2,935,120,420
		<b>6,200,737,030</b>	<b>5,637,033,670</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

			Amount in Taka	
			2015	2014
15.3	Percentage of shareholding			
Particulars	31.12.2015		31.12.2014	
	No. of shares	% of share holding	No. of shares	% of share holding
(i) <b>Sponsors &amp; Directors</b>				
Local (individual)	284,138,211	45.82	255,307,478	45.29
Govt. of Bangladesh	-	-	-	-
Foreign (individual)	18,620,798	3.00	16,927,999	3.00
Independent Director (individual)	197,167	0.03	372,625	0.07
(ii) <b>Associated companies</b>	-	-	-	-
(iii) <b>Govt. of Bangladesh</b>	-	-	-	-
(iv) <b>Corporate bodies</b>				
Local	113,902,204	18.37	83,774,579	14.86
Foreign	-	-	-	-
(v) <b>General investors</b>				
Local (individual)	201,656,506	32.52	205,433,746	36.44
Non-resident Bangladeshis	1,558,817	0.25	1,886,940	0.33
Foreign individual	-	-	-	-
(vi) <b>Others</b>	-	-	-	-
	<b>620,073,703</b>	<b>100</b>	<b>563,703,367</b>	<b>100</b>

Sl.	Name of the Director/Shareholder	Status	Shareholding (Number of shares)	
			31.12.2015	31.12.2014
1	Dr. H. B. M. Iqbal	Chairman	23,866,174	21,696,522
2	Mr. Mohammad Imran Iqbal	Vice Chairman	12,402,061	11,274,601
3	Mr. B. H. Haroon, MP	Director	12,404,917	11,277,198
4	Mr. Abdus Salam Murshedy	Director	26,111,558	23,737,780
5	Mr. Shafiqur Rahman	Director	12,406,950	11,279,046
6	Mr. Shah Md. Nahyan Haroon	Director	12,405,072	11,277,339
7	Mrs. Shaila Shelly Khan	Director	30,993,340	28,175,764
8	Mr. Yeh Cheng Min	Director	18,620,798	16,927,999
9	Mr. Arif Alam	Director	14,623,545	13,294,132
10	Mrs Fauzia Rekza banu	Director	16,026,047	11,569,135
11	Mrs Faiza Rahman	Independent Director	197,167	179,243
12	Mr. Kazi Abdul Mazid	-	-	193,382
13	Mr. Chowdhury Jafarullah Sharafat	Independent Director	-	-
14	Mr. Moin Iqbal	Sponsor Shareholder	12,402,112	11,274,648
15	Mrs. Nawrin Iqbal	Sponsor Shareholder	12,402,173	11,274,703
16	Dr. Arifur Rahman	Sponsor Shareholder	21,484,762	19,531,602
17	Mr. Nurul Amin	Sponsor Shareholder	4,313,200	3,921,092
18	Mr. Md. Lutfur Rahman	Sponsor Shareholder	2,088,317	1,898,470
19	Mr. Md. Masud Zaman	Sponsor Shareholder	4,723,004	4,293,641
20	Ms. Parsa Sanjana Amin	Sponsor Shareholder	3,481,804	3,165,277
21	Mr. Kutubuddin Ahmed	Sponsor Shareholder	7,828,315	7,116,650
22	Mr. Sanwar Dito	Sponsor Shareholder	13,174,561	11,976,874
23	Mrs. Ferdous Amin	Sponsor Shareholder	9,730,027	8,845,480
24	Mr. Alif Alam	Sponsor Shareholder	6,600,000	6,000,000
25	Mrs. Rashida Ahmed	Sponsor Shareholder	545,683	496,076
26	Mrs. Sharmin Salam	Sponsor Shareholder	2,231,115	2,028,287
27	Mr. Md. Miraj Rahman	Sponsor Shareholder	11,815	10,741
28	Mr. Maruf Rahman	Sponsor Shareholder	11,815	10,741
29	Mr. Md. Moniruzzaman	Sponsor Shareholder	4,632,494	4,211,359
30	Mr. Md. Wahiduzzaman	Sponsor Shareholder	4,632,491	4,211,356
31	Mrs. Asma Begum	Sponsor Shareholder	2,628,880	2,389,891
32	Mr. Shah Md. Adnan Haroon	Sponsor Shareholder	2,688,620	2,444,200
33	Mr. Jamal G. Ahmed	Sponsor Shareholder	922,906	839,006
34	Mrs. Husne-Ara Begum	Sponsor Shareholder	2,003,458	1,821,326
35	Mr. Adytta Amin	Sponsor Shareholder	4,360,995	3,964,541
Sub-total			<b>302,956,176</b>	<b>272,608,102</b>
No. of shares owned by other than Directors & Sponsors (General shareholders)			317,117,527	291,095,265
Total			<b>620,073,703</b>	<b>563,703,367</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

## 15.5 Classification of shareholders by holding as on December 31, 2015

Shareholding Range	No. of Shareholders	No. of Shares	Percentage of share holding
01 - 500	24,532	4,386,392	0.71%
501 - 5000	37,314	63,869,949	10.30%
5,001 - 10,000	3,639	25,476,963	4.11%
10,001 - 20,000	1,910	26,140,043	4.22%
20,001 - 30,000	637	15,269,001	2.46%
30,001 - 40,000	251	8,687,841	1.40%
40,001 - 50,000	158	7,098,152	1.14%
50,001 - 100,000	252	17,881,040	2.88%
100,001 - 1,000,000	212	58,136,572	9.38%
Over 1,000,000	65	393,127,750	63.40%
<b>Total</b>	<b>68,970</b>	<b>620,073,703</b>	<b>100%</b>

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

In terms of section 13(2) of Bank Companies Act 1991 and Bangladesh Bank BRPD circulars no. 01, 14, 10 and 05 dated 08 January 1996, 16 November 1996, 25 November 2002 and 14 May 2007 respectively and DOS circular no-05/2008, required capital of the Bank at the close of business on 31 December 2015 on solo basis is Taka 10,000,864,250 as against available core capital of Taka 5,711,619,114 and supplementary capital of Taka 3,303,414,712 and consolidated basis is Taka 9,872,985,250 as against available core capital of Taka 5,693,509,436 and supplementary capital of Taka 3,303,414,712 that is, a total of Taka 985,830,424 on solo basis and Taka 876,061,102 on consolidate basis thereby showing shortfall capital/equity. Details are shown below:

### 15.6.1 Common Equity Tier I Capital

Paid-up capital	6,200,737,030	5,637,033,670
Statutory reserve	2,878,188,929	2,536,549,137
Retained earnings	655,993,155	600,137,346
<b>Total CET-I capital</b>	<b>9,734,919,114</b>	<b>8,773,720,153</b>
<b>Less: Regulatory adjustment (*)</b>	<b>4,023,300,000</b>	<b>3,212,900,000</b>
<b>Eligible CET-I Capital</b>	<b>5,711,619,114</b>	<b>5,560,820,153</b>

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

Paid-up capital	6,200,737,030	5,637,033,670
Statutory reserve	2,878,188,929	2,536,549,137
Retained earnings	637,860,708	583,786,684
Minority interest	22,769	22,232
<b>Total Consolidated CET-I capital</b>	<b>9,716,809,436</b>	<b>8,757,391,723</b>
<b>Less: Regulatory adjustment (*)</b>	<b>4,023,300,000</b>	<b>3,212,900,000</b>
<b>Eligible CET- I Capital</b>	<b>5,693,509,436</b>	<b>5,544,491,723</b>

(\*) The Bank has made regulatory adjustment as per Bangladesh Bank letter No. BRPD(P-1)/661/13/2016-2724 dated 27 April 2016 .

### 15.6.2 Tier II Capital

General provision (unclassified loans) (Note - 14.1)	404,207,556	404,207,556
Provision for off-balance sheet items (Note - 14.3)	225,438,830	225,438,830
Revaluation Reserve for Securities (50%) (Note - 17)	71,266,881	71,266,881
Revaluation Reserves for Fixed Assets (50%) (Note-17)	20,961,445	20,961,445
Subordinate bond (Note - 12)	2,600,000,000	1,660,000,000
<b>Total Tier II Capital</b>	<b>3,321,874,712</b>	<b>2,381,874,712</b>
<b>Less: Regulatory adjustment</b>	<b>18,460,000</b>	<b>-</b>
<b>Eligible Tier ii Capital</b>	<b>3,303,414,712</b>	<b>2,381,874,712</b>

(A) Total assets including off-Balance Sheet items	196,895,233,085	144,855,091,556
(B) Total risk-weighted assets	100,008,642,500	86,223,000,000
(C) Required capital (10% of risk-weighted assets)	10,000,864,250	8,622,300,000

### (D) Actual capital maintained

Tier I Capital (Note - 15.6.1)	5,711,619,114	5,560,820,153
Tier II Capital (Note - 15.6.2)	3,303,414,712	2,381,874,712
<b>Total Tire I &amp; Tire II</b>	<b>9,015,033,826</b>	<b>7,942,694,865</b>
<b>(E) Surplus/(Deficit) (C-D)</b>	<b>(985,830,424)</b>	<b>(679,605,135)</b>

