

Financials -2010

(Auditors' Report to the Shareholders)



Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Correspondent Firm to Deloitte Touche Tohmatsu

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE PREMIER BANK LIMITED

We have audited the accompanying financial statements of Premier Bank Limited (the "Bank") which comprise the balance sheet as at 31 December 2010, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies, other explanatory notes and annexure.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' 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. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 judgement, 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 principles 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 opinion.

Opinion

In our opinion, the financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Bank's affairs as at 31 December 2010 and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994 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 Bank 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 branches not visited by us;
- c) the Bank's Balance Sheet and Profit and Loss Account together with the annexed notes 1 to 42 dealt with by the report are in agreement with the books of account and returns;

- d) the expenditure incurred was for the purpose of the Bank's operations;
- e) the financial position of the Bank as at 31 December 2010 and the profit for the year then ended have been properly reflected in the financial statements, the financial statements have been prepared in accordance with the generally accepted accounting principles;
- f) the financial statements have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- g) adequate provisions have been made for advances and other assets which are in our opinion, doubtful of recovery;
- h) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- j) the information and explanations required by us have been received and found satisfactory;
- k) 80% of the risk weighted assets have been reviewed by us spending 3,650 man hours;
- l) the capital adequacy ratio (CAR), as required by law, has been maintained adequately during the year.

□
Dhaka, 01 March 2011□

Hoda Vasi Chowdhury
Hoda Vasi Chowdhury & Co
Chartered Accountants

The Premier Bank Limited

Consolidated Balance Sheet as at 31 December 2010

		Amount in Taka	
	Note	2010	2009
PROPERTY AND ASSETS			
Cash	3	3,706,403,939	3,603,115,809
In hand (including foreign currencies)	3.1	489,589,724	384,326,638
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	3,216,814,215	3,218,789,171
Balance with other banks and financial institutions	4(a)	3,358,902,674	752,698,151
In Bangladesh		2,442,217,030	619,161,710
Outside Bangladesh		916,685,644	133,536,441
Money at call on short notice	5	2,140,000,000	920,000,000
Investments	6	10,195,000,425	6,513,012,747
Government securities	6.1	7,289,197,004	5,872,651,285
Others	6.2	2,905,803,421	640,361,462
Loans and advances	7(a)	46,400,574,078	33,664,587,265
Loans, cash credits, overdrafts, etc		40,376,712,865	32,410,471,401
Bills purchased and discounted		6,023,861,213	1,254,115,864
Fixed assets including premises, furniture and fixtures	8	652,524,875	529,550,014
Other assets	9	1,786,941,660	1,360,271,858
Non-banking assets		-	-
Total Assets		68,240,347,651	47,343,235,844
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	2,388,876,025	1,930,995,165
Deposits and other accounts	11(a)	54,691,466,383	37,381,956,159
Savings bank deposits		3,023,987,904	3,086,993,046
Fixed deposits		38,384,242,957	24,866,054,323
Current deposits and other accounts		12,214,133,147	8,908,456,271
Bills payable		1,069,102,375	520,452,519
Other liabilities	12(a)	4,882,889,511	3,392,240,363
Total Liabilities		61,963,231,919	42,705,191,687
Capital/ Shareholders' Equity			
Paid-up capital	13	2,914,970,312	2,242,284,912
Statutory reserve	14	1,651,254,947	1,148,592,394
Other reserve	15	300,673,331	433,619,919
Retained earnings	16(a)	1,410,217,142	813,546,932
Total Shareholders' Equity		6,277,115,732	4,638,044,157
Total Liabilities and Shareholders' Equity		68,240,347,651	47,343,235,844

The Premier Bank Limited

Consolidated Balance Sheet as at 31 December 2010

		Amount in Taka	
	Note	2010	2009
Off-Balance Sheet Items			
Contingent Liabilities		24,737,580,086	16,398,088,630
Acceptances and endorsements		7,468,823,338	4,930,706,869
Letters of guarantee	17.1	5,580,545,427	4,631,783,795
Irrevocable letters of credit		10,780,189,873	6,239,439,226
Bills for collection		372,539,448	537,616,740
Other contingent liabilities	17.2	535,482,000	58,542,000
Other commitments	18	1,206,630,900	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchase and forward deposits placement		-	-
Spot and forward foreign exchange contracts		1,206,630,900	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet Items		25,944,210,986	16,398,088,630

These Financial Statement should be read in conjunction with the annexed note.


Chairman


Director


Director


Director


Managing Director

See annexed auditors' report to the shareholders of date

Dhaka, 01 March 2011


Hoda Vasi Chowdhury & Co
Chartered Accountants

The Premier Bank Limited

Consolidated Profit and Loss Statement for the year ended 31 December 2010

		Amount in Taka	
	Note	2010	2009
OPERATING INCOME			
Interest income/profit on islamic investments	20(a)	4,979,096,308	4,243,638,170
Interest paid on deposits, borrowings, etc	21(a)	(3,474,331,176)	(3,309,515,842)
Net interest income		1,504,765,132	934,122,328
Investment income	22	1,826,345,437	584,842,003
Commission, exchange and brokerage	23	709,515,239	580,970,620
Other operating income	24	735,825,602	353,469,671
		3,271,686,278	1,519,282,294
Total Operating Income (A)		4,776,451,410	2,453,404,622
OPERATING EXPENSES			
Salary and allowances	25	607,236,741	499,306,799
Rent, taxes, insurance, electricity, etc	26	469,981,685	232,507,172
Legal expenses	27	2,082,979	3,194,763
Postage, stamps, telecommunication, etc	28	28,545,969	26,034,126
stationery, Printing, advertisement, etc	29	213,779,228	104,247,756
Chief executive's salary and fees	30	5,787,095	7,275,798
Directors' fees	31	2,810,000	1,812,000
Auditors' fee		244,144	158,360
Charges on loan losses (Annexure-E)		256,238,731	48,411,718
Depreciation and repair of Bank's assets	32	83,865,235	54,815,776
Other expenses	33	245,895,336	83,775,240
Total Operating Expenses (B)		1,916,467,143	1,061,539,508
Profit before provision (C = A-B)		2,859,984,267	1,391,865,114
Provision against loans and advances	34	261,600,000	(314,926,163)
Provision for off-balance sheet items	12.3	81,396,416	21,239,206
Provision for investment in shares	12.4.4	2,500,000	-
Other provisions	12.4.2	(13,330,410)	5,691,836
Total provision (D)		332,166,006	(287,995,121)
Profit before taxation (C-D)		2,527,818,261	1,679,860,235
Provision for taxation	12.5		
Current tax		753,800,498	580,006,015
Deferred tax		1,999,600	11,536,660
		755,800,098	591,542,675
Profit after taxation		1,772,018,163	1,088,317,560
Retained earnings brought forward		813,546,932	555,892,595
Profit available for appropriation		2,585,565,095	1,644,210,155
Appropriations			
Statutory reserve	14	502,662,553	278,373,023
Issue of bonus shares	16	672,685,400	552,290,200
		1,175,347,953	830,663,223
Retained earnings carried forward		1,410,217,142	813,546,932
Earnings per share (EPS)	35(a)	6.08	3.73

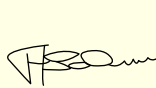
These Financial Statement should be read in conjunction with the annexed notes.