Capital adequacy ratio

9.01%

9.21%

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
15.6.2(a)	<b>Consolidated Tier II Capital</b>		
	General provision (unclassified loans) (Note - 14.1)	404,207,556	404,207,556
	Provision for off-balance sheet items (Note - 14.3)	225,438,830	225,438,830
	Revaluation Reserve for Securities (50%) (Note - 17)	71,266,881	71,266,881
	Revaluation Reserves for Fixed Assets (50%) (Note - 17)	20,961,445	20,961,445
	Subordinate bond	2,600,000,000	1,660,000,000
	<b>Total Tier II Capital</b>	<b>3,321,874,712</b>	<b>2,381,874,712</b>
	<b>Less: Regulatory adjustment</b>	<b>18,460,000</b>	<b>-</b>
	<b>Eligible Tier ii Capital</b>	<b>3,303,414,712</b>	<b>2,381,874,712</b>
	(A) Total assets including off-Balance Sheet items	197,326,627,077	145,447,457,226
	(B) Total risk-weighted assets	98,729,852,500	86,321,800,000
	(C ) Required capital (10% of risk-weighted assets)	9,872,985,250	8,632,180,000
	<b>(D) Actual capital maintained</b>		
	Tier I capital (Note - 15.6.1(a))	5,693,509,436	5,544,491,723
	Tier II capital (Note - 15.6.2(a))	3,303,414,712	2,381,874,712
	<b>Total Tire I &amp; Tire II</b>	<b>8,996,924,148</b>	<b>7,926,366,435</b>
	<b>(E ) Surplus/(Deficit) (C-D)</b>	<b>(876,061,102)</b>	<b>(705,813,565)</b>
	<b>Capital adequacy ratio</b>	<b>9.11%</b>	<b>9.18%</b>
15.7	<b>Capital requirement</b>		
		<b>2015 Under Basel-III</b>	<b>2014 Under Basel-II</b>
		Required	Holding
	Tier I capital	5.50%	5.71%
	<b>Minimum capital requirements</b>	<b>10.00%</b>	<b>9.01%</b>
		<b>2015 Under Basel-III</b>	<b>2014 Under Basel-II</b>
		Required	Holding
	Tier I capital	5.50%	5.77%
	<b>Minimum capital requirements</b>	<b>10.00%</b>	<b>9.11%</b>
15.7(a)	<b>Consolidated Capital requirement</b>		
		<b>2015 Under Basel-III</b>	<b>2014 Under Basel-II</b>
		Required	Holding
	Tier I capital	5.50%	5.77%
	<b>Minimum capital requirements</b>	<b>10.00%</b>	<b>9.11%</b>
16	<b>Statutory reserve</b>		
	An amount equivalent to 20% of the profit before tax has been transferred to the statutory reserve fund as under:		
	Opening balance	2,536,549,137	2,238,797,814
	Prior period adjustment	-	12
	<b>Adjusted Opening Balance</b>	<b>2,536,549,137</b>	<b>2,238,797,826</b>
	Add : Addition during the year (20% of profit before tax)	341,639,792	297,751,311
	<b>Closing balance</b>	<b>2,878,188,929</b>	<b>2,536,549,137</b>
17	<b>Other reserve</b>		
	Revaluation on HFT securities Trasury bond (Note - 17.1)	433,606,089	80,559,257
	Revaluation on HFT securities Treasury bill (Note - 17.2)	23,269,050	508,432
	Amortization Reserve on HTM Treasury Bond (Note - 17.3)	315,250	357,737
	Amortization Reserve on HTM Treasury Bill (Note - 17.4)	27,100,952	61,108,335
	Fixed Assets Revaluation (Note - 17.5)	41,922,889	41,922,889
		<b>526,214,230</b>	<b>184,456,650</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>17.1</b>	<b>Revaluation on HFT securities Trasury bond</b>		
	Opening balance	80,050,825	20,100,781
	Add : Addition during the year	353,555,264	59,950,044
	Less : Adjustment during the year	-	-
	Closing balance	<b>433,606,089</b>	<b>80,050,825</b>
<b>17.2</b>	<b>Revaluation on HFT securities Treasury bill</b>		
	Opening balance	508,432	-
	Add : Addition during the year	22,760,618	508,432
	Less : Adjustment during the year	-	-
	Closing balance	<b>23,269,050</b>	<b>508,432</b>
<b>17.3</b>	<b>Amortization Reserve on HTM Treasury Bond</b>		
	Opening balance	357,737	93,624
	Add : Addition during the year	-	264,113
	Less : Adjustment during the year	42,487	-
	Closing balance	<b>315,250</b>	<b>357,737</b>
<b>17.4</b>	<b>Amortization Reserve on HTM Treasury Bill</b>		
	Opening balance	61,616,767	37,882,145
	Add : Addition during the year	-	23,734,622
	Less : Adjustment during the year	34,515,815	-
	Closing balance	<b>27,100,952</b>	<b>61,616,767</b>
<b>17.5</b>	<b>Fixed Assets Revaluation</b>		
	Opening balance	41,922,889	41,922,889
	Add : Addition during the year	-	-
	Less : Adjustment during the year	-	-
	Closing balance	<b>41,922,889</b>	<b>41,922,889</b>
		<b>502,945,180</b>	<b>184,456,650</b>
<b>17(a)</b>	<b>Consolidated Other reserve</b>		
	Premier Bank Limited (Note - 17)	526,214,230	184,456,650
	Premier Money Transfer Company Ltd.	1,731,538	1,521,933
		<b>527,945,768</b>	<b>185,978,583</b>
<b>18</b>	<b>Retained earnings</b>		
	Opening balance	600,137,346	546,589,704
	Add: Post-tax profit for the year	961,198,961	863,756,553
	Less: Transfer to statutory reserve	341,639,792	297,751,311
	Add: Currency difference for investment in subsidiary	-	-
	Less: Issue of bonus shares	563,703,360	512,457,600
	Closing balance	<b>655,993,155</b>	<b>600,137,346</b>
<b>18(a)</b>	<b>Consolidated retained earnings</b>		
	Opening balance (Note - 18(aa))	581,647,253	521,641,443
	Add: Post-tax profit for the year	961,557,144	872,356,384
	Less: Transfer to statutory reserve	341,639,792	297,751,311
	Add: Currency difference for investment in subsidiary	-	-
	Less: Issue of bonus shares	563,703,360	512,457,600
	Less: Non controlling interest	537	2,232
	Closing balance	<b>637,860,708</b>	<b>583,786,684</b>
<b>18(aa)</b>	<b>Restated Consolidated opening Balance</b>		
	Opening balance	583,786,684	522,401,890
	Less: Adjustment of investment in share portfolios.	-	-
	Add: Prior year adjustments ( surplus of provision of unclassified loans)	-	-
	Add: Currency difference for investment in subsidiary	(2,139,431)	(760,447)
	Add: Prior year Adjustment for Premier Money Transfer Company Ltd.	-	-
	Less: Cash Dividend to Premier Bank Ltd.	-	-
	Add: Prior year Adjustment with Minority interest	-	-
		<b>581,647,253</b>	<b>521,641,443</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>18(b) Non controlling interest</b>			
Opening balance		22,232	21,448
Add : Addition during the year		537	784
Less : Adjustment during the year		-	-
Closing balance		<b>22,769</b>	<b>22,232</b>
<b>19 Contingent Liabilities</b>			
<b>19.1 Claims lodged with the Bank Company but not recognised as loan</b>			
Money for which the Bank is contingently liable in respect of guarantees issued favouring:			
Directors		5,223,000	81,886,746
Government		-	-
Banks and other financial institutions		76,390,710	-
Others		19,804,213,531	11,425,359,264
		<b>19,885,827,241</b>	<b>11,507,246,010</b>
<b>19.2 Other contingent liabilities</b>			
Litigation pending against the Bank		-	-
Value of traveller's cheques		-	-
		<b>-</b>	<b>-</b>
<b>20 Other Commitments</b>			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchase and forward deposits placement		-	-
"Undrawn formal standby facilities, credit lines and commitments to lend"		-	-
		<b>-</b>	<b>-</b>
Below 3 months		-	-
Over 3 months but below 1 year		-	-
Over 1 year but below 5 years		-	-
Over 5 years		-	-
Spot and forward foreign exchange contracts		-	-
Other exchange contracts		-	-
		<b>-</b>	<b>-</b>
<b>21 Income</b>			
Interest, discount and similar income		9,831,732,762	9,150,805,308
Dividend income		70,542,925	77,334,915
Fee, commission and brokerage		501,977,514	418,593,966
Gains less losses arising from dealing in foreign currencies		482,409,245	447,804,930
Investment income		1,598,447,912	1,889,512,218
Other operating income		424,650,766	315,153,864
		<b>12,909,761,124</b>	<b>12,299,205,201</b>
<b>Expenses</b>			
Interest, fee and commission		7,575,292,883	7,283,474,420
Losses on loans and advances		-	1,467,650
Administrative expenses		3,011,481,024	2,850,680,700
Other operating expenses		184,269,521	215,633,580
Depreciation on banking assets		175,518,735	149,192,298
		<b>10,946,562,163</b>	<b>10,500,448,648</b>
		<b>1,963,198,961</b>	<b>1,798,756,553</b>
<b>22 Interest income/profit on Islamic investments</b>			
Interest on call loans		36,897,181	88,921,180
Interest received from other banks and financial institutions		116,661,731	269,298,841
Interest received from foreign banks and Bangladesh Bank F/C accounts		77,844,349	68,003,270
Interest received from customers, other than banks		9,489,535,360	8,603,863,012
Interest income on Off-shore Banking Unit		110,794,141	120,719,005
		<b>9,831,732,762</b>	<b>9,150,805,308</b>
Less: Inter Company Transaction		58,557,960	66,926,252
		<b>9,773,174,802</b>	<b>9,083,879,056</b>



# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>22(a) Consolidated interest income</b>			
Premier Bank Limited (Note - 22)		9,773,174,802	9,150,805,308
Premier Bank Securities Ltd.		257,091,798	246,239,870
		<b>10,030,266,600</b>	<b>9,397,045,178</b>
Less: Inter Company Transaction		165,401,590	182,453,077
		<b>9,864,865,010</b>	<b>9,214,592,101</b>
<b>23 Interest/ profit paid on deposits, borrowings, etc.</b>			
Interest paid on deposits		7,018,512,720	7,031,773,257
Interest paid on borrowings		496,052,098	182,236,532
Interest paid on repo		2,170,105	2,538,379
Interest paid on Deposit, Off- shore Banking Unit		58,557,960	66,926,252
		<b>7,575,292,883</b>	<b>7,283,474,420</b>
Less: Inter Company Transaction		58,557,960	66,926,252
		<b>7,516,734,923</b>	<b>7,216,548,168</b>
<b>23(a) Consolidated interest paid on deposits, borrowings, etc.</b>			
Premier Bank Limited (Note - 23)		7,516,734,923	7,283,474,420
Premier Bank Securities Ltd.		165,401,590	182,453,077
		<b>7,682,136,513</b>	<b>7,465,927,497</b>
Less: Inter Company Transaction		165,401,590	182,453,077
		<b>7,516,734,923</b>	<b>7,283,474,420</b>
<b>24 Investment income</b>			
Interest on treasury bills, Bangladesh Bank bills, repo & R.repo		321,537,988	250,773,667
Interest on treasury bonds, corporate bonds		1,196,668,362	1,268,772,934
Dividend Income		70,542,925	77,334,915
Capital gain on Govt securities		46,162,315	76,379,206
Capital gain on sale of investment in shares (Note - 24.1)		34,079,247	293,586,411
		<b>1,668,990,837</b>	<b>1,966,847,133</b>
<b>24.1 Gain on sale of shares</b>			
Investment in portfolio		34,079,247	293,586,411
		<b>34,079,247</b>	<b>293,586,411</b>
<b>25 Commission, exchange and brokerage</b>			
Commission		501,977,514	354,275,009
Commission on Off-shore units		-	231,607
Exchange earnings		482,409,245	447,804,930
		<b>984,386,759</b>	<b>802,311,546</b>
<b>25(a) Consolidated Commission exchange and brokerage</b>			
Premier Bank Limited (Note - 25)		984,386,759	802,311,546
Premier Bank Securities Ltd.		28,556,530	58,855,770
Premier Money Transfer Company Ltd.		6,001,973	5,231,580
		<b>1,018,945,262</b>	<b>866,398,896</b>
<b>26 Other income</b>			
Services and other charges		135,496,578	148,230,726
Income from rent of lockers		3,418,440	2,630,646
Postage recoveries		26,121,390	19,410,644
Fax/e-mail charges received		53,348,403	46,919,519
Incidental charges		39,946,006	35,679,956
Income from sale of Bank Property		10,000	1,010,878
Rent on property		9,959,233	8,626,700
Miscellaneous earnings		156,349,162	116,492,513
Other income on Off-shore Banking Unit		1,554	239,632
		<b>424,650,766</b>	<b>379,241,214</b>
<b>26(a) Consolidated other income</b>			
Premier Bank Limited (Note - 26)		424,650,766	379,241,214
Premier Bank Securities Ltd.		11,269,123	21,149,448
Premier Money Transfer Company Ltd.		34,599	-
		<b>435,954,488</b>	<b>400,390,662</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>27</b>	<b>Salary and allowances</b>		
	Basic pay	470,276,734	444,835,449
	Allowances	547,619,864	522,987,825
	Bonus	128,590,984	103,801,061
	Provident fund contribution	42,631,284	38,106,245
		<b>1,189,118,866</b>	<b>1,109,730,580</b>
<b>27(a)</b>	<b>Consolidated salary and allowances</b>		
	Premier Bank Limited (Note - 27)	1,189,118,866	1,109,730,580
	Premier Bank Securities Ltd.	15,479,199	15,902,578
	Premier Money Transfer Company Ltd.	5,872,258	6,461,504
		<b>1,210,470,323</b>	<b>1,132,094,662</b>
<b>28</b>	<b>Rent, taxes, insurance, electricity, etc.</b>		
	Rent, rates and taxes	931,728,173	896,344,808
	Insurance	59,232,885	48,948,425
	Electricity, gas, water, etc.	83,079,887	79,523,843
		<b>1,074,040,945</b>	<b>1,024,817,076</b>
<p><b>Note:</b> Our Tax and VAT adviser, M/S Zia &amp; Associates advised us vide a letter dated March 11, 2011 not to deduct VAT on office rent and pay at source in view of VAT Act, 1991 section 3(1). Subsequently a writ petition was submitted before the honourable High Court. On the basis of this advice, the Bank has not accounted for any VAT expenses for the period from 2012 to 2015.</p> <p>Honourable High Court issued a rule directing the Govt as to why SRO Nos. 202-Ain/2010/551-Mushok, dated 10/05/2010 and 105-Ain/2009/513-Musak, dated 11.06.2009 should not be declared to have been issued without lawful authority and are of no legal effect as being ultravires to the provisions of section 3(1) and Second Schedule of the Value Added Tax Act, 1991. The matter is under adjudication.</p>			
<b>28(a)</b>	<b>Consolidated Rent, taxes, insurance, electricity, etc.</b>		
	Premier Bank Limited (Note - 28)	1,074,040,945	1,024,817,076
	Premier Bank Securities Ltd.	85,081,856	85,319,449
	Premier Money Transfer Company Ltd.	4,166,255	5,320,239
		<b>1,163,289,056</b>	<b>1,115,456,764</b>
<b>29</b>	<b>Legal expenses</b>		
	Law charges	946,864	1,436,103
	Other professional charges	31,130,300	42,663,212
		<b>32,077,164</b>	<b>44,099,315</b>
<b>29(a)</b>	<b>Consolidated Legal expenses</b>		
	Premier Bank Limited (Note- 29)	32,077,164	44,099,315
	Premier Money Transfer Company Ltd.	908,946	383,296
	Premier Bank Securities Ltd.	200	-
		<b>32,986,310</b>	<b>44,482,611</b>
<b>30</b>	<b>Postage, stamp, telecommunication, etc.</b>		
	Telephone	9,752,054	9,833,659
	Postage, stamp and swift charges	33,436,382	31,809,559
	Telegram, internet, fax and e-mail	18,262,481	15,480,773
		<b>61,450,917</b>	<b>57,123,991</b>
<b>30(a)</b>	<b>Consolidated Postage, stamp, telecommunication, etc.</b>		
	Premier Bank Limited (Note - 30)	61,450,917	57,123,991
	Premier Bank Securities Ltd.	1,360,102	108,875
	Premier Money Transfer Company Ltd.	150,826	140,639
		<b>62,961,845</b>	<b>57,373,505</b>
<b>31</b>	<b>Stationery, printing, advertisement, etc.</b>		
	Printing and stationery	185,547,219	151,677,947
	Publicity, advertisement, contribution, etc.	387,689,467	384,268,478
		<b>573,236,686</b>	<b>535,946,425</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015