Chairman



Director



Director



Director



Managing Director

See annexed Auditors' Report to the shareholders of date


Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 01 March 2011

The Premier Bank Limited

Consolidated Cash Flow Statement for the year ended 31 December 2010

		Amount in Taka	
	Note	2010	2009
Cash Flows from Operating Activities			
Interest received in cash		6,805,441,744	4,828,480,173
Interest paid	21(a)	(3,474,331,176)	(3,309,515,842)
Fee and commission received in cash	19	373,167,379	296,637,923
Payments to employees		(563,023,836)	(466,582,596)
Payments to suppliers		(232,571,910)	(114,964,531)
Income taxes paid	12.5	(559,169,124)	(598,981,826)
Receipts from other operating activities	24	735,825,602	353,469,671
Payments for other operating activities		(1,011,276,404)	(399,522,879)
Cash generated from operating activities before changes in operating assets and liabilities		2,074,062,275	589,020,093
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(12,735,986,813)	(3,345,059,953)
Other assets		(426,669,802)	(927,328,094)
Deposits from other banks		1,171,544,477	1,826,894,999
Deposits from customers		16,595,846,607	5,322,338,494
Other liabilities		917,329,728	207,637,166
		5,522,064,197	3,084,482,612
Net cash from operating activities (A)		7,596,126,472	3,673,502,705
Cash Flows from Investing Activities			
Purchase/sale of trading securities, shares, bonds, etc		(2,265,441,959)	(455,242,462)
Purchase of property, plant and equipment		(188,047,414)	(274,802,596)
Net cash used in investing activities (B)		(2,453,489,373)	(730,045,058)
Cash Flows from Financing Activities			
Dividend paid		-	-
Issue of shares		-	-
Net cash from financing activities (C)		-	-
Net increase in cash (A+B+C)		5,142,637,099	2,943,457,647
Effects of exchange rate changes on cash and cash equivalents	23	336,347,860	284,332,697
Cash and cash equivalents at beginning of the year		10,714,845,326	7,487,054,982
Cash and cash equivalents at end of the year (*)		16,193,830,285	10,714,845,326
(*) Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currencies)	3.1	489,589,724	384,326,638
Investments in government securities		6,988,523,673	5,439,031,366
Money at call on short notice	5	2,140,000,000	920,000,000
Balance with Bangladesh Bank and its agent bank(s)	3.2	3,216,814,215	3,218,789,171
Balance with other banks and financial institutions	4(a)	3,358,902,673	752,698,151
		16,193,830,285	10,714,845,326
Net operating cash flow per share (NOCFPS)	35.1(a)	7.12	2.02

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


Chairman



Director


Director


Director


Managing Director

See annexed auditors' report to the shareholders of date


Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 01 March 2011

The Premier Bank Limited

Consolidated Statement of Changes in Equity for the year ended 31 December 2010

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Other reserve	Retained earnings	Total
Balance at 01 January 2010	2,242,284,912	1,148,592,394	433,619,919	813,546,932	4,638,044,157
Effects of changes in accounting policy	-	-	-	-	-
Restated balance	2,242,284,912	1,148,592,394	433,619,919	813,546,932	4,638,044,157
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	(132,946,588)	-	(132,946,588)
Currency translation differences	-	-	-	-	-
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-
Net profit for the year	-	-	-	1,772,018,163	1,772,018,163
Payment of cash dividend	-	-	-	-	-
Transfer to statutory reserve	-	502,662,553	-	(502,662,553)	-
Transfer to general and other reserve	-	-	-	-	-
Issue of bonus shares for 2009	672,685,400	-	-	(672,685,400)	-
New issue of shares through IPO	-	-	-	-	-
Balance at 31 December 2010	2,914,970,312	1,651,254,947	300,673,331	1,410,217,142	6,277,115,732
Balance at 31 December 2009	2,242,284,912	1,148,592,394	433,619,919	813,546,932	4,638,044,157

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


Chairman


Director


Director


Managing Director

The Premier Bank Limited

Balance Sheet as at 31 December 2010

		Amount in Taka	
	Note	2010	2009
PROPERTY AND ASSETS			
Cash	3	3,706,403,939	3,603,115,809
In hand (including foreign currencies)	3.1	489,589,724	384,326,638
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	3,216,814,215	3,218,789,171
Balance with other banks and financial institutions	4	3,338,907,387	752,698,151
In Bangladesh	4.2	2,422,221,743	619,161,710
Outside Bangladesh	4.3	916,685,644	133,536,441
Money at call on short notice	5	2,140,000,000	920,000,000
Investments	6	10,195,000,425	6,513,012,747
Government securities	6.1	7,289,197,004	5,872,651,285
Others	6.2	2,905,803,421	640,361,462
Loans and advances	7	44,939,342,042	33,664,587,265
Loans, cash credits, overdrafts, etc	7.2	39,668,360,746	32,410,471,401
Bills purchased and discounted	7.9	5,270,981,296	1,254,115,864
Fixed assets including premises, furniture and fixtures	8	652,524,875	529,550,014
Other assets	9	1,786,941,660	1,360,271,858
Non-banking assets		-	-
Total Assets		66,759,120,328	47,343,235,844
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	2,388,876,025	1,930,995,165
Deposits and other accounts	11	53,977,802,766	37,381,956,159
Savings bank deposits		3,023,987,904	3,086,993,046
Fixed deposits		38,384,242,957	24,866,054,323
Current deposits and other accounts		11,500,469,530	8,908,456,271
Bills payable		1,069,102,375	520,452,519
Other liabilities	12	4,129,831,302	3,392,240,363
Total Liabilities		60,496,510,093	42,705,191,687
Capital/ Shareholders' Equity			
Paid-up capital	13	2,914,970,312	2,242,284,912
Statutory reserve	14	1,651,254,947	1,148,592,394
Other reserve	15	300,673,331	433,619,919
Retained earnings	16	1,395,711,645	813,546,932
Total Shareholders' Equity		6,262,610,235	4,638,044,157
Total Liabilities and Shareholders' Equity		66,759,120,328	47,343,235,844

The Premier Bank Limited

Balance Sheet as at 31 December 2010

		Amount in Taka	
	Note	2010	2009
Off-Balance Sheet Items			
Contingent Liabilities		24,737,580,086	16,398,088,630
Acceptances and endorsements		7,468,823,338	4,930,706,869
Letters of guarantee	17.1	5,580,545,427	4,631,783,795
Irrevocable letters of credit		10,780,189,873	6,239,439,226
Bills for collection		372,539,448	537,616,740
Other contingent liabilities	17.2	535,482,000	58,542,000
Other commitments	18	1,206,630,900	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchase and forward deposits placement		-	-
Spot and forward foreign exchange contracts		1,206,630,900	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet Items		25,944,210,986	16,398,088,630

These Financial Statement should be read in conjunction with the annexed note.