		Amount in Taka	
		2015	2014
<b>31(a)</b>	<b>Consolidated Stationary, printing, advertisement, etc.</b>		
	Premier Bank Limited (Note- 31)	573,236,686	535,946,425
	Premier Bank Securities Ltd.	556,241	378,856
	Premier Money Transfer Company Ltd.	18,648	74,692
		<b>573,811,575</b>	<b>536,399,973</b>
<b>32</b>	<b>Chief executive's salary and fees</b>		
	Basic pay	6,450,000	4,800,000
	Bonus	1,100,000	1,200,000
	Other Allowances	4,600,000	3,800,000
		<b>12,150,000</b>	<b>9,800,000</b>
<b>33</b>	<b>Directors' fees</b>		
		3,203,000	2,865,000
		<b>3,203,000</b>	<b>2,865,000</b>
NB: As per BRPD circular no. 03 Dated 18 January 2010 and circular no. 11 dated 04 October 2015 Directors are paid remuneration for attending meeting.			
<b>34</b>	<b>Depreciation and repair of Bank's assets</b>		
	<b>Repairs:</b>		
	Furniture and fixtures	6,908,503	3,721,095
	Office equipment	24,420,185	25,045,749
	Renovation and maintenance of premises	33,730,508	36,956,469
		<b>65,059,196</b>	<b>65,723,313</b>
	<b>Depreciation: (Annexure - B)</b>		
	Vehicles	4,778,279	1,995,607
	Furniture and fixtures	76,342,683	71,688,880
	Equipment & Computer	65,057,694	59,798,551
	Land and building	28,824,377	15,709,260
	Amortisation of license fee	515,702	-
		<b>175,518,735</b>	<b>149,192,298</b>
	<b>Total Depreciation and repair of Bank's assets</b>	<b>240,577,931</b>	<b>214,915,611</b>
<b>34(a)</b>	<b>Consolidated Depreciation and repair of Bank's assets</b>		
	<b>Repairs:</b>		
	Premier Bank Limited (Note - 34)	65,059,196	65,723,313
	Premier Bank Securities Ltd.	388,724	31,700
	Premier Money Transfer Company Ltd.	2,111	25,747
		<b>65,450,031</b>	<b>65,780,760</b>
	<b>Depreciation: (Annexure - A)</b>		
	Premier Bank Limited (Note- 34)	175,518,735	149,192,298
	Premier Bank Securities Ltd.	465,939	489,278
	Premier Money Transfer Company Ltd.	-	561,099
		<b>175,984,674</b>	<b>150,242,675</b>
		<b>241,434,705</b>	<b>216,023,435</b>
<b>35</b>	<b>Other expenses</b>		
	Training expenses	4,364,680	3,097,312
	Car maintenance	11,965,127	10,291,632
	Washing and cleaning	3,493,898	2,973,157
	Subscription	6,043,983	6,665,262
	Entertainment	25,561,662	23,119,086
	Travelling	6,285,290	5,098,937
	Conveyance	6,113,720	5,405,089
	Cartage and freight	40,620	33,130
	Liveries and uniform	611,540	576,380

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
	Cash carrying charges	10,431,810	10,671,284
	Credit card fees	49,988,951	73,302,131
	Loss for Revaluation	22,839,300	35,601,206
	Loss on revaluation for HFT TB	14,474,590	16,780,138
	Loss on Amortization for HTM TB	2,320,363	382,245
	AGM expenses	7,772,495	6,427,710
	Remittance charges	864,584	688,704
	Sundry expenses	11,096,908	14,520,177
		<b>184,269,521</b>	<b>215,633,580</b>
<b>35(a)</b>	<b>Consolidated other expenses</b>		
	Premier Bank Limited (Note - 35)	184,269,521	215,633,580
	Premier Bank Securities Ltd.	7,485,951	11,354,141
	Premier Money Transfer Company Ltd.	7,163,899	3,263,726
		<b>198,919,371</b>	<b>230,251,447</b>
<b>36</b>	<b>Provision against loans and advances</b>		
	Specific provision	250,000,000	-
	General provision	-	-
		<b>250,000,000</b>	<b>-</b>
<b>37</b>	<b>Earnings per share (EPS)</b>		
	Net profit after taxation (Numerator)	961,198,961	863,756,553
	Number of ordinary shares outstanding (Denominator)	620,073,703	620,073,703
	Earnings per share (EPS)	<b>1.55</b>	<b>1.39</b>
Earnings per share (EPS) has been calculated in accordance with BAS - 33 : "Earnings per share (EPS)". Previous year's EPS has been restated due to issue of bonus share. Basic EPS for 2014 was Taka 1.53.			
<b>37(a)</b>	<b>Consolidated earnings per share (CEPS)</b>		
	Net profit after taxation (Numerator)	961,557,144	872,356,384
	Number of ordinary shares outstanding (Denominator)	620,073,703	620,073,703
	Consolidated earnings per share (CEPS)	<b>1.55</b>	<b>1.41</b>
Consolidated earnings per share (CEPS) has been calculated in accordance with BAS - 33 : "Earnings per share (EPS)". Previous year's CEPS has been restated due to issue of bonus share. Basic CEPS for 2014 was Taka 1.55.			
<b>37.1</b>	<b>Net operating cash flow per share (NOCFPS)</b>		
	Cash generated from operating activities	998,059,243	856,852,228
	Average number of ordinary shares outstanding	620,073,703	620,073,703
	Net operating cash flow per share (NOCFPS)	<b>1.61</b>	<b>1.38</b>
Net operating cash flow per share (NOCFPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on 31 December 2015 as per Notification of Bangladesh Securities & Exchange Commission (BSEC). Previous year's NOCFPS has been restated due to issue of bonus share. Basic NOCFPS for 2014 was Taka 1.52			
<b>37.1(a)</b>	<b>Consolidated net operating cash flow per share (CNOCFPS)</b>		
	Cash generated from operating activities	1,007,449,421	877,748,948
	Average number of ordinary shares outstanding	620,073,703	620,073,703
	Consolidated net operating cash flow per share (CNOCFPS)	<b>1.62</b>	<b>1.42</b>
Consolidated net operating cash flow per share (CNOCFPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on 31 December 2015 as per Notification of Bangladesh Securities & Exchange Commission (BSEC). Previous year's CNOCFPS has been restated due to issue of bonus share. Basic CNOCFPS for 2014 was Taka 1.56			
<b>38</b>	<b>Number of Employees</b>		
	The number of employees engaged for the whole year or part thereof who received total remuneration of Tk. 36,000 p.a. or above were 1,378.		

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015



Amount in Taka

## 39 Highlights of Activities

	2015	2014
Paid-up capital	6,200,737,030	5,637,033,670
Total capital	9,015,033,826	11,793,346,188
Capital surplus/ (shortfall)	(985,830,424)	3,171,046,188
Total assets	131,006,542,760	111,471,759,842
Total deposits	108,700,542,280	90,503,763,183
Total loans and advances	91,217,453,215	69,818,140,464
Total contingencies	65,888,690,325	33,871,049,288
Loan-deposit ratio	83.92%	77.14%
Ratio of classified loans against total loans	6.64%	9.03%
Profit after tax and provision	961,198,961	863,756,553
Provision against classified loans	1,047,287,098	793,822,939
Provision surplus (Depicit)	-	-
Cost of funds	7.52%	8.20%
Profit-earning assets	114,813,751,956	90,817,135,367
Non-profit earning assets	16,192,790,804	20,166,906,901
Return on investments (ROI)	6.33%	6.59%
Return on assets (ROA)	0.79%	0.86%
Income from investment	1,668,990,837	1,966,847,133
Earnings per share	1.55	1.39
Net income per share	1.55	1.39
Net operating cash flow per share (NOCFPS)	1.61	1.38
Price earning ratio (approximate)	5.24 times	06.41 times

## 39(a) Consolidated Highlights of Activities

Paid-up capital	6,200,737,030	5,637,033,670
Total capital	8,996,924,148	11,777,017,758
Capital surplus/(shortfall)	(876,061,102)	3,144,837,758
Total assets	131,437,936,752	112,064,125,512
Total deposits	108,875,127,732	90,750,056,737
Total loans and advances	91,318,508,129	70,063,724,793
Total contingencies	65,888,690,325	33,871,049,288
Loan-deposit ratio	83.87%	77.21%
Ratio of classified loans against total loans	6.64%	9.00%
Profit after tax and provision	961,557,144	872,356,384
Provision against classified loans	1,047,287,098	793,822,939
Provision surplus (Depicit)	-	-
Cost of funds	7.52%	8.20%
Profit-earning assets	115,744,902,955	91,892,819,696
Non-profit earning assets	15,693,033,797	19,683,588,242
Return on investments	6.83%	9.48%
Return on assets (profit after tax)	0.87%	0.87%
Income from investment	1,668,990,837	1,966,847,133
Earnings per share	1.55	1.41
Net income per share	1.55	1.41
Net operating cash flow per share (NOCFPS)	1.62	1.42
Price earning ratio (approximate)	5.24 times	06.33 times

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

- 40 Assets and liabilities as at 31 December 2015 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	116.3001
European Currency	EURO	1.00	85.7418
Canadian Dollar	CAD	1.00	56.5892
Australian Dollar	AUD	1.00	57.3064
Japanese Yen	JPY	1.00	0.6516
US Dollar	USD	1.00	78.4750
Saudi Arabian Riyal	SAR	1.00	20.9635
Swiss Franc	CHF	1.00	79.3640

- 41 "The Board of Directors (BoD) in its 158th meeting held on 27 April 2016 has recommended stock dividend @ 10%, subject to the approval of the shareholders at the AGM.  
Except for the matter described above, no other material events have occurred after the Balance Sheet date that could affect the values reported in the financial statements."
- 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.



Chairman



Director



Director



Director



Managing Director

# The Premier Bank Limited

Consolidated schedule of fixed assets including premises, furniture and fixtures as at December 31, 2015

Annexure -A  
Amount in Taka

Asset Category	Cost			Rate (%)	Depreciation			Written Down Value at 31 December 2015
	As at 01 Jan 2015	Additions during the year	Adjustment during the year		As at 31 December 2015	Charge for the year	Adjustment for disposal during the year	
Land and Building	671,745,311	712,648,000	-	2.5	58,286,963	28,844,308	-	1,297,262,040
Furniture and fixtures	1,079,922,007	94,377,362	4,813,196	10	1,169,486,173	76,379,363	2,788,309	763,848,374
Equipment and computers	627,652,635	103,351,263	504,510	20	730,499,388	65,467,022	286,215	331,304,216
Vehicles	39,013,104	31,768,786	-	20	70,781,890	4,778,279	-	31,557,322
<b>Total at 31 December 2015</b>	<b>2,418,333,057</b>	<b>942,145,411</b>	<b>5,317,706</b>		<b>3,355,160,762</b>	<b>175,468,972</b>	<b>3,074,524</b>	<b>2,423,971,952</b>
<b>Total at 31 December 2014</b>	<b>2,210,607,294</b>	<b>210,322,163</b>	<b>2,596,400</b>		<b>2,418,333,057</b>	<b>150,287,983</b>	<b>2,573,205</b>	<b>1,659,538,695</b>

## Schedule of fixed assets including premises, furniture and fixtures as at December 31, 2015

Annexure -B  
Amount in Taka

Asset Category	Cost			Rate (%)	Depreciation			Written Down Value at 31 December 2015
	As at 01 Jan 2015	Additions during the year	Adjustment during the year		As at 31 December 2015	Charge for the year	Adjustment for disposal during the year	
Land and Building	670,895,311	712,648,000	-	2.5	58,234,201	28,824,377	-	1,296,484,733
Furniture and fixtures	1,074,895,677	94,377,362	-	10	1,169,273,039	76,342,683	-	763,894,721
Equipment and computers	623,587,973	103,339,863	-	20	726,927,836	65,057,694	-	329,468,136
Vehicles	39,013,104	31,768,786	-	20	70,781,890	4,778,279	-	31,557,322
<b>Total as at 31 December 2015</b>	<b>2,408,392,065</b>	<b>942,134,011</b>	<b>-</b>		<b>3,350,526,076</b>	<b>175,003,033</b>	<b>-</b>	<b>2,421,404,912</b>
<b>Total at 31 December 2014</b>	<b>2,201,256,825</b>	<b>209,731,640</b>	<b>2,596,400</b>		<b>2,408,392,065</b>	<b>149,192,298</b>	<b>2,573,205</b>	<b>1,654,273,934</b>





# The Premier Bank Limited

Balance with other banks and financial institutions - Outside Bangladesh

Annexure - c

Name of the Bank	Location	Currency	31.12.2015			31.12.2014		
			Amount in foreign currency	Conversion rate	Amount in Taka	Amount in foreign currency	Conversion rate	Amount in Taka
Mashreq Bank Ny	New York	USD	1,047,239.36	78.4750	82,182,109	504,328.94	78.2750	39,476,348
Standard Chartered Bank	New York	USD	1,981,251.05	78.4750	155,478,676	2,528,684.99	78.2750	197,932,818
Commerz Bank AG	Frankfurt	USD	154,045.36	78.4750	12,088,710	6,463.93	78.2750	505,964
UBAF	Singapore	USD	-	78.4750	-	-	78.2750	-
HSBC	New York	USD	-	78.4750	-	-	78.0000	-
Bank of Ceylon	Srilanka	ACUD	36,977.69	78.4750	2,901,824	134,092.56	78.2750	10,496,095
Standard Chartered Bank	Kolkata	ACUD	204,967.09	78.4750	16,084,792	393.62	78.2750	30,811
United Bank Ltd	Karachi	ACUD	50,628.72	78.4750	3,973,089	76,449.63	78.2750	5,984,095
State Bank of India	Kolkata	ACUD	23,838.43	78.4750	1,870,721	23,838.43	78.2750	1,865,953
ICICI Bank	Mumbai	ACUD	181,320.36	78.4750	14,229,115	112,543.41	78.2750	8,809,335
Himalayan Bank	Nepal	ACUD	2,712.00	78.4750	212,824	2,712.00	78.2750	212,282
Commerz Bank AG	Frankfurt	EURO	66,020.91	85.7418	5,660,752	166,640.32	94.9946	15,829,931
Baye-Hypo-und Vereinsbank AG	Muenchen	EURO	-	85.7418	-	24,530.88	94.9946	2,330,301
Westpac Banking Corporation	Sydney	AUD	26,368.87	57.3064	1,511,105	9,847.74	63.6260	626,572
Mashreqbank psc	London	GBP	42,111.02	116.3001	4,897,516	115,847.79	121.4516	14,069,899
The Bank of Nova Scotia	Toronto	CAD	-	56.5892	-	12,708.76	67.2467	854,622
Bank of Tokyo Mitsubishi Ltd	Tokyo	JPY	6,916,416.51	0.6516	4,506,737	758,725.00	0.6496	492,868
Habib Bank AG Zurich Switzerland	Zurich	CHF	52,220.87	79.3640	4,144,457	17,119.39	78.9780	1,352,055
Al Rajhi Banking & Investment Corp.	Riyadh	SAR	441,317.77	20.9635	9,251,565	152,315.69	20.9072	3,184,495
National Commercial Bank	Jeddah	SAR	206,129.42	20.9635	4,321,194	156,729.02	20.9072	3,276,765
Mashreq Bank PSC	Mumbai	ACUD	287,581.73	78.4750	22,567,976	37,142.89	78.2750	2,907,360
AB Bank Ltd	Mumbai	ACUD	10,996.06	78.4750	862,916	-	-	-
Habib American Bank	New York	USD	762,619.97	78.4750	59,846,602	-	-	-
Off-shore Banking Unit					2,217,456,420			1,793,603,649
<b>Grand Total</b>					<b>2,624,049,100</b>			<b>2,103,842,218</b>

# The Premier Bank Limited

Notes to financial statements for the year ended December 31, 2015

## Annexure D

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

# The Premier Bank Limited

Details of Large Loan as at 31 December 2015

Annexure -E  
(Taka in crore)

Sl No.	Name of Parties	Outstanding 2015			Status	Outstanding 2014		
		Funded	Non-Funded	Total		Funded	Non funded	Total
1	Summit Group	445.21	54.64	499.85	UC	166.83	-	166.83
2	Saad Musa Group	192.25	-	192.25	UC	-	-	-
3	Labib	127.01	39.45	166.46	UC	-	-	-
4	Pedrollo	163.53	-	163.53	UC	-	-	-
5	Abul Khair Group	151.79	6.88	158.67	UC	119.51	3.00	122.51
6	S Alam Group	146.66	-	146.66	UC	135.91	-	135.91
7	Shasha	77.80	66.79	144.59	UC	-	-	-
8	Best Holdings	141.48	-	141.48	UC	-	-	-
9	Palmal Group of Industries	53.56	82.05	135.61	UC	-	-	-
10	ABA Group	66.63	65.83	132.46	UC	-	-	-
11	Apex Group	129.96	-	129.96	UC	-	-	-
12	Nitol-Niloy Group	123.19	3.18	126.37	UC	-	-	-
13	POPULAR GROUP	114.12	1.14	115.26	UC	-	-	-
	<b>Total</b>	<b>1,933.19</b>	<b>319.96</b>	<b>2,253.15</b>		<b>422.25</b>	<b>3.00</b>	<b>425.25</b>

# The Premier Bank Limited

## Segment report

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 2015

Annexure F  
Amount in Taka

Particulars	The Premier Bank Limited					Group		
	Inside Bangladesh					Inside Bangladesh	Outside Bangladesh	Total
	Conventional Banking	Islamic banking branches	Off-shore banking Unit	Inter Company adjustment	Total	PBSL	PMTCL	Inter company adjustment
Interest income/profit on Islamic investments	8,861,670,624	859,266,442	110,795,696	(58,557,960)	9,773,174,802	257,091,798	-	(165,401,590)
Interest/profit paid on deposits, borrowings, etc	(6,915,121,139)	(601,613,784)	(58,557,960)	58,557,960	(7,516,734,923)	(165,401,590)	-	165,401,590
Net interest income/ net profit on investments	1,946,549,485	257,652,658	52,237,736	-	2,256,439,879	91,690,208	-	-
Investment income	1,668,990,837	-	-	-	1,668,990,837	-	-	-
Commission, exchange and brokerage	975,068,899	9,317,860	-	-	984,386,759	28,556,530	6,001,973	-
Other operating income	413,290,222	11,358,990	1,554	-	424,650,766	11,269,123	34,599	-
<b>Total Operating Income (A)</b>	5,003,899,443	278,329,508	52,239,290	-	5,334,468,241	131,515,861	6,036,572	-
Salary and allowances	1,162,462,114	26,656,752	-	-	1,189,118,866	15,479,199	5,872,258	-
Rent, taxes, insurance, electricity, etc	1,061,174,076	12,866,869	-	-	1,074,040,945	85,081,856	4,166,255	-
Legal expenses	32,077,164	-	-	-	32,077,164	200	908,946	-
Postage, stamps, telecommunication, etc	60,078,706	1,372,211	-	-	61,450,917	1,360,102	150,826	-
Stationery, printing, advertisement, etc	572,436,920	799,766	-	-	573,236,686	556,241	18,648	-
Chief executive's salary and fees	12,150,000	-	-	-	12,150,000	-	-	-
Directors' fees	3,203,000	-	-	-	3,203,000	-	-	-
Auditors' fee	1,144,250	-	-	-	1,144,250	50,000	-	-
Depreciation and repair of Bank's assets	237,372,020	3,205,911	-	-	240,577,931	854,663	2,111	-
Other expenses	183,316,605	952,916	-	-	184,269,521	7,485,951	7,163,899	-
<b>Total Operating Expenses (B)</b>	3,325,414,855	45,854,425	-	-	3,371,269,280	110,868,212	18,282,943	-
<b>Profit before provision (C = A-B)</b>	1,678,484,588	232,475,083	52,239,290	-	1,963,198,961	20,647,649	(12,246,371)	-
Provision for loans and advances/ Investments	-	-	-	-	250,000,000	-	-	-
Provision for off-balance sheet items	-	-	-	-	-	-	-	-
Provision for investment in shares	-	-	-	-	-	-	-	-
Other provisions	-	-	-	-	5,000,000	-	-	-
<b>Total provision (D)</b>	-	-	-	-	255,000,000	-	-	-
<b>Profit before taxation (E=C-D)</b>	1,678,484,588	232,475,083	52,239,290	-	1,708,198,961	20,647,649	(12,246,371)	-
Provision for taxation (F)	-	-	-	-	747,000,000	8,043,095	-	-
<b>Profit after taxation</b>	<b>1,678,484,588</b>	<b>232,475,083</b>	<b>52,239,290</b>	-	<b>961,198,961</b>	<b>12,604,554</b>	<b>(12,246,371)</b>	<b>-</b>
								<b>961,557,144</b>



# The Premier Bank Limited

Segment reporting

The Bank reports its operations under the following business segment as per Bangladesh Financial Reporting Standards (BFRS) 8 "Operating Segment"  
As at 31 December 2015

Annexure F  
Amount in Taka

Particulars	The Premier Bank Limited					Group		
	Inside Bangladesh					Inside Bangladesh	Outside Bangladesh	Total
	Conventional Banking	Islamic banking branches	Off-shore banking Unit	Inner Company adjustment	Total	PBSL	PMTCL	Inter company adjustment
<b>PROPERTY AND ASSETS</b>								
Cash	8,502,707,083	31,272,237	-	-	8,533,979,320	85,276	-	-
Balance with other banks and financial institutions	3,658,448,062	-	5,496,442	2,217,456,420	1,446,488,084	488,525,905	-	483,507,437
Money at call on short notice	-	-	-	-	-	-	-	-
Investments	22,035,662,924	1,560,635,817	-	-	23,596,298,741	830,096,085	-	-
Loans, advances, and lease/ investments	83,234,202,278	5,766,579,271	2,216,671,666	-	91,217,453,215	2,466,876,701	-	2,365,821,787
Fixed assets including premises, furniture and fixtures	2,408,623,228	12,781,684	-	-	2,421,404,912	2,567,040	-	-
Other assets	3,329,379,919	454,338,624	7,199,945	-	3,790,918,488	25,833,201	-	533,260,992
Non-banking assets	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>123,169,023,494</b>	<b>7,825,607,633</b>	<b>2,229,368,053</b>	<b>2,217,456,420</b>	<b>131,006,542,760</b>	<b>3,813,984,208</b>	<b>-</b>	<b>3,382,590,216</b>
<b>LIABILITIES AND CAPITAL</b>								
Liabilities								
Borrowings from other banks, financial institutions and agents	1,415,876,816	3,500,000,000	-	-	4,915,876,816	2,365,821,787	-	2,365,821,787
Non-convertible variable coupon rate bonds	3,000,000,000	-	-	-	3,000,000,000	-	-	-
Deposits and other accounts	104,730,242,485	3,971,769,172	2,215,987,043	2,217,456,420	108,700,542,280	658,092,889	-	483,507,437
Other liabilities	3,761,770,850	353,838,460	13,381,010	-	4,128,990,320	252,276,977	20,093,285	-
Total Liabilities	112,907,890,151	7,825,607,632	2,229,368,053	2,217,456,420	120,745,409,416	3,276,191,653	20,093,285	2,849,329,224
Shareholders' Equity	10,261,133,344	-	-	-	10,261,133,344	537,792,555	(20,093,285)	533,260,992
<b>Total Liabilities and Shareholders' Equity</b>	<b>123,169,023,495</b>	<b>7,825,607,632</b>	<b>2,229,368,053</b>	<b>-</b>	<b>131,006,542,760</b>	<b>3,813,984,208</b>	<b>-</b>	<b>3,382,590,216</b>
								<b>131,437,936,752</b>

# The Premier Bank Limited

Name of Directors and the entities in which they had interest as at 31 December 2015

## Annexure -G

Sl. No.	Name	Designation	Entities where they had interest	Position	Interest (%)
1.	Dr. H. B. M. Iqbal	Chairman	Premier Group of Companies Ltd. Premier Hotel & Resort Ltd. Premier Hotel Management Co. Ltd. Bengal Tiger Cement Industries Ltd Premier Technology & Holdings Ltd. ATAB Centre Ltd. Air Concern International Bukhara Restaurant (Pvt) Ltd. Banani Travels & Tours Ltd. Aero Bengal centre Ltd. The Premier Tele Link Ltd. 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 Managing Director Managing Director Managing Director Proprietor Proprietor	
2.	Mr. Mohammad Imran Iqbal	Vice Chairman	Premier Property Development Co. Ltd. Bentley Sweater Ltd. Premier Group of Companies Ltd. Premier Hotel & Resort Ltd. Premier Hotel Management Co. Ltd. Nawrin Electronics Ltd. Bukhara Restaurant (Pvt) Ltd. ATAB Centre Ltd. Al-Khalij Travels Ltd.	Managing Director Add. Managing Director Director Director Director Director Director Director Director	-      - -
3.	Mr. B. H. Haroon, MP	Director	Al Arab Enterprise International Rajbithi Travels Ltd. Bukhara Resturant (Pvt) Ltd. Purabi General Insurance Al-Humyra Group : Al-Humyra Health Center Ltd. Al-Humyra Development Ltd. Al-Humyra Trade International Al-Humyra Aviation Service	Proprietor Chairman Vice Chairman Sponsor Director  Chairman Chairman Chairman Chairman	100 20 15 5  50 50 50 50
4.	Mr. Abdus Salam Murshedy	Director	Envoy Garments Ltd. Armour Garments Ltd. Nadia Garments Ltd. Pastel Apparels Ltd. Astras Garments Ltd. Regal Garments Ltd. Epoch Garments Ltd. Supreme Apparels Ltd. Dornick Apparels Ltd. Fontina Fashions Ltd. Manta Apparels Ltd. Envoy Fashions Ltd. Envoy Design Ltd. Taxes Dresses Ltd. Laundry Industries Ltd.	Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director	50 50 50 50 50 50 50 50 50 50 50 50 50 50