Chairman



Director



Director



Director



Managing Director

See annexed auditors' report to the shareholders of date



Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 01 March 2011

The Premier Bank Limited

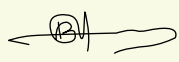
Profit and Loss Statement for the year ended 31 December 2010

		Amount in Taka	
	Note	2010	2009
OPERATING INCOME			
Interest income/profit on islamic investments	20	4,950,670,894	4,243,638,170
Interest/profit paid on deposits, borrowings, etc	21	(3,460,411,259)	(3,309,515,842)
Net interest income		1,490,259,635	934,122,328
Investment income	22	1,826,345,437	584,842,003
Commission, exchange and brokerage	23	709,515,239	580,970,620
Other operating income	24	735,825,602	353,469,671
		3,271,686,278	1,519,282,294
Total Operating Income (A)		4,761,945,913	2,453,404,622
OPERATING EXPENSES			
Salary and allowances	25	607,236,741	499,306,799
Rent, taxes, insurance, electricity, etc	26	469,981,685	232,507,172
Legal expenses	27	2,082,979	3,194,763
Postage, stamps, telecommunication, etc	28	28,545,969	26,034,126
Stationery, printing, advertisement, etc	29	213,779,228	104,247,756
Chief executive's salary and fees	30	5,787,095	7,275,798
Directors' fees	31	2,810,000	1,812,000
Auditors' fee		244,144	158,360
Charges on loan losses (Annexure-E)		256,238,731	48,411,718
Depreciation and repair of Bank's assets	32	83,865,235	54,815,776
Other expenses	33	245,895,336	83,775,240
Total Operating Expenses (B)		1,916,467,143	1,061,539,508
Profit before provision (C = A-B)		2,845,478,770	1,391,865,114
Provision for loans and advances	34	261,600,000	(314,926,163)
Provision for off-balance sheet items	12.3	81,396,416	21,239,206
Provision for investment in shares	12.4.4	2,500,000	-
Other provisions	12.4.2	(13,330,410)	5,691,836
Total provision (D)		332,166,006	(287,995,121)
Profit before taxation (C-D)		2,513,312,764	1,679,860,235
Provision for taxation	12.5		
Current tax		753,800,498	580,006,015
Deferred tax		1,999,600	11,536,660
		755,800,098	591,542,675
Profit after taxation		1,757,512,666	1,088,317,560
Retained earnings brought forward		813,546,932	555,892,595
Profit available for appropriation		2,571,059,598	1,644,210,155
Appropriations			
Statutory reserve	14	502,662,553	278,373,023
Issue of bonus shares	16	672,685,400	552,290,200
		1,175,347,953	830,663,223
Retained earnings carried forward		1,395,711,645	813,546,932
Earnings per share (EPS)	35	6.03	3.73

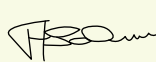
These Financial Statement should be read in conjunction with the annexed notes.



Chairman



Director



Director



Director



Managing Director

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Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 01 March 2011

The Premier Bank Limited

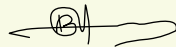
Cash Flow Statement for the year ended 31 December 2010

		Amount in Taka	
	Note	2010	2009
Cash Flows from Operating Activities			
Interest received in cash		6,777,016,331	4,828,480,173
Interest paid	21	(3,460,411,259)	(3,309,515,842)
Fee and commission received in cash	19	373,167,379	296,637,923
Payments to employees		(563,023,836)	(466,582,596)
Payments to suppliers		(232,571,910)	(114,964,531)
Income taxes paid	12.5	(559,169,124)	(598,981,826)
Receipts from other operating activities	24	735,825,602	353,469,671
Payments for other operating activities		(1,011,276,404)	(399,522,879)
Cash generated from operating activities before changes in operating assets and liabilities		2,059,556,779	589,020,093
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(11,274,754,777)	(3,345,059,953)
Other assets		(426,669,802)	(927,328,094)
Deposits from other banks		457,880,860	1,826,894,999
Deposits from customers		16,595,846,607	5,322,338,494
Other liabilities		164,271,519	207,637,166
		5,516,574,407	3,084,482,612
Net cash from operating activities (A)		7,576,131,186	3,673,502,705
Cash Flows from Investing Activities			
Purchase/sale of trading securities, shares, bonds, etc		(2,265,441,959)	(455,242,462)
Purchase of property, plant and equipment		(188,047,414)	(274,802,596)
Net cash used in investing activities (B)		(2,453,489,373)	(730,045,058)
Cash Flows from Financing Activities			
Dividend paid		-	-
Issue of shares		-	-
Net cash from financing activities (C)		-	-
Net increase in cash (A+B+C)		5,122,641,813	2,943,457,647
Effects of exchange rate changes on cash and cash equivalents	23	336,347,860	284,332,697
Cash and cash equivalents at beginning of the year		10,714,845,326	7,487,054,982
Cash and cash equivalents at end of the year (*)		16,173,834,999	10,714,845,326
(*) Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currencies)	3.1	489,589,724	384,326,638
Investments in government securities		6,988,523,673	5,439,031,366
Money at call on short notice	5	2,140,000,000	920,000,000
Balance with Bangladesh Bank and its agent bank(s)	3.2	3,216,814,215	3,218,789,171
Balance with other banks and financial institutions	4	3,338,907,387	752,698,151
		16,173,834,999	10,714,845,326
Net operating cash flow per share (NOCFPS)	35.1	7.07	2.02

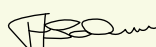
These Financial Statement should be read in conjunction with the annexed notes. -



Chairman



Director



Director

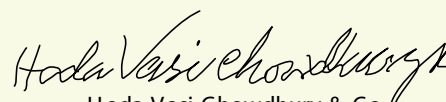


Director



Managing Director

See annexed auditors' report to the shareholders of date



Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 01 March 2011

The Premier Bank Limited

Statement of Changes in Equity for the year ended 31 December 2010

Particulars	Paid-up capital	Statutory reserve	Other reserve	Retained earnings	Amount in Taka	
					Total	
Balance at 01 January 2010	2,242,284,912	1,148,592,394	433,619,919	813,546,932	4,638,044,157	
Effects of changes in accounting policy	-	-	-	-	-	
Restated balance	2,242,284,912	1,148,592,394	433,619,919	813,546,932	4,638,044,157	
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	
Surplus/deficit on account of revaluation of investments	-	-	(132,946,588)	-	(132,946,588)	
Currency translation differences	-	-	-	-	-	
Net gains and losses not recognised in the Profit and Loss Statement	-	-	-	-	-	
Net profit for the year	-	-	-	1,757,512,666	1,757,512,666	
Payment of cash dividend	-	-	-	-	-	
Transfer to statutory reserve	-	502,662,553	-	(502,662,553)	-	
Transfer to general and other reserve	-	-	-	-	-	
Issue of bonus shares for 2009	672,685,400	-	-	(672,685,400)	-	
New Issue of shares through IPO	-	-	-	-	-	
Balance at 31 December 2010	2,914,970,312	1,651,254,947	300,673,331	1,395,711,645	6,262,610,235	
Balance at 31 December 2009	2,242,284,912	1,148,592,394	433,619,919	813,546,932	4,638,044,157	

These Financial Statement 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) at 31 December 2010