# The Premier Bank Limited

Name of Directors and the entities in which they had interest as at 31 December 2015

Sl. No.	Name	Designation	Entities where they had interest	Position	Interest (%)
			Envoy Textiles Ltd.	Managing Director	4
			Orex Network Ltd.	Managing Director	50
			National System Solutions (Pvt) Ltd.	Managing Director	50
			Regional Power Ltd.	Managing Director	25
			OIA Global Logistics (BD) Ltd.	Managing Director	38
			Advanced Comtech Machines Ltd.	Managing Director	50
			Lunar International Ltd.	Managing Director	33
			Emerald Trading Ltd.	Managing Director	33
			Geocentric Ltd.	Managing Director	20
			Pinata Air International Ltd.	Managing Director	33
			Peridot International Ltd.	Managing Director	50
			KSM Preserves Ltd.	Managing Director	33
			Envoy Shipping Ltd.	Managing Director	50
			Envoy LPG Products Ltd.	Managing Director	50
			Machinery Products Ltd.	Managing Director	50
			Niloy Apartment Ltd.	Managing Director	50
			New Energy Solutions Ltd.	Managing Director	40
			Envoy Air Services Ltd.	Managing Director	30
			Envoy Products Ltd.	Managing Director	50
			Envoy Packages Ltd.	Managing Director	50
			Envoy Towers Ltd.	Managing Director	50
			Olio Apparels Ltd.	Managing Director	50
			Building Products Ltd.	Managing Director	50
			Sharmin Holdings Ltd.	Managing Director	19
			Sports Media Ltd.	Managing Director	25
			Donier Textile Mills Ltd	Managing Director	45
			Treasure Securities Ltd	Chairman	25
			Sheltech Suit (Pvt) Ltd.	Director	8
			Sheltech Cond. (Pvt) Ltd.	Director	14
			Square Hospitals Ltd.	Director	5
5.	Mr. Shafiqur Rahman	Director	Rupsha Tyres & Chemical Ltd.	Managing Director	40
6.	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	Rajbithi Travels Ltd.	Managing Director	25
9.	Mrs. Fauzia Rekha Banu	Director	N/A		
10.	Mr. Arif Alam	Director	Purple Aviation	Proprietor	-
			Ilham Engineers & Builders Limited	Managing director	-
11.	Mr. Chowdhury Zafarullah Sharafat	Independent Director	Unique Group	Director	-
			Race Portfolio and Issue Management Ltd. (RPIML)	Chairman	-
			Cream & Milk	Director	-
12.	Mrs. Faiza Rahman	Independent Director	N/A	-	-



# The Premier Bank Limited

Balance Sheet of Islamic Banking Branches as at December 31, 2015

Annexure- H

		Amount in Taka	
	Notes	2015	2014
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
In hand (including foreign currencies)	1.1	30,372,026	25,333,395
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	1.2	900,211	1,585,462
		<b>31,272,237</b>	<b>26,918,857</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	2.1	-	4,400,000,000
Outside Bangladesh		-	-
		-	<b>4,400,000,000</b>
<b>Placement with banks other financial institutions</b>			
<b>Investment in shares &amp; securities</b>			
Government	3.1	240,000,000	210,000,000
Others	3.2	1,320,635,817	1,320,635,817
		<b>1,560,635,817</b>	<b>1,530,635,817</b>
<b>Investments (including bills)</b>			
General investment	4	5,621,228,990	4,463,877,000
Bills purchased and discounted		145,350,281	159,582,862
		<b>5,766,579,271</b>	<b>4,623,459,862</b>
<b>Fixed assets including premises, furniture and fixtures</b>			
	5	<b>12,781,684</b>	<b>13,121,244</b>
<b>Other assets</b>			
	6	<b>454,338,624</b>	<b>1,567,776,987</b>
<b>Non-banking assets</b>			
		-	-
<b>Total Assets</b>		<b>7,825,607,632</b>	<b>12,161,912,766</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	7	<b>3,500,000,000</b>	<b>4,000,000,000</b>
<b>Deposits and other accounts</b>			
Mudaraba savings deposits		296,619,561	277,287,725
Mudaraba term deposits		3,414,327,358	7,287,601,832
Al -waduah Current deposits and other accounts		248,161,354	231,691,850
Bills payable		12,660,899	9,683,567
		<b>3,971,769,172</b>	<b>7,806,264,974</b>
<b>Other liabilities</b>			
	8	<b>353,838,460</b>	<b>355,647,792</b>
<b>Total Liabilities &amp; Capital</b>		<b>7,825,607,632</b>	<b>12,161,912,766</b>
<b>Contingent Liabilities</b>			
Acceptances and endorsements		236,256,000	92,768,000
Letters of guarantee		62,834,261	51,358,285
Irrevocable letters of credit		185,120,000	148,116,000
Bills for collection		47,332,820	53,850,619
Other contingent liabilities		-	-
		<b>531,543,081</b>	<b>346,092,904</b>
<b>Other commitments</b>			
		-	-
<b>Total Off-Balance Sheet Items</b>		<b>531,543,081</b>	<b>346,092,904</b>

# The Premier Bank Limited

Profit and Loss Statement of Islamic Banking Branches For the year ended December 31, 2015

	<u>Notes</u>	Amount in Taka	
		2015	2014
<b>OPERATING INCOME</b>			
Investment income	9	859,266,442	1,083,837,421
Profit paid on deposits, borrowings, etc	10	(601,613,784)	(711,435,615)
<b>Net investment income</b>		<b>257,652,658</b>	<b>372,401,806</b>
Commission, exchange and brokerage	11	9,317,861	10,697,161
Other operating income	12	11,358,989	13,884,000
<b>Total operating income (A)</b>		<b>278,329,507</b>	<b>396,982,967</b>
Salary and allowances	13	26,656,752	24,004,697
Rent, taxes, insurance, lighting, etc	14	12,866,869	9,619,835
Postage, stamps, telecommunication, etc	15	1,372,211	1,370,813
Stationery, printing, advertisement, etc	16	799,766	680,268
Depreciation and repair of Bank's assets	17	3,205,911	3,561,631
Other expenses	18	952,916	914,082
<b>Total operating expenses (B)</b>		<b>45,854,425</b>	<b>40,151,326</b>
<b>Total operating profit (C=A-B)</b>		<b>232,475,083</b>	<b>356,831,641</b>

# The Premier Bank Limited

Notes to Financial Statements of Islamic Banking Branches for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>1</b>	<b>Cash</b>		
<b>1.1</b>	<b>Cash in hand</b>		
	In local currency	30,278,768	24,790,029
	In foreign currency	93,258	543,366
		<b>30,372,026</b>	<b>25,333,395</b>
<b>1.2</b>	<b>Balance with Bangladesh Bank and its agent bank(s)</b>		
	Balance with Bangladesh Bank		
	In local currency	900,211	1,585,462
	In foreign currency	-	-
		<b>900,211</b>	<b>1,585,462</b>
		<b>31,272,237</b>	<b>26,918,857</b>
<b>2.</b>	<b>Balance with other banks and financial institutions</b>		
	In Bangladesh	-	4,400,000,000
	Outside Bangladesh	-	-
		-	<b>4,400,000,000</b>
<b>3.</b>	<b>Investment in shares and securities</b>		
<b>3.1</b>	<b>Government securities</b>		
	Treasury bills	-	-
	Bangladesh Bank bills	-	-
	Islamic Investment Bond	240,000,000	210,000,000
	Treasury bonds	-	-
	Repo	-	-
	Prize bonds	-	-
		<b>240,000,000</b>	<b>210,000,000</b>
<b>3.2</b>	<b>Others</b>		
	In shares and bonds (quoted and unquoted)		
	<u>Quoted</u>		
	Investment in Shares (Islami)	1,320,635,817	1,320,635,817
		<b>1,320,635,817</b>	<b>1,320,635,817</b>
	<u>Unquoted</u>		
		-	-
		-	-
		<b>1,560,635,817</b>	<b>1,530,635,817</b>
<b>4.</b>	<b>Investments (including bills)</b>		
	General investment	5,621,228,990	4,463,877,000
	Bills purchased and discounted	145,350,281	159,582,862
		<b>5,766,579,271</b>	<b>4,623,459,862</b>
<b>5.</b>	<b>Fixed assets including premises, furniture and fixtures, property, plant &amp; equipment</b>		
	Land and Building	-	-
	Furniture and fixtures	9,138,087	9,979,651
	Equipment and computers	3,643,597	3,141,593
	Vehicles	-	-
		<b>12,781,684</b>	<b>13,121,244</b>

# The Premier Bank Limited

Notes to Financial Statements of Islamic Banking Branches for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
6.	<b>Other assets</b>		
	Head Office general account	403,373,995	1,456,422,172
	Adjusting account	29,880,672	84,894,830
	Stock of stationery	141,272	148,263
	Stamp in hand	53,235	69,655
	Advance income tax	2,668,424	3,032,467
	Advance against interior decoration		
	Prepaid expenses	1,586,426	2,480,000
	Sundry assets	16,634,600	20,729,600
		<b>454,338,624</b>	<b>1,567,776,987</b>
7.	<b>Borrowings from other banks, financial institutions and agents</b>		
	In Bangladesh (note 7.1)	3,500,000,000	4,000,000,000
	Outside Bangladesh	-	-
		<b>3,500,000,000</b>	<b>4,000,000,000</b>
7.1	<b>In Bangladesh</b>		
	Bangladesh Bank (Refinance facility)	3,500,000,000	4,000,000,000
		<b>3,500,000,000</b>	<b>4,000,000,000</b>
8.	<b>Other liabilities</b>		
	Adjusting account	345,250,818	350,098,996
	Profit suspense A/C	109,263	1,316,575
	Investment compensation	8,478,379	4,232,221
		<b>353,838,460</b>	<b>355,647,792</b>
9.	<b>Investment income</b>		
	Profit received from customers other than banks	558,431,263	50,700,747
	Profit received on Head Office general account	137,264,133	92,462,035
	Profit received on deposit with other banks	109,009,541	246,663,889
	Profit on Government Securities	-	7,500,000
	Dividend Income	32,290,117	33,098,428
	Capital gain on sale of investment in shares	22,271,388	153,412,322
		<b>859,266,442</b>	<b>1,083,837,421</b>
10.	<b>Profit paid on deposits, borrowings, etc</b>		
	Profit paid on deposits	601,613,784	711,435,615
		<b>601,613,784</b>	<b>711,435,615</b>
11.	<b>Commission, exchange and brokerage</b>		
	Commission	6,965,017	8,202,762
	Exchange earnings	2,352,844	2,494,399
		<b>9,317,861</b>	<b>10,697,161</b>
12.	<b>Other operating income</b>		
	Services and other charges	3,815,621	5,949,332
	Postage recovers	373,050	459,350
	Telex/fax/e-mail charges received	1,205,415	906,531
	Incidental charges	1,451,428	1,471,519
	Miscellaneous earnings	4,513,475	5,097,268
		<b>11,358,989</b>	<b>13,884,000</b>

# The Premier Bank Limited

Notes to Financial Statements of Islamic Banking Branches for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>13. Salary and allowances</b>			
Basic pay		10,827,134	9,917,908
Allowances		12,157,620	11,105,045
Bonus		2,857,450	2,262,324
Provident fund contribution & retirement benefit		814,548	719,420
		<b>26,656,752</b>	<b>24,004,697</b>
<b>14. Rent, taxes, insurance, electricity, etc</b>			
Rent, rates and taxes		9,441,284	6,480,325
Insurance		2,453,536	2,353,645
Electricity, gas, water, etc		972,049	785,865
		<b>12,866,869</b>	<b>9,619,835</b>
<b>15. Postage, stamp, telecommunication, etc</b>			
Telephone		162,475	182,616
Postage, stamp and swift charges		761,268	287,058
Telegram, telex, fax and e-mail		448,468	901,139
		<b>1,372,211</b>	<b>1,370,813</b>
<b>16. Stationery, printing, advertisement, etc</b>			
Printing and stationery		789,766	680,258
Publicity and advertisement		10,000	10
		<b>799,766</b>	<b>680,268</b>
<b>17. Depreciation and repair of Bank's assets</b>			
Repairs:			
Furniture and fixtures		61,705	87,446
Office equipment		387,993	614,860
Renovation and maintenance of premises		1,012,701	1,117,330
		<b>1,462,399</b>	<b>1,819,636</b>
Depreciation:			
Vehicles		-	-
Furniture and fixtures		981,674	1,071,461
Office equipment		761,838	670,534
		<b>1,743,512</b>	<b>1,741,995</b>
		<b>3,205,911</b>	<b>3,561,631</b>
<b>18. Other expenses</b>			
Washing and cleaning		150,973	142,982
Subscription		22,510	35,611
Entertainment		05,583	280,824
Travelling		141,900	84,500
Conveyance		77,235	91,141
Liveries and uniform		25,220	21,840
Cash carrying charges		137,785	179,400
Training expenses		-	-
Remittance Charges		-	-
Sundry expenses		91,710	77,784
		<b>952,916</b>	<b>914,082</b>