Particulars	Amount in Taka				
	Up to 1 month's maturity	1-3 months' maturity	3-12 months' maturity	1-5 years' maturity	More than 5 years' maturity
Assets					
Cash	489,589,724	-	-	-	-
Balance with other banks and financial institutions	1,499,821,602	-	2,400,000,000	2,655,900,000	-
Money at call on short notice	2,140,000,000	-	-	-	-
Investments	3,875,277,730	-	619,990,000	5,699,732,695	-
Loans and advances	11,178,900,000	9,640,200,000	13,521,100,000	5,888,300,000	4,710,842,042
Fixed assets including premises, furniture and fixture	-	-	-	6,206,581	646,318,294
Other assets	532,800,000	146,945,075	307,754,925	799,441,660	-
Non-banking assets	-	-	-	-	-
Total Assets (A)	19,716,389,056	9,787,145,075	16,848,844,925	15,049,580,936	5,357,160,336
Liabilities					
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	-	-	-	2,388,876,025	-
Deposits and other accounts	19,314,607,362	9,092,604,777	16,022,864,487	7,456,618,778	2,091,107,362
Provision and other liabilities	91,629,340	229,052,601	540,948,840	2,776,600,521	491,600,000
Total Liabilities (B)	19,406,236,702	9,321,657,378	16,563,813,327	12,622,095,324	2,582,707,362
Net Liquidity Excess/(Shortage) (C=A-B)	310,152,354	465,487,697	285,031,598	2,427,485,612	2,774,452,974

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


Chairman


Director


Director


Director


Managing Director

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

1.00 STATUS OF THE BANK

1.01 The Bank and its activities

The Premier Bank Ltd.(the "Bank") is a scheduled commercial bank in the private sector established under the Bank Companies Act 1991 and incorporated in Bangladesh as a public limited company to carry out banking business in Bangladesh.

The Bank has 44 branches and 8 SME Service Centres with no overseas branch as on 31 December, 2010. 4 branches & 2 SME Service Centres will be opened by March'2011.Out of the 44 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.The Premier Bank Ltd. offers service for all commercial banking needs of the customers which includes deposit banking, loans and advances, export import financing, inland and international remittance facility etc. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company.

"The Bank launched its brokerage business from December 2009 through its Brokerage Division and this Division was subsequently seperated from the Bank through incorporating a private Limited Company named Premier Bank Securities Limited. The Bank is awaiting SEC approval before starting the formal operation of "Premier Bank Securities Limited"

2.00 Significant Accounting Policies

2.01 Basis of preparation of the financial statements

The financial statements, namely, Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Statement of Liquidity Analysis and relevant notes and disclosures thereto of the Bank are prepared under historical cost convention except investments and in accordance with First Schedule of Bank Companies Act 1991, relevant Bangladesh Bank circulars, International Accounting Standards (IASs), adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), named as Bangladesh Accounting Standards (BASs), the Companies Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987 and other laws and rules applicable thereto. Wherever appropriate, such principles are explained in succeeding notes.

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.

2.02 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 Bank Companies Act 1991, Bangladesh Accounting Standards. A separate balance sheet and profit and loss account are shown in Annexure-A and figures under different heads appearing in the annexure have been converted into relevant heads of accounts under conventional banking for consolidation and incorporation.

2.03 Consolidation

Statements of Affairs and Income and Expenditure Statements of all branches including Islamic banking branches,Offshore business units,Brokerage business and Head Office are consolidated together to prepare the financial statements of the Bank.

2.04 Foreign currency transactions

- (a) Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective dates of such transactions.
- (b) Assets and liabilities in foreign currencies as at 31 December 2010 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.

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

2.05 Fixed assets and depreciation

- (a) Fixed assets have been shown at cost less accumulated depreciation.
- (b) 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.

<u>Asset categories</u>	<u>Rate of depreciation (%)</u>	<u>Method of depreciation</u>
Furniture and fixtures	10	Reducing balance
Equipment and computers	20	Reducing balance
Vehicles	20	Straight-line
Land & Building	2.50	Reducing balance

- For additions during the year, depreciation is charged for the remaining days of the year and in case of disposal, depreciation is charged up to the date of disposal.
- (c)

2.06 Investment

Value of investment has been enumerated as follows:

<u>Items</u>	<u>Applicable accounting value</u>
Government Treasury Bills	At present value
Bangladesh Government Treasury Bonds	At present value
Prize Bonds	At cost price
Unquoted Shares	At cost less any impairment
Quoted Shares	At market price (Considered on portfolio basis)

2.07 Advances and provisions

Advances are stated at gross value.

Provision for loans and advances is made on the basis of periodical review by the management and of instruction contained Bangladesh Bank BRPD Circular no.5 dated 5 June 2006. The classification rates are given below:

Particulars

<u>General provision on:</u>	<u>Rate</u>
Unclassified loans and advances	1%
Small and Medium Enterprise	1%
Consumer finance for house building loan and loans for professional setup	2%
Other consumer finance	5%
Special mention account	5%
<u>Specific provision on:</u>	
Substandard loans and advances	20%
Doubtful loans and advances	50%
Bad/loss loans and advances	100%

Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, (ii) and against which legal cases are filed and classified as bad loss for more than five years 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.

2.08

Revenue and expenditures

The accounting policies adopted for the recognition of revenue as prescribed by BAS 18-are as follows:

- (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, advances as per BCD and BRPD circulars of Bangladesh Bank and such interests were not taken into income.
- (c) Commission and discounts on bills purchased and discounted are recognised at the time of realisation.
- (d) Investment income is recognized on accrual basis.

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

2.09 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with BAS 7 "Cash Flow Statement"; under direct method as prescribed by BRPD circular no. 14 dated 25 June 2003.

2.10 Retirement benefits

The Bank has a Provident Fund administered by a separate board of trustee, benefits of which are given to the eligible employees of the Bank in accordance with the rules of the Provident Fund.

Provision for gratuity has been made for the year 2010 for past services of the employees which would be payable at the time of their retirement/time of eligibility.

2.11 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 2010.

2.12 Reporting period

These financial statements cover one year from 01 January 2010 to 31 December 2010.

2.13 Off-Balance Sheet items

Under general banking transactions, liabilities against acceptances, endorsements and other obligations and bills against which acceptances have been given and claims exist there against, have been shown as off-balance sheet items. These are disclosed as per Bangladesh Bank's guidelines.

2.14 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.

Figure in lac

Name of Directors interested in the Company / Firm	Name of the Company / Firm	Nature of Advance	Value/ Taka
Dr.H.B.M Iqbal	Beacon Travels International Ltd	BG (Local)	5.00
		BG (Foreign)	18.75
Mr. B.H.Haroon	Rajbithi Travels Ltd.	BG	18.77

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

Figure in lac

Name of service- provider	Particulars of service	Value/ Taka
National System Solutions (Pvt) Ltd	Mr. Kutubuddin Ahmed, Shareholder and Mr. Abdus Salam Murshedy, Director of the Bank are the Chairman and Managing Director of National System Solutions (Pvt) Ltd respectively.	108.41

Directors interest in different entities are given in Annexure D

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

2.15 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.

2.15.1 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, three 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.

2.15.2 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.

2.15.3 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.

2.15.4 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.

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

2.15.5 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.

2.15.6 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.

2.16 Audit committee

The Bank has constituted an audit committee comprising members of its board of directors with a view to act as a bridge among the board of directors, executive authority, depositors, shareholders, etc so that the committee can play an effective role in establishing an efficient, strong and secure banking system. Audit committee comprises three members of the board of directors as follows:

Sl. no.	Name	Status with the committee	Status with the Bank	Educational qualification
1.	Mrs. Nawrin Iqbal	Chairman	Director	MBA, Bentley University, Boston, USA
2.	Mr. B. H. Haroon	Member	Vice Chairman	B. A. (Hons.), M. A, Dhaka University, M. M. (Double) Madrasa-e-Alia, Dhaka
3.	Mr. Kazi Abdul Mazid	Member	Independent Director	Bachelor of Commerce, Rajshahi University

The Audit Committee is assisting the Board of Directors and Executive Committee to fulfill their responsibilities such as to set objectives, strategies and overall business plans for effective functioning of the Bank. The committee reviews the financial reporting process, the system of internal control, Management Information System, Management of Risks, the Bangladesh Bank and Internal Audit Reports and Audit process and Compliance with laws and regulations and its own code of business conduct. The Committee also assisting the Management to perform better to achieve the objectives set by the Board.

During the year ended on 31 December 2010, the Audit Committee conducted 39 (Thirty nine) meetings. The meetings focused on the following broad areas:

- The Board Audit Committee discussed the importance of compliance of the requirement of Bangladesh Bank, other regulatory bodies and Bank's own policies, rules, regulations to reduce the risk at the lowest level. Steps have been taken to ensure that the compliance with regulatory requirements, both external and internal, is recognized in each activity of the Bank and the Bank complies with all regulatory requirements while conducting its business.
- The Audit Committee of the Board has reviewed progress of implementation of Basel-II in the Bank as per Bangladesh Bank guidelines and guiding the Management to implement the Basel -II within specified time frame

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

- The Committee evaluated the Management Information System (MIS), performance of Information Technology Division, implementation status of Bangladesh Bank guidelines for Information and Communication Technology for Banks
- The Committee reviewed the non performing Loans and Advances of the Bank in its every meeting. After reviewing the non-performing Loan and Advances of each branch and each account the Committee suggested the Management action plan for Recovery of non-performing Loans and Advances. The Committee closely monitored the progress of Recovery of Non Performing Loans. At the end of 2010 the nonperforming Loans and Advances of the Bank reduced remarkably below 5% of total Loans and Advances of the Bank.
- The Committee in its different meetings discussed the issue for proper documentation against credit facilities.
- The Audit Committee discussed the guidelines of Credit Risk Management in detail and suggested the Management to implement the Credit Risk Management (CRM) guidelines in full at our Bank. For transparency and accountability credit approval has been separated from credit administration. The Branches have appointed Credit Administration Officer in line with the CRM guidelines
- The Audit Committee reviewed Bangladesh Bank Inspection Reports on our Bank and advised the Management to rectify the irregularities as mentioned in the Audit Report, asked clarification for some deficiencies and to implement the valuable suggestions / recommendations of Bangladesh Bank
- The Committee in its every meeting followed up the implementation status of the decisions that have been taken in the Executive Committee and Audit Committee Meetings.
- The Audit Committee Reviewed the organogram and job description of Internal Control and Compliance Division. The Committee evaluated the performance of each official of Internal Control and Compliance Division and advised to improve their capacity and productivity. The Committee suggested Audit Format and Checklist for quick and effective Audit & Inspections

2.17 Taxation

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

2.17.1 Current tax

Provision for current income tax for the year has been made @ 42.50% as prescribed in the Finance Act 2010 on the accounting Profit made after considering some of the taxable add back income and disallowance of expenditure.

2.17.2 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 2010.

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

		Amount in Taka	
Balance Sheet		2010	2009
3.	Cash		
3.1	Cash in hand		
	In local currency	465,765,410	355,314,539
	In foreign currency	23,824,314	29,012,099
		489,589,724	384,326,638
3.2	Balance with Bangladesh Bank and its agent bank(s)		
	Balance with Bangladesh Bank		
	In local currency	2,933,850,222	2,587,743,659
	In foreign currency	181,245,197	592,150,268
		3,115,095,419	3,179,893,927
	Sonali Bank (as an agent bank of Bangladesh Bank) - local currency	101,718,796	38,895,244
		3,216,814,215	3,218,789,171
		3,706,403,939	3,603,115,809
3.3	Statutory deposits		
3.3.1	Cash reserve requirement/ratio (CRR) and statutory liquidity ratio (SLR)		
	Cash reserve requirement/ratio and statutory reserve ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act 1991 and subsequent Bangladesh Bank BCD circular no. 13 dated 24 May 1992, as amended by BRPD circular nos. 11 and 12 dated 25 August 2005, MPF Circular No. 04. dated 01.12.2010 and MPD Circular No.05 dated 01.12.2010		
	The statutory cash reserve ratio required on the Bank's time and demand liabilities at the rate of 6% has been calculated and maintained with Bangladesh Bank in current account (Taka) and 19% statutory liquidity ratio, including CRR, 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 :		
	(a) Cash reserve requirement/ratio		
	Required reserve	2,655,922,000	1,827,714,000
	Actual reserve maintained	2,845,256,000	1,897,017,496
	Surplus	189,334,000	69,303,496
	(b) Statutory liquid reserve		
	Required reserve	8,410,418,000	4,752,057,000
	Actual reserve maintained	10,632,958,280	6,425,364,159
	Surplus	2,222,540,280	1,673,307,159
	Total required reserve	11,066,340,000	6,579,771,000
	Total actual reserve held with Bangladesh Bank	13,478,214,280	8,322,381,655
	Total surplus	2,411,874,280	1,742,610,655
4.	Balance with other banks and financial institutions		
	In Bangladesh (note 4.2)	2,422,221,743	619,161,710
	Outside Bangladesh (note 4.3)	916,685,644	133,536,441
		3,338,907,387	752,698,151
4(a)	Consolidated balance with other banks and financial institutions		
	In Bangladesh		
	Premier Bank Limited (note 4.2)	2,422,221,743	619,161,710
	Off-shore Banking Unit	19,995,287	
		2,442,217,030	619,161,710
	Outside Bangladesh		
	Premier Bank Limited (note 4.3)	916,685,644	133,536,441
	Off-shore Banking Unit	-	-
		916,685,644	133,536,441
		3,358,902,674	752,698,151

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

		Amount in Taka	
		2010	2009
4.1	Account type-wise		
	Current account	17,179,865	8,813,086
	STD account	5,041,878	10,348,624
	Fixed deposit	2,400,000,000	600,000,000
		<u>2,422,221,743</u>	<u>619,161,710</u>
4.2	In Bangladesh		
	AB Bank Limited	1,400,000,000	200,000,000
	Southeast Bank Limited	400,000,000	-
	Bank Asia limited	200,000,000	-
	Export Import Bank Limited	200,000,000	-
	National Bank of Pakistan	-	100,000,000
	United Commercial Bank Limited	958,621	100,754,169
	Sonali Bank Limited	10,235,550	14,148,303
	Islami Bank Bangladesh Limited	35,817	-
	Standard Chartered Bank	10,700,548	3,839,063
	National Bank Limited	138,785	-
	Mercantile Bank Limited	1,827	241,249
	Islami Bank Bangladesh Limited	-	35,817
	National Bank Limited	-	138,785
	The City Bank Limited	150,595	4,324
	Union Capital	100,000,000	-
	Prime Finance & Investment Limited	-	150,000,000
	International Leasing & Financial Services Limited	100,000,000	50,000,000
		<u>2,422,221,743</u>	<u>619,161,710</u>