# The Premier Bank Limited

Balance Sheet of Off-shore Banking Units as at December 31, 2015

Annexure- I

	Notes	2015		2014	
		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	742,161	58,241,091	739,196	57,860,538
Outside Bangladesh		742,161	58,241,091	739,196	57,860,538
Loans and advances					
Loans, cash credits, overdrafts, etc.	4	8,320,299	652,935,453	15,348,956	1,201,439,543
Bills purchased and discounted	5	19,926,553	1,563,736,214	7,554,911	591,360,644
		28,246,852	2,216,671,666	22,903,867	1,792,800,186
Fixed assets including premises, furniture and fixtures					
		-	-	-	-
Other assets		91,748	7,199,945	91,748	7,181,597
Non - banking assets		-	-	-	-
Total assets		29,080,760	2,282,112,702	23,734,811	1,857,842,321
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents					
			-		-
Deposits and other accounts					
Current deposits	6	37,001	2,903,671	14,597	1,142,547
Savings bank deposits		-	-	-	-
Term deposits		27,999,829	2,197,286,593	22,231,355	1,740,159,324
Sundry Deposit		1,297	101,780	109,915	8,603,595
		28,038,127	2,200,292,044	22,355,867	1,749,905,466
Other liabilities	7	652,985	51,243,010	841,489	65,867,543
Total liabilities		28,691,112	2,251,535,053	23,197,356	1,815,773,009
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Foreign currency gain		-	-	-	-
Other reserve		-	-	-	-
Surplus in profit and loss account		389,648	30,577,649	537,455	42,069,312
Total Shareholders' equity		389,648	30,577,649	537,455	42,069,312
Total liabilities and Shareholders' equity		29,080,760	2,282,112,702	23,734,811	1,857,842,321

## Balance Sheet of Off-shore Banking Units as at December 31, 2015

## 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, 2015

	Notes	2015		2014	
		USD	Taka	USD	Taka
Interest income	8	1,425,540	110,794,141	1,542,242	120,719,005
Interest paid on deposits, borrowings, etc.	9	(753,440)	(58,557,960)	(855,014)	(66,926,252)
<b>Net interest</b>		672,100	52,236,181	687,228	53,792,753
Commission, exchange, brokerage, etc.		-	-	2,959	231,607
Other operating income		20	1,554	3,061	239,632
<b>Total operating income (A)</b>		672,120	52,237,735	693,248	54,263,992
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity, etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamp, telecommunication, etc.		-	-	-	-
Stationery, printing, advertisements, etc.		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		-	-	-	-
Other expenses		-	-	-	-
<b>Total operating expenses (B)</b>		-	-	-	-
<b>Profit / (loss) before provision (C=A-B)</b>		672,120	52,237,735	693,248	54,263,992
Provision for loans and advances / investments		-	-	-	-
Specific provision		-	-	-	-
General provision		282,472	22,167,000	155,792.78	12,194,680
		282,472	22,167,000	155,792.78	12,194,680
Provision for diminution in value of investments		-	-	-	-
Other provision		-	-	-	-
<b>Total provision (D)</b>		282,472.12	22,167,000	155,792.78	12,194,680
<b>Total profit / (loss) before taxes (C-D)</b>		<b>389,648</b>	<b>30,070,735</b>	<b>537,455</b>	<b>42,069,312</b>

# The Premier Bank Limited

Notes to the Financial Statements of Off-shore Banking Units for the year ended December 31, 2015

## 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, 2015.

## 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 78.4750 at mid rate of December 31, 2015.

# The Premier Bank Limited

Notes to the Financial Statements of Off-shore Banking Units for the year ended December 31, 2015

	2015		2014	
	USD	Taka	USD	Taka
<b>3 Balance with other banks and financial institutions</b>				
In Bangladesh (note-3.1)	742,161	58,241,091	739,196	57,860,538
Outside Bangladesh (note-3.2)	-	-	-	-
	<b>742,161</b>	<b>58,241,091</b>	<b>739,196</b>	<b>57,860,538</b>
<b>3.1 In Bangladesh</b>	<b>742,161</b>	<b>58,241,091</b>	<b>739,196</b>	<b>57,860,538</b>
<b>3.2 Outside Bangladesh (Nostro accounts)</b>				
Current account	-	-	-	-
<b>4 Loans and advances</b>				
i) Loans, cash credits, overdrafts, etc.				
Loan (General)	7,290,756	572,142,046	13,806,169	1,080,677,893
Lease finance	-	-	-	-
Syndication Terms Loans	1,029,543	80,793,407	1,542,787	120,761,650
	<b>8,320,299</b>	<b>652,935,453</b>	<b>15,348,956</b>	<b>1,201,439,543</b>
ii) Bills purchased and discounted (note-5)				
<b>Payable Inside Bangladesh</b>				
Inland bills purchased	-	-	-	-
<b>Payable Outside Bangladesh</b>				
Foreign bills purchased and discounted	19,926,553	1,563,736,214	7,554,911	591,360,644
	<b>19,926,553</b>	<b>1,563,736,214</b>	<b>7,554,911</b>	<b>591,360,644</b>
	<b>28,246,851</b>	<b>2,216,671,666</b>	<b>22,903,867</b>	<b>1,792,800,187</b>
<b>5 Bills purchased and discounted</b>				
Payable in Bangladesh	-	-	-	-
Payable outside Bangladesh	19,926,553	1,563,736,214	7,554,911	591,360,644
	<b>19,926,553</b>	<b>1,563,736,214</b>	<b>7,554,911</b>	<b>591,360,644</b>
<b>6 Deposits and other accounts</b>				
Bank deposits	-	-	-	-
Customer deposits and other accounts (note-6.1)	28,038,127	2,200,292,043	22,355,867	1,749,905,464
	<b>28,038,127</b>	<b>2,200,292,043</b>	<b>22,355,867</b>	<b>1,749,905,464</b>
<b>6.1 Customer deposits and other accounts</b>				
Current deposits	37,001	2,903,671	14,597	1,142,547
Term deposits	27,999,829	2,197,286,593	22,231,355	1,740,159,324
Savings bank deposits	-	-	-	-
Sundry deposits	1,297	101,780	109,915	8,603,593
	<b>28,038,127</b>	<b>2,200,292,044</b>	<b>22,355,867</b>	<b>1,749,905,464</b>
<b>7 Other liabilities</b>				
Interest on bills discount	200,000	15,695,000	500,000	39,137,500
Provision for loan & advances	282,472	22,167,000	155,793	12,194,680
Accrued interest on FDR	170,513	13,381,010	185,696	14,535,363
Head Office DEPZ Dollar Account	-	-	-	-
	<b>652,985</b>	<b>51,243,010</b>	<b>841,489</b>	<b>65,867,543</b>

# The Premier Bank Limited

Notes to the Financial Statements of Off-shore Banking Units for the year ended December 31, 2015

	2015		2014	
	USD	Taka	USD	Taka
<b>Contingent liabilities</b>				
<b>Acceptance &amp; endorsement</b>				
Back to Back bills	-	-	-	-
	-	-	-	-
Less: Margin	-	-	-	-
	-	-	-	-
<b>Letters of credits</b>				
Letters of credits	-	-	-	-
Customer liabilities PAD	-	-	-	-
Back to Back letter of credit	-	-	-	-
	-	-	-	-
Less: Margin	-	-	-	-
	-	-	-	-
<b>Letters of guarantee</b>				
Letters of guarantee (Local)	-	-	-	-
Letters of guarantee (Foreign)	-	-	-	-
Foreign counter guarantees	-	-	-	-
	-	-	-	-
Less: Margin	-	-	-	-
	-	-	-	-
<b>Bills for collection</b>				
Outward local bills for collection	-	-	-	-
Outward foreign bills for collection	-	-	-	-
Inward local bills for collection	-	-	-	-
Inward foreign bills for collection	-	-	-	-
	-	-	-	-
Less: Margin	-	-	-	-
	-	-	-	-
<b>8 Interest income</b>				
Loan (general)	1,425,540	110,794,141	1,542,242	120,719,005
LTR loan	-	-	-	-
Lease finance	-	-	-	-
Payment against documents	-	-	-	-
	-	-	-	-
<b>Interest on loans and advances</b>	1,425,540	110,794,141	1,542,242	120,719,005
Commission	-	-	2,959	231,607
Others operating income	20	1,554	3,061	239,632
Interest on balance with other banks and financial institutions	-	-	-	-
Interest received from foreign banks	-	-	-	-
	20	1,554	-	-
<b>Total income</b>	<b>1,425,560</b>	<b>110,795,696</b>	<b>1,548,262</b>	<b>121,190,244</b>
<b>9 Interest paid on deposits, borrowings, etc.</b>				
a) Interest paid on deposits	753,440	58,557,960	855,014	66,926,252
b) Interest paid on local bank accounts	-	-	-	-
c) Interest paid on foreign bank accounts	-	-	-	-
	<b>753,440</b>	<b>58,557,960</b>	<b>855,014</b>	<b>66,926,252</b>

## Premier Bank Securities Ltd.

Iqbal Centre (12<sup>th</sup> Floor)  
42, Kemal Ataturk Avenue  
Banani, Dhaka- 1213

Premier Bank Securities Limited  
Independent Auditors' Report and Financial Statements  
For the year ended December 31, 2015

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* Statement of Profit or Loss and Other Comprehensive Income	211
* Statement of Changes in Equity	212
* Statement of Cash Flows	213
* Notes to the Financial Statements	214-220

### K. M. HASAN & CO.

Chartered Accountants  
Home Town Apartment (8<sup>th</sup> & 9<sup>th</sup> Floor)  
87, New Eskaton Road, Dhaka-1000  
Phone : 9351457, 9351564  
E-mail: kmh\_co@yahoo.com  
Fax : 88-02-9345792  
Web: kmhasan.com

# Independent Auditors' Report

To the Shareholders of Premier Bank Securities Ltd.

We have audited the accompanying financial statements of **Premier Bank Securities Limited**, which comprise the statement of financial position as at 31 December 2015, 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 Exchanges Act, 1993, the Securities and 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 2015 and its financial performance and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Act, 1993, the Securities and Exchange Rules 1987, conditions and regulations issued by the Bangladesh Securities and Exchange Commission and other applicable laws and regulations.

We also report that:

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

Place: Dhaka

Dated: 28 March 2016

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

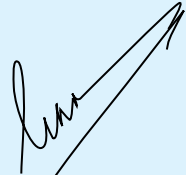
# Premier Bank Securities Ltd.

Statement of Financial Position As at December 31, 2015

		Amount in Taka	
	Notes	2015	2014
ASSETS			
Non-current assets			
Property, Plant & Equipment	5	2,567,039	3,021,578
Investment in Share with TREC	6	830,000,000	830,000,000
Investment in Dealer Account	7	96,085	100,000
		832,663,124	833,121,578
Current assets			
Margin Loan to Clients	8	2,466,876,701	2,152,575,406
Advances, Deposit & Prepayments	9	25,127,404	17,889,685
Accounts Receivable	10	705,797	67,658,924
Cash and Cash Equivalents	11	488,611,182	230,035,709
		2,981,321,084	2,468,159,724
Total assets		3,813,984,208	3,301,281,302
EQUITY AND LIABILITIES			
Capital and reserves			
Share Capital	12	500,000,000	500,000,000
Retained Earnings		39,439,869	26,835,315
		539,439,869	526,835,315
Non-current liabilities			
Long Term Loan	13	500,000,000	500,000,000
Current liabilities			
Short Term Loan From PBL	14	1,474,650,000	1,474,650,000
Accounts Payable	15	658,464,102	451,886,211
Provision for Expenses	16	391,171,787	225,220,672
Provision for Income Taxes	17	27,799,344	20,589,104
Other Liabilities	18	222,459,106	102,100,000
		2,774,544,339	2,274,445,987
Total equity and liabilities		3,813,984,208	3,301,281,302

The annexed notes form an integral part of these financial statements

FOR PREMIER BANK SECURITIES LIMITED.

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Managing Director and CEO

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

Place: Dhaka.  
Dated: 28 March 2016

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



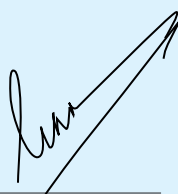
# Premier Bank Securities Ltd.