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

4.3 Outside Bangladesh

Name of the Bank	Location	Currency	2010			2009		
			Amount in foreign currency	Conversion rate	Amount in Taka	Amount in foreign currency	Conversion rate	Amount in Taka
Mashreq Bank PSC	New York	USD	790,931.64	70.8250	56,017,733	154,864.51	68.9750	10,681,780
Standard Chartered Bank	New York	USD	641,678.29	70.8250	45,446,865	163,894.49	68.9750	11,304,622
Commerz Bank AG	Frankfurt	USD	35,291.06	70.8250	2,499,489	184,548.88	68.9750	12,729,259
Wachovia Bank	New York	USD	-	-	-	208,971.69	68.9750	14,413,822
Citibank NA	New York	USD	104,778.52	70.8250	7,420,939	40,176.27	68.9750	2,771,158
HSBC	New York	USD	33,050.45	70.8250	2,340,798	517,022.91	68.9750	35,661,655
Habib American Bank	New York	USD	203,561.16	70.8250	14,417,219	128,924.11	68.9750	8,892,540
Bank of Ceylon	Colombo	ACUD	10,639.80	70.8250	753,564	132,902.69	68.9750	9,166,963
Standard Chartered Bank	Mumbai	ACUD	-	-	-	1,343.82	68.9750	92,690
Standard Chartered Bank	Kolkata	ACUD	150,449.50	70.8250	10,655,586	-	-	-
United Bank Ltd	Karachi	ACUD	7,401.86	70.8250	524,237	41,674.63	68.9750	2,874,508
State Bank of India	Kolkata	ACUD	6,251.82	70.8250	442,785	5,000.00	68.9750	344,875
ICICI Bank	Mumbai	ACUD	92,295.26	70.8250	6,536,812	128,494.77	68.9750	8,862,927
Commerz Bank AG	Frankfurt	EURO	579.89	93.6945	54,332	206.07	98.7103	20,341
Banca Nazionale Del Lavoro SpA	Rome	EURO	-	-	-	12,888.65	98.7103	1,272,243
Baye-Hypo-und Vereinsbank AG	Muenchen	EURO	11,701.27	93.6945	1,096,345	43,238.77	98.7103	4,268,112
Westpac Banking Corporation	Sydney	AUD	37,622.74	72.0044	2,709,003	57,682.06	62.5051	3,547,741
Mashreqbank psc	London	GBP	24,602.44	109.8355	2,702,221	14,149.58	109.5841	1,550,570
The Bank of Nova Scotia	Toronto	CAD	10,868.81	70.8571	770,132	39,152.49	65.8915	2,579,816
Bank of Tokyo Mitsubishi Ltd	Tokyo	JPY	588,842.00	0.8697	512,116	1,835,520.00	0.7482	1,373,336
Habib Bank AG Zurich Switzerland	Zurich	CHF	4,884.20	75.1580	367,087	16,987.82	66.3701	1,127,483
Al Rajhi Banking & Investment Corp.	Riyadh	SAR	120,000.00	18.8852	2,266,224	-	-	-
National Commercial Bank	Jeddah	SAR	100,000.00	18.8852	1,888,520	-	-	-
Mashreq Bank PSC	Mumbai	ACUD	171,758.65	70.8250	12,164,806	-	-	-
Total					171,586,813			133,536,441
Off-shore Banking Unit					745,098,831			-
Grand Total					916,685,644			133,536,441

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

		Amount in Taka	
		2010	2009
4.4	Maturity grouping of balance with other banks		
	Repayable on demand	933,865,509	492,698,151
	Not more than 3 months	5,041,878	10,000,000
	More than 3 months but not more than 1 year	2,400,000,000	250,000,000
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		<u>3,338,907,387</u>	<u>752,698,151</u>
5.	Money at call on short notice		
	Pubali Bank Limited	350,000,000	
	Agrani Bank Limited	350,000,000	
	Bank Asia Ltd	300,000,000	
	Dhaka Bank Ltd	250,000,000	
	Mutual Trust Bank Ltd	200,000,000	
	National Bank of Pakistan	200,000,000	
	AB Bank Limited	200,000,000	-
	IDLC Limited		150,000,000
	Delta Brac Housing Finance Company Limited		150,000,000
	Phoenix Leasing Company Limited		150,000,000
	Prime Finance & Investment Ltd		150,000,000
	International Leasing and Financial Services Limited		130,000,000
	BRAC Bank Ltd	100,000,000	
	Eastern Bank Ltd	100,000,000	
	National Housing Finance and Investment Limited		50,000,000
	Lanka Bangla Finance Limited		50,000,000
	Union Capital Ltd		50,000,000
	Prime Bank Limited	50,000,000	
	IPDC of Bangladesh Limited		40,000,000
	The City Bank Ltd	40,000,000	
		<u>2,140,000,000</u>	<u>920,000,000</u>
6.	Investments		
6.1	Government securities		
	Treasury bills	-	-
	Bangladesh Bank bills	-	-
	Treasury bonds	7,288,384,604	5,871,640,185
	Repo	-	-
	Prize bonds	812,400	1,011,100
		<u>7,289,197,004</u>	<u>5,872,651,285</u>
6.2	Others		
	In shares and bonds (quoted and unquoted)		
	<u>Quoted</u>		
	Islamic Investment Bond	160,000,000	-
	Investment in Shares - Islami (Annexure-H-1)	336,910,000	-
	Investment in shares - General (Annexure H-2)	1,872,855,330	297,527,711
		<u>2,369,765,330</u>	<u>297,527,711</u>
	<u>Unquoted</u>		
	Central Depository Bangladesh Limited	10,833,340	2,000,000
	SWIFT Membership	1,214,751	1,214,751
	Investment in PBL Securities	499,990,000	-
	DSE Membership	-	153,119,000
	CSE Membership	-	156,500,000
	STS Holdings Limited (Preference Shares)	24,000,000	30,000,000
		<u>536,038,091</u>	<u>342,833,751</u>
		<u>2,905,803,421</u>	<u>640,361,462</u>
		<u>10,195,000,425</u>	<u>6,513,012,747</u>

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

		Amount in Taka	
		2010	2009
6.3	Maturity grouping		
	Repayable on demand	3,875,277,730	298,538,811
	Not more than 3 months	-	150,065,040
	More than 3 months but not more than 1 year	619,990,000	452,300,000
	More than 1 year but not more than 5 years	5,699,732,695	5,612,108,896
	More than 5 years	-	-
		<u>10,195,000,425</u>	<u>6,513,012,747</u>
7.	Loans and advances	<u>44,939,342,042</u>	<u>33,664,587,265</u>
7.1	Maturity grouping		
	Repayable on demand	11,178,900,000	7,238,100,000
	Not more than 3 months	9,640,200,000	3,748,100,000
	More than 3 months but not more than 1 year	13,521,100,000	13,251,200,000
	More than 1 year but not more than 5 years	5,888,300,000	5,195,712,348
	More than 5 years	4,710,842,042	4,231,474,917
		<u>44,939,342,042</u>	<u>33,664,587,265</u>
7.2	Broad category-wise breakup		
	In Bangladesh		
	Loans	25,927,455,221	20,643,566,821
	Overdrafts	7,691,206,081	7,113,425,186
	Cash credits	6,049,699,444	4,653,479,394
		<u>39,668,360,746</u>	<u>32,410,471,401</u>
	Bill purchased and discounted	5,026,836,875	1,096,688,275
		<u>44,695,197,621</u>	<u>33,507,159,676</u>
	Outside Bangladesh		
	Loans	-	-
	Overdrafts	-	-
	Cash credits	-	-
	Bill purchased and discounted	244,144,421	157,427,589
		<u>244,144,421</u>	<u>157,427,589</u>
		<u>44,939,342,042</u>	<u>33,664,587,265</u>
7.3	Industry wise concentration of Loans & Advances including bills purchased & discounted		
	Advances to allied concerns of directors	-	-
	Advances to chief executives and senior executives	122,898,581	131,976,358
	Advances to industries		
	Textile & RMG industries	8,016,500,000	2,942,400,000
	Cement and ceramic industries	718,316,418	366,789,579
	Food and allied industries	1,717,312,811	2,716,500,000
	Transport and communication industries	2,536,600,000	1,108,400,000
	Iron and steel industries	1,276,220,719	1,914,900,000
	Other industries	1,586,664,033	2,424,260,116
		<u>15,851,613,981</u>	<u>11,473,249,695</u>
	Advances to customer groups		
	Commercial lending	14,420,320,204	10,400,443,742
	Export financing	3,792,227,288	2,985,520,771
	House building	2,145,606,438	1,599,400,000
	Consumer credit	1,088,600,000	806,190,096
	Small and medium enterprises	1,445,651,473	496,723,880
	Other staff loan	187,284,234	156,815,395
	Other customers	5,885,139,843	5,614,267,328
		<u>28,964,829,480</u>	<u>22,059,361,212</u>
		<u>44,939,342,042</u>	<u>33,664,587,265</u>

Notes to financial statements for the year ended 31 December 2010

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Notes to financial statements for the year ended 31 December 2010

		Amount in Taka	
		2010	2009
7.7	Particulars of loans and advances		
(i)	Loans considered good in respect of which the Bank is fully secured;	35,180,523,425	24,773,135,210
(ii)	Loans considered good against which the Bank holds no security other than the debtors' personal security;	3,361,806,818	2,539,370,140
(iii)	Loans considered good secured by the personal undertaking of one or more parties in addition to the personal security of the debtors; [note 7.7(a)]	6,397,011,799	6,352,081,915
(iv)	Loans adversely classified but provision not maintained there against;	-	-
		<u>44,939,342,042</u>	<u>33,664,587,265</u>
(v)	Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons;	310,182,815	288,791,753
(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;	-	-
(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;	310,182,815	288,791,753
(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;	-	-
(ix)	Due from banking companies;	-	-
(x)	Amount of classified loans on which interest has not been charged	2,160,979,819	617,549,000
(a)	Increase/decrease of provision (specific)		
	Amount of loan written off	256,238,731	48,685,555
	Amount realised against loans previously written off	-	-
(b)	Provision kept against loans classified as bad / loss	382,758,096	325,562,000
(c)	Interest charged in interest suspense account	693,861,875	556,680,706
(xi)	Written off loan		
	Opening balance	48,685,555	-
	During the period/year	256,238,731	48,685,555
	Closing balance	<u>304,924,286</u>	<u>48,685,555</u>

7.7(a) The amount also includes value of import documents released to the customers against trust receipts.

7.8 Geographical location-wise (division) distribution

In Bangladesh

Urban

Dhaka	35,933,871,579	26,083,753,757
Chittagong	5,763,149,436	5,329,407,658
Khulna	447,935,800	380,908,267
Sylhet	323,157,444	342,400,582
Rajshahi	174,659,824	87,803,227
Barisal	263,088,145	257,846,009
Rangpur	145,574,515	-
	<u>43,051,436,743</u>	<u>32,482,119,500</u>

Rural

Dhaka	981,488,212	910,044,253
Chittagong	906,417,087	272,423,512
	<u>1,887,905,299</u>	<u>1,182,467,765</u>
	<u>44,939,342,042</u>	<u>33,664,587,265</u>
Outside Bangladesh	-	-
	<u>44,939,342,042</u>	<u>33,664,587,265</u>

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

		Amount in Taka	
		2010	2009
7.8.1	Details of pledged collaterals received against Loans and Advances		
	Collateral of movable/immovable assets	24,140,366,392	18,083,831,095
	Local banks and financial institutions guarantee	188,993,564	208,500,250
	Government guarantee	1,185,367,960	-
	Foreign Banks guarantee	-	-
	Export documents	5,270,253,456	2,310,000,850
	Fixed deposit receipts	4,071,234,585	3,090,200,000
	Personal guarantee	2,554,563,297	2,539,370,140
	Other securities	7,528,562,788	7,432,684,930
		<u>44,939,342,042</u>	<u>33,664,587,265</u>
7.9	Bills purchased and discounted		
	In Bangladesh	5,026,836,875	1,096,688,275
	Outside Bangladesh	244,144,421	157,427,589
		<u>5,270,981,296</u>	<u>1,254,115,864</u>
7.9.1	Maturity grouping of bills discounted & purchased		
	Within 1 month	1,345,678,936	526,545,454
	Over 1 month but below 3 months	2,674,763,476	492,337,650
	Over 3 months but below 6 months	1,250,538,884	235,232,760
	6 months or over	-	-
		<u>5,270,981,296</u>	<u>1,254,115,864</u>
8.	Fixed assets including premises, furniture and fixtures	<u>652,524,875</u>	<u>529,550,014</u>
	Details are shown in Annexure -B.		
9.	Other assets		
	Income generating	-	-
	Non-income generating		
	Adjusting account	313,689,646	285,875,204
	Advance office rent and maintenance	747,746,330	688,551,012
	Advance against interior decoration	56,740,267	50,851,734
	Head Office general account	284,246,281	84,539,578
	Stationery, stamps, printing materials, etc	22,308,392	17,797,474
	Protested bills	9,920,344	20,703,274
	Receivable on Sanchaya Patras (from Bangladesh Bank)	27,520,429	10,118,653
	Security deposits	1,961,611	1,676,918
	Others (note 9.1)	322,808,360	200,158,011
		<u>1,786,941,660</u>	<u>1,360,271,858</u>
		<u>1,786,941,660</u>	<u>1,360,271,858</u>

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Notes to financial statements for the year ended 31 December 2010

		Amount in Taka	
		2010	2009
9.1	Others		
	Income tax deducted at source on BGTB bonds	40,375,987	40,375,987
	Sundry debtors	121,914,744	94,289,002
	DD paid without advice	30,986,978	29,000
	DD cancelled	75,300	-
	Prepaid expenses	5,915,978	1,141,509
	Advance against TA/DA	921,302	576,820
	Advance against petty cash	192,692	332,977
	Advance against postage	36,400	3,000
	Credit card account - local	7,000	-
	Advance against proposed branch	97,574,042	43,979,921
	Cash remittance	5,500,000	13,500,000
	Remittance for money gram	669,952	-
	Haji Service	233,219	-
	Clearing adjustment account	18,404,766	5,929,795
		<u>322,808,360</u>	<u>200,158,011</u>

9.2 Head Office General account

Head Office general account represents outstanding inter branch and Head Office transactions originated before but remaining un-reconciled as at 31 December 2010.