Statement of Profit or Lose and other Comprehensive Income For the year ended December 31, 2015

	Notes	Amount in Taka	
		2015	2014
Revenue	19	32,065,363	62,522,313
Less: Direct Expenses	20	5,580,192	8,779,077
<b>Gross Profit</b>		<b>26,485,171</b>	<b>53,743,236</b>
Less: Operating Expenses	21	105,195,505	104,807,346
<b>Operating Profit/ (Loss)</b>		<b>(78,710,334)</b>	<b>(51,064,110)</b>
Other Income	22	264,852,088	263,822,776
		186,141,754	212,758,666
Less: Financial Expenses	23	165,494,105	182,504,530
<b>Net Profit Before Income Tax</b>		<b>20,647,649</b>	<b>30,254,136</b>
Less: Provision for Income Tax	24	8,043,095	10,588,947
<b>Net Profit After Income Tax</b>		<b>12,604,554</b>	<b>19,665,188</b>
Add: Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>12,604,554</b>	<b>19,665,188</b>

The annexed notes form an integral part of these financial statements

FOR PREMIER BANK SECURITIES LIMITED.

  
Chairman

  
Director

  
Managing Director and CEO

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

Place: Dhaka.  
Dated: 28 March 2016

  
K. M. HASAN & CO.  
Chartered Accountants

## Premier Bank Securities Ltd.

Statement of Changes in Equity For the year ended December 31, 2015

Amount in Taka


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

For the year ended December 31, 2014

Amount in Taka

Particulars	Share capital	Retained earnings	Total
<b>Open Opening Balance as at 1 January, 2014</b>	500,000,000	7,158,344	507,158,344
Profit for the year	-	19,665,188	19,665,188
Prior year adjustment	-	11,783	11,783
<b>Balance as at 31 December, 2014</b>	<b>500,000,000</b>	<b>26,835,315</b>	<b>526,835,315</b>

FOR PREMIER BANK SECURITIES LIMITED.

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Managing Director and CEO

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

Place: Dhaka.  
Dated: 28 March 2016

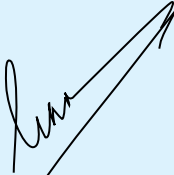
  
**K. M. HASAN & CO.**  
 Chartered Accountants

# Premier Bank Securities Ltd.

Statement of Cash Flows for the year ended December 31, 2015

	Amount in Taka	
	2015	2014
<b>A. Cash flows from operating activities</b>		
Profit before tax	20,647,649	30,254,136
Adjustment for non-cash items:		
Add: Depreciation	465,939	489,278
Add: Prior year adjustment	-	11,783
	21,113,588	30,755,197
Less: Gain on Fixed assets sale	21,113,588	
Less: Prior year adjustment for gratuity		
<b>Add/Less: Adjustment for changes in working capital:</b>		
Increase in Margin loan to client	(314,301,295)	(281,512,604)
Increase in advance, deposit & prepayments	(7,237,719)	(9,756,093)
Decrease in trade receivable	66,953,128	(67,392,169)
Increase in trade payable	206,577,892	132,306,629
Increase in other liabilities	120,359,106	102,100,000
Increase in provision for expenses	165,951,115	165,609,167
	238,302,226	41,354,931
Less: Income tax paid	(832,855)	-
	237,469,370	41,354,931
<b>Net Cash flow from operating activities</b>	<b>258,582,959</b>	<b>72,110,127</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(11,400)	(520,560)
Investment in Dealer Account	3,915	(100,000)
<b>Net Cash used by investing activities</b>	<b>(7,485)</b>	<b>(620,560)</b>
<b>C. Cash flows from financing activities</b>		
Share capital	-	-
Long term loan	-	-
Borrowing from PBL	-	-
<b>Net Cash flows from financing activities</b>	<b>-</b>	<b>-</b>
<b>Increase in cash and cash equivalents (A+B+C)</b>	<b>258,575,473</b>	<b>71,489,567</b>
Opening cash and cash equivalents	230,035,709	158,546,142
<b>Closing cash and cash equivalents</b>	<b>488,611,182</b>	<b>230,035,709</b>

FOR PREMIER BANK SECURITIES LIMITED.

  
Chairman

  
Director

  
Managing Director and CEO

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

Place: Dhaka.  
Dated: 28 March 2016

  
K. M. HASAN & CO.  
Chartered Accountants

# Premier Bank Securities Ltd.

Notes to the Financial Statements As at and for the year ended December 31, 2015

## 1. INTRODUCTION

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

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

## 2. PRINCIPAL ACTIVITIES

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

## 3. SIGNIFICANT ACCOUNTING POLICIES

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

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

### 3.1 Depreciation on Property, Plant & Equipment

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

### 3.2 Cash and Cash Equivalents

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

### 3.3 Statement of Cash Flows

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

## 4. GENERAL

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

# Premier Bank Securities Ltd.

Notes to the Financial Statements As at and for the year ended December 31, 2015

## 5. PROPERTY, PLANT AND EQUIPMENT

Particulars	COST			Rate (%)	DEPRECIATION			Written Down Value as at 31.12.2015
	Opening balance as at 01.01.2015	Addition during the year	Closing balance as at 31.12.2015		Opening balance as at 01.01.2015	Charged during the year	Closing balance as at 31.12.2015	
Office Equipment's	2,212,860	11,400	2,224,260	20	748,623	293,987	1,042,610	1,181,650
Software	485,000	-	485,000	20	181,640	60,672	242,312	242,688
Electrical Equipment's	11,900	-	11,900	20	5,807	1,219	7,026	4,874
IT Infrastructure	782,500	-	782,500	20	331,850	90,130	421,980	360,520
Land & Building	850,000	-	850,000	2.5	52,762	19,931	72,693	777,307
<b>Total as at 31.12.2015</b>	<b>4,342,260</b>	<b>11,400</b>	<b>4,353,660</b>		<b>1,320,682</b>	<b>465,939</b>	<b>1,786,621</b>	<b>2,567,039</b>
<b>Total as at 31.12.2014</b>	<b>3,821,700</b>	<b>520,560</b>	<b>4,342,260</b>		<b>831,404</b>	<b>489,278</b>	<b>1,320,682</b>	<b>3,021,578</b>

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

# Premier Bank Securities Ltd.

Notes to the Financial Statements As at and for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>6. INVESTMENT IN SHARE WITH TREC</b>			
Membership License-DSE		650,000,000	650,000,000
Membership License-CSE		180,000,000	180,000,000
		<b>830,000,000</b>	<b>830,000,000</b>
<b>7. INVESTMENT IN DEALER ACCOUNT</b>			
Share Investment		<b>96,085</b>	<b>100,000</b>
<b>8. MARGIN LOAN TO CLIENT</b>		<b>2,466,876,701</b>	<b>2,152,575,406</b>
<b>9. ADVANCE, DEPOSIT &amp; PREPAYMENTS</b>			
Advances (Note-9.1)		25,102,404	17,864,685
Deposit (Note-9.2)		25,000	25,000
		<b>25,127,404</b>	<b>17,889,685</b>
<b>9.1 Advances</b>			
AIT through DSE		19,339,964	15,495,344
AIT through CSE		59,018	41,527
AIT against Bank Interest Income		5,703,422	2,327,814
		25,102,404	17,864,685
<b>9.2 Deposit</b>			
Security Deposit against Clearing House-CSE		25,000	25,000
<b>10. ACCOUNTS RECEIVABLE</b>			
Receivable from DSE		(302,770)	55,186,763
Receivable from CSE		8,567	8,161
Interest Receivable on Bank Deposit		-	10,618,000
Interest Receivable on Margin Loan		1,000,000	1,800,000
Management Fees Receivable on Margin Loan			46,000
		<b>705,797</b>	<b>67,658,924</b>
<b>11. CASH AND CASH EQUIVALENTS</b>			
Cash in hand (Note 11.1)		85,276	95,072
Cash at bank (Note 11.2)		488,525,906	229,940,637
		<b>488,611,182</b>	<b>230,035,709</b>
<b>11.1 Cash in hand</b>			
Head Office		33,562	46,033
Gulshan extended Office of HO		9,308	5,695
Kakrail		4,408	2,068
Kawran Bazar		10,393	13,960
Kalabagan		8,977	6,318
Motijheel		5,717	10,889
O. R. Nizam Road (Ctg.)		12,911	10,109
		85,276	95,072
<b>11.2 Cash at bank</b>			
<b>The Premier Bank Ltd.(Banani Branch)</b>			
STD Account No. 1026		(307,600)	(307,600)
STD Account No. 2818		81,578	9,448
STD Account No. 1358		382,944,280	196,022,973
STD Account No. 2858		100,498,562	7,710,000
Revenue Account No. 65001		92,935	90,896
Revenue Account No. 2817		290,618	2,066,940
<b>The City Bank Ltd. (Banani Branch)</b>			
STD Account No. 5001		4,916,856	24,338,728
<b>The Bank Asia Ltd. (Paltan Branch)</b>			
STD Account No. 705		8,677	9,252
		<b>488,525,906</b>	<b>229,940,637</b>

# Premier Bank Securities Ltd.

Notes to the Financial Statements As at and for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>12. SHARE CAPITAL</b>			
<b>Authorised Capital</b>			
100,000,000 Ordinary Shares of Tk. 10 each		1,000,000,000	1,000,000,000
<b>Issued, Subscribed and Paid Up Capital</b>			
50,000,000 Ordinary Shares of Tk. 10 each		500,000,000	500,000,000
<b>Name of Shareholders</b>	<b>No. of Shares</b>		
The Premier Bank Ltd.	49,998,000	499,980,000	499,980,000
Mrs. Fauzia Rekza Banu	1,000	10,000	10,000
Mrs. Eliza Rahman	1,000	10,000	10,000
	<b>50,000,000</b>	<b>500,000,000</b>	<b>500,000,000</b>
<b>13. LONG TERM LOAN</b>			
Borrowing from Premier Bank Limited		500,000,000	500,000,000
<b>14. SHORT TERM LOAN FROM PBL</b>			
Borrowing from Margin Loan paid to Clients		1,081,650,000	1,081,650,000
Borrowing from Membership		393,000,000	393,000,000
		<b>1,474,650,000</b>	<b>1,474,650,000</b>
<b>15. ACCOUNTS PAYABLE</b>			
Payable to DSE		(2,161,290)	(2,240,037)
Payable to CSE		5,628	4,522
Payable to Leads Corporation		430,000	430,000
Payable to Dhaka Com.		130,500	106,950
Payable to Link 3		307,208	134,708
Payable to Clients (Clients Deposit)		658,092,889	448,877,979
Payable to CDBL		103,578	924,000
Payable to Issuer		-	198,000
Payable to Audit fees		100,000	100,000
Payable to PBL Adv. Office rent-H.O.		1,430,000	1,430,000
Payable to PBL Adv. Office rent-Gulshan		-	1,894,500
Payable to Salary-Kalabagan		13,675	13,675
Payable to Salary-Motijheel		11,914	11,914
		<b>658,464,102</b>	<b>451,886,211</b>
<b>16. PROVISION FOR EXPENSES</b>			
Provision for Interest on Borrowing		390,102,168	224,700,577
Provision for Expenses		1,069,619	520,095
		<b>391,171,787</b>	<b>225,220,672</b>
<b>17. PROVISION FOR INCOME TAXES</b>			
Opening balance		20,589,104	10,000,157
Add: Tax liabilities for the year		8,043,095	10,588,947
		28,632,199	20,589,104
Less: Payment During the Year		832,855	-
		<b>27,799,344</b>	<b>20,589,104</b>
<b>18. OTHER LIABILITIES</b>			
Opening balance		102,100,000	-
Add: Interest on Suspense's Account		120,359,106	102,100,000
		<b>222,459,106</b>	<b>102,100,000</b>

Liabilities made (to suspense A/C) against interest income-margin loan which was charged on the clients bearing negative equity.



# Premier Bank Securities Ltd.

Notes to the Financial Statements As at and for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>19. REVENUE</b>			
Commission Income	28,458,988	58,855,770	
Account Opening Fees	177,600	460,300	
BO Maintenance Fees	2,508,600	2,329,600	
CDBL Income	920,175	876,643	
	<b>32,065,363</b>	<b>62,522,313</b>	
<b>20. DIRECT EXPENSES</b>			
Howla Charges	-	498,412	
Laga Charges	2,069,685	3,225,764	
CDBL Charges-CDS bill	1,506,107	3,265,939	
CDBL Charges-BO Maintenance bill	2,004,400	1,788,962	
	<b>5,580,192</b>	<b>8,779,077</b>	
<b>21. OPERATING EXPENSES</b>			
Salary & Allowances	13,534,207	13,046,798	
Advertisement Expense	45,000	52,300	
Audit Fee	50,000	50,000	
Car Maintenance	368,724	368,724	
Casual Labour	1,003,926	929,695	
Conveyance	65,216	63,710	
DSE Monthly Expenses	12,562	9,691	
Electricity Bill	4,509,588	4,364,242	
Cheque Clearing Charge	3,190	-	
Festival Bonus	1,213,112	1,193,650	
Gas Bill	10,400	9,600	
Internet Bill	18,498	23,344	
Incentive Bonus	539,757	557,162	
Mobile Bill	139,085	96,481	
Network Connectivity Charge	1,139,295	1,367,388	
Office Expenses	318,214	360,310	
Office Maintenance	90,225	80,402	
Office Rent	80,235,025	80,222,497	
Journal & Periodicals	31,148	35,364	
Penalty to CSE	-	10,000	
PF Contribution by PBSL	192,123	178,273	
Postage & Courier	4,675	5,415	
Printing & Stationery	480,093	291,192	
Renewal & Registration	313,581	164,105	
Repair & Maintenance	20,000	31,700	
Legal & Professional Fees	5,200	399,110	
Stamp & Cartridge	-	20,323	
Telephone Bill	58,549	52,164	
Telephone Connection Charge -Gulshan	-	7,628	
Tour & Travel	1,330	2,800	
Wasa Bill	326,843	324,000	
Depreciation	465,939	489,278	
	<b>105,195,505</b>	<b>104,807,346</b>	

# Premier Bank Securities Ltd.

Notes to the Financial Statements As at and for the year ended December 31, 2015

		Amount in Taka	
		2015	2014
<b>22. OTHER INCOME</b>			
Interest Income on-Margin Loan		239,995,471	224,737,597
IPO Commission		97,542	4,268
Service Charges		7,509,448	17,474,021
Miscellaneous Income		153,300	4,617
Interest Income on Bank Deposit		17,096,327	21,602,273
		<b>264,852,088</b>	<b>263,822,776</b>
<b>23. FINANCE EXPENSES</b>			
Bank Charges		92,515	51,453
Interest Expenses on Margin loan from PBL		165,401,590	182,453,077
		<b>165,494,105</b>	<b>182,504,53</b>
<b>24. PROVISION FOR INCOME TAX</b>			
(i) Taxable Income			
Revenue		32,065,363	62,522,313
Other Income		264,852,088	263,822,776
Total Income		296,917,451	326,345,089
Less: Brokerage Commission		28,458,988	58,855,770
		<b>268,458,463</b>	<b>267,489,319</b>
(ii) Tax liability (Minimum Tax calculation)			
AIT brokerage Commission U/S 82 (C)		3,862,111	8,002,075
AIT against interest income		3,375,609	1,754,018
On Taka 268,458,463 @.30% for the year(Sec.-16CCC)		805,375	802,148
Tax liability		<b>8,043,095</b>	<b>10,558,241</b>
(iii) Tax liability (Based on Taxable profit)			
Net Profit before tax @ 35%		<b>7,226,677</b>	<b>10,588,947</b>

# Premier Bank Securities Ltd.

Notes to the Financial Statements As at and for the year ended December 31, 2015

## 25. ALLOTMENT OF ORDINARY SHARES

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

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


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

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

## 26. EVENTS AFTER REPORTING PERIOD

- (a) The Board of Directors of the company in its meeting held on 28 March 2016 approved the financial statements of the company for the year ended December 31, 2015 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

Signed in terms of our report of even date annexed.

Place: Dhaka.  
Dated: 28 March 2016

  
K. M. HASAN & CO.  
Chartered Accountants

# Premier Money Transfer Company Limited

Subsidiary of The Premier Bank Limited, Bangladesh

Registered in England & Wales  
Registration Number: 07085086

Financial Statements  
For The Year Ended December 31, 2015

## DIRECTORS

DR HEFJUL BARI MOHAMMAD IQBAL  
ABU HANIFF KHAN

## REGISTERED OFFICE

WHITECHAPEL TECHNOLOGY CENTRE  
75, WHITECHAPEL ROAD  
LONDON  
E1 1DU

## COMPANY NUMBER

07085086

## BANKERS

HABIB BANK UK

## ACCOUNTANTS

Jahan & Co.  
Chartered Management Accountants  
22 Osborn Street  
London  
E1 6TD

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# Premier Money Transfer Company Limited

## Directors' Report For The Year Ended December 31, 2015

The directors present their report and accounts for the year ended December 31, 2015

### PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was money Remittance & Bureau De Change.

### DIRECTORS

The directors who served during the year and their interests in the share capital of the company were as follows:

	2015 No.	2014 No.
DR HEFJUL BARI MOHAMMAD IQBAL	0	0
ABU HANIFF KHAN (Resigned on 14.05.15)	0	0

### DIRECTORS RESPONSIBILITIES

Company Law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It was decided to wind up the company as per the resolution of the executive committee of the Board of Directors of the Premier Bank Limited held on 29th July 2015.

The report of the directors has been prepared in accordance with the special provisions within Part 15 of the Companies Act 2006.

This report was approved by the board on 20 January 2016



Dr Hefjul Bari Mohammad Iqbal  
Director

## Premier Money Transfer Company Limited

### ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED ACCOUNTS OF PREMIER MONEY TRANSFER COMPANY LIMITED, FOR THE YEAR ENDED 31 DECEMBER 2015

In order to assist you to fulfill your duties under the Companies Act 2006, we have prepared for your approval the accounts of PREMIER MONEY TRANSFER COMPANY LIMITED for the year ended 31 December 2015 as set out on pages 224 to 229 from the company's accounting records and from information and explanations you have given us.

As a practising member of the Chartered Institute of Management Accountants (CIMA), we are subject to its ethical and other professional requirements which are detailed on their website.

This report is made solely to the Board of Directors of PREMIER MONEY TRANSFER COMPANY LIMITED, as a body, in accordance with the terms of our engagement letter dated. Our work has been undertaken solely to prepare for your approval the accounts of PREMIER MONEY TRANSFER COMPANY LIMITED and state those matters that we have agreed to state to the Board of Directors of PREMIER MONEY TRANSFER COMPANY LIMITED, as a body, in this report, in accordance with the requirements of the Chartered Institute of Management Accountants (CIMA) as detailed on their website. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than PREMIER MONEY TRANSFER COMPANY LIMITED and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that PREMIER MONEY TRANSFER COMPANY LIMITED has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profitability of PREMIER MONEY TRANSFER COMPANY LIMITED. You consider that PREMIER MONEY TRANSFER COMPANY LIMITED is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of PREMIER MONEY TRANSFER COMPANY LIMITED. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



**Jahan & Co.**  
Chartered Management Accountants  
22 Osborn Street  
London  
E1 6TD  
20 January 2016

# Premier Money Transfer Company Limited

Profit and Loss Account for the Year Ended December 31, 2015

	<u>Notes</u>	2015	2014
		£	£
<b>Turnover</b>	2	51,470	43,076
<b>GROSS PROFIT</b>		<b>51,470</b>	<b>43,076</b>
Distribution costs		(32)	(1,809)
Administrative expenses		(155,855)	(131,834)
<b>OPERATING LOSS</b>	3	<b>(104,417)</b>	<b>(90,567)</b>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(104,417)</b>	<b>(90,567)</b>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(104,417)</b>	<b>(90,567)</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(104,417)</b>	<b>(90,567)</b>



# Premier Money Transfer Company Limited

Balance Sheet as at December 31, 2015

	Notes	2015		2014	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	5			-	18,470
<b>CURRENT ASSETS</b>					
Debtors (amounts falling due within one year)	6	-		5,746	
Debtors (amounts falling due after more than one year)	6	-		7,009	
Cash at bank and in hand		-		6,552	
				19,307	
<b>CREDITORS: Amounts falling due within one year</b>	7	172,771		106,131	
<b>NET CURRENT (LIABILITIES)</b>			(172,771)		(86,824)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(172,771)		(68,354)
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		267,769		267,769
Profit and loss account	9		(440,540)		(336,123)
<b>SHAREHOLDERS' FUNDS</b>			(172,771)		(68,354)

For the year ending 31 December 2015 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the board on 20 January 2016 and signed on their behalf by



**DR HEFJUL BARI MOHAMMAD IQBAL**  
Director



**ABU HANIFF KHAN**  
Director

# Premier Money Transfer Company Limited

Notes to the Accounts for the Year Ended December 31, 2015

## 1. ACCOUNTING POLICIES

### 1a. Basis Of Accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

### 1b. Cash Flow Statement

The Company is exempt from including a statement of cash flows in its accounts in accordance with Financial Reporting Standard for Smaller Entities (effective January 2015).

### 1c. Going Concern

The financial statements indicate that the company had net liabilities at the period end. The main creditor is the parent company. as the company has not been making any profit since inception, the director of the company has decided to wind up. Accordingly, the director does not adopt the going concern basis of accounting.

### 1d. Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant and Machinery	reducing balance 20%
Fixtures and Fittings	reducing balance 20%

### 1e. Turnover

Turnover represents the total invoice value of commission charged during the period. Income is recognised when funds received are remitted to the recipient.

## 2. TURNOVER

The turnover and pre-tax result is attributable to Money Remittance & Bureau De Change.

	2015	2014
	£	£
Remittance Commission	36,732	41,809
Exchange Gains	14,443	1,267
Other trading income	295	-
	<u>51,470</u>	<u>43,076</u>
<b>3. OPERATING PROFIT</b>		
Operating Profit is stated after charging:		
Exceptional Payments	4,700	-
Depreciation	-	4,620
	<u>4,700</u>	<u>4,620</u>

Exceptional payments represent the Dilapidation Costs which arose as a result of reinstating the premises to its previous condition in accordance with the lease agreement.

## 4. TAX ON ORDINARY ACTIVITIES

# Premier Money Transfer Company Limited

Notes to the Accounts for the Year Ended December 31, 2015

## 5. TANGIBLE FIXED ASSETS

	Plant and Machinery	Fixtures and Fittings	Total
	£	£	£
<b>Cost</b>			
At 1 January 2015	4,338	41,386	45,724
Disposals	(4,338)	(41,386)	(45,724)
At 31 December 2015	-	-	-
<b>Depreciation</b>			
At 1 January 2015	2,416	24,793	27,254
Disposals	(2,416)	(24,793)	(27,254)
At 31 December 2015	-	-	-
<b>Net Book Amounts</b>			
At 31 December 2015	-	-	-
At 31 December 2014	1,877	16,593	18,470

During the period all assets were disposed as the company is closing down. £1260 was received from the sale of the fixed assets.

	2015	2014
	£	£
<b>6. DEBTORS</b>		
Amounts falling due within one year:		
Other debtors	-	5,746
	-	5,746
Amounts falling due after more than one year;		
Rent Deposit	-	7,009
	-	7,009
<b>7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
TT Payable	172,771	103,821
Taxation and social security	-	1,560
Accruals	-	750
	<b>172,771</b>	<b>106,131</b>
<b>8. SHARE CAPITAL</b>		
Allotted, issued and fully paid:		
267,769 Ordinary shares of £1 each	267,769	267,769
	<b>267,769</b>	<b>267,769</b>
<b>9. PROFIT AND LOSS RESERVE</b>		
Opening balance	(336,123)	(245,556)
Loss for the year	(104,417)	(90,567)
	<b>(440,540)</b>	<b>(336,123)</b>

## 10. CONTROLLING PARTY

Premier Bank Limited, Bangladesh, is the ultimate holding company by virtue of its ownership of 100% of the issued share capital.

# Premier Money Transfer Company Limited

Trading and Profit and Loss Account for the Year Ended December 31, 2015

	2015		2014	
	£	£	£	£
Turnover		51,470		43,076
Cost of Sales:				
Gross Profit		51,470		43,076
		51,470		43,076
Less:				
Distribution costs	32		1,809	
Administrative expenses	155,855		131,834	
		155,887		133,643
Net loss for the year before taxation		(104,417)		(90,567)
Net loss for the year after taxation		(104,417)		(90,567)
Retained losses brought forward		(336,123)		(245,556)
Retained losses carried forward		(440,540)		(336,123)

This page does not form part of the Company's Statutory Accounts and is prepared for the information of the Directors only.

# Premier Money Transfer Company Limited

Profit and Loss Account Summaries for the Year Ended December 31, 2015

	2015	2014
	£	£
<b>Distribution Costs:</b>		
Advertising and sales promotion	-	90
Staff Cost	32	1,719
	32	1,809
<b>Administrative Expenses:</b>		
Water, Heat and Light	1,326	1,908
Rent and Rates	33,062	41,304
Cleaning	30	165
Repairs and renewals	18	212
Wages - regular	50,069	51,484
Accountancy fees	2,750	3,000
Professional fees	5,000	156
Insurance	1,135	594
Stationery & office supplies	159	525
Telephone, Internet and Fax	1,286	1,158
Fees & Subscriptions	1,248	715
Security costs	282	406
Bank charges	37,580	25,406
Dilapidation Cost	4,700	-
Fine & penalties	-	181
<b>Depreciation and Amortisation:</b>		
Depreciation of plant and machinery	-	472
Depreciation of Fixtures and Fittings	-	4,148
Loss on plant and machinery disposal	1,237	-
Loss on fixtures and fittings disposal	15,973	-
	155,855	131,834

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