Aging of outstanding transactions	Number of unresponded entries		Number of unresponded entries (Amount in Taka)	
	Debit	Credit	Debit	Credit
Up to 3 months	926	1,482	67,211,291,000	66,731,721,000
Over 3 months but within 6 months	366	290	1,402,952,000	1,390,699,000
Over 6 months	392	211	2,258,607,000	2,241,917,000
	1,684	1,983	70,872,850,000	70,364,337,000

10. Borrowings from other banks, financial institutions and agents

In Bangladesh (note 10.1)	2,388,876,025	1,930,995,165
Outside Bangladesh	-	-
	<u>2,388,876,025</u>	<u>1,930,995,165</u>
10.1 In Bangladesh		
Bangladesh Bank (Refinance facility under Islamic Banking)	2,200,000,000	-
Bangladesh Bank (Refinance facility under SME)	135,176,025	180,995,165
Bangladesh Bank (Refinance facility under HBL)	4,000,000	-
Bangladesh Bank (Refinance facility under Women Enterprise)	49,700,000	-
Sonali Bank Ltd.	-	200,000,000
Agrani Bank Ltd.	-	300,000,000
Janata Bank Ltd.	-	300,000,000
Pubali Bank Ltd.	-	100,000,000
Rupali Bank Ltd	-	250,000,000
The Trust Bank Ltd.	-	250,000,000
National Bank Ltd.	-	50,000,000
United Commercial Bank Ltd.	-	300,000,000
	<u>2,388,876,025</u>	<u>1,930,995,165</u>
10.2 Analysis by security		
Secured	2,388,876,025	1,930,995,165
Unsecured	-	-
	<u>2,388,876,025</u>	<u>1,930,995,165</u>

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

		Amount in Taka	
		2010	2009
10.3	Repayment pattern		
	Repayable on demand	-	1,750,000,000
	Repayable on maturity	2,388,876,025	180,995,165
		<u>2,388,876,025</u>	<u>1,930,995,165</u>
11.	Deposits and other accounts		
	Inter-bank deposits (note 11.1)	2,450,000,000	950,000,000
	Other deposits (note 11.2)	51,527,802,766	36,431,956,159
		<u>53,977,802,766</u>	<u>37,381,956,159</u>
11(a)	Consolidated deposits and other accounts		
	Premier Bank Limited (note 11)	53,977,802,766	37,381,956,159
	Off-shore Banking Unit	713,663,617	-
		<u>54,691,466,383</u>	<u>37,381,956,159</u>
11.1	Inter-bank deposits		
	Sonali Bank Limited	250,000,000	-
	Trust Bank Limited	-	250,000,000
	Bangladesh Krishi Bank Limited	-	300,000,000
	Mutual Trust Bank Limited	-	200,000,000
	AB Bank Limited	1,400,000,000	200,000,000
	Southeast Bank Limited	400,000,000	-
	Bank asia Limited	200,000,000	-
	Export Import Bank Bangladesh Limited	200,000,000	-
		<u>2,450,000,000</u>	<u>950,000,000</u>
11.2	Other deposits		
	Savings bank deposits	3,023,987,904	3,086,993,046
	Fixed deposits:		
	One month	522,797	958,999
	Three months	12,473,962,744	8,972,607,449
	Six months	2,589,549,146	1,940,433,077
	One year	20,603,215,341	12,665,099,570
	Two years	93,692,472	112,658,700
	Three years but not more than five years	173,300,457	224,296,528
		<u>35,934,242,957</u>	<u>23,916,054,323</u>
	Others:		
	Current account	2,702,964,005	1,932,943,191
	Short-term deposits	1,969,642,120	1,308,626,562
	Staff security deposits	2,296,279	1,938,436
	Deposit in foreign currency	252,957,637	245,633,925
	Monthly savings scheme	1,272,241,904	1,007,359,684
	Monthly income account	593,904,492	655,432,679
	Education savings scheme	4,126,863	8,087,186
	Special deposit scheme	71,553,676	73,803,738
	Double benefit scheme	1,958,102,284	1,394,905,775
	Mudaraba Hajj Deposit	714,450	350,961
	Sundry deposits (note 11.3)	2,671,965,820	2,279,374,134
		<u>11,500,469,530</u>	<u>8,908,456,271</u>
	Bills payable (note 11.4)	1,069,102,375	520,452,519
		<u>51,527,802,766</u>	<u>36,431,956,159</u>

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Notes to financial statements for the year ended 31 December 2010

		Amount in Taka	
		2010	2009
11.3	Sundry deposits		
	Sundry creditors	141,906,597	170,126,542
	Margin on letter of credit	571,211,522	473,716,774
	Margin on letter of guarantee	358,329,240	339,751,220
	Sanchaya Patra	11,735,000	20,660,000
	Back to Back letter of credit obligation	167,359,757	271,715,631
	Income tax deducted at source	50,992,085	32,324,393
	VAT payable to government	15,860,752	16,704,828
	Margin on foreign documentary bill purchases	2,875,870	4,399,373
	Advance deposits against consumer credit scheme	6,179,568	3,660,965
	Other sundry deposits	1,345,515,429	946,314,408
		<u>2,671,965,820</u>	<u>2,279,374,134</u>
11.4	Bills payable		
	Inside Bangladesh	1,069,102,375	520,452,519
	Outside Bangladesh	-	-
		<u>1,069,102,375</u>	<u>520,452,519</u>
11.5	Maturity analysis of inter-bank deposits		
	Repayable on demand	-	-
	Repayable within 1 month	-	450,000,000
	Over 1 month but within 3 months	650,000,000	400,000,000
	Over 3 months but within 1 year	1,800,000,000	100,000,000
	Over 1 year but within 5 years	-	-
	Over 5 years but within 10 years	-	-
	Unclaimed deposits for 10 years or more	-	-
		<u>2,450,000,000</u>	<u>950,000,000</u>
11.6	Maturity analysis of other deposits		
	Repayable on demand	11,403,053,381	7,622,434,717
	Repayable within 1 month	7,911,553,981	1,529,023,224
	Over 1 month but within 3 months	8,442,604,777	3,143,208,605
	Over 3 months but within 1 year	14,222,864,487	12,304,132,647
	Over 1 year but within 5 years	7,456,618,778	8,771,623,145
	Over 5 years but within 10 years	2,091,107,362	3,061,533,821
		<u>51,527,802,766</u>	<u>36,431,956,159</u>
12.	Other liabilities		
	Head office general account	-	-
	Accumulated provision against loans and advances (note 12.1)	1,091,600,000	830,000,000
	Provision for gratuity (note 12.2)	91,629,340	47,106,900
	Provision for off-balance sheet items (note 12.3)	244,791,882	163,395,466
	Other provision (note 12.4)	19,137,180	29,967,590
	Provision for corporate taxation (note 12.5)	640,948,840	444,317,866
	Interest suspense account (note 12.6)	693,861,875	556,680,706
	Advance instalment - lease finance	-	1,876,464
	Exchange equalisation account	-	505,887
	Adjusting account	1,237,946,764	1,259,202,625
	Credit card	7,027,170	2,590,256
	Profit receivable on investment	102,093,405	54,111,622
	Investment compensation	794,846	2,484,981
		<u>4,129,831,302</u>	<u>3,392,240,363</u>

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Notes to financial statements for the year ended 31 December 2010

		Amount in Taka	
		2010	2009
12(a) Consolidated other liabilities			
Premier Bank Limited (note 12)		4,129,831,302	3,392,240,363
Off-shore Banking Unit		753,058,209	-
		<u>4,882,889,511</u>	<u>3,392,240,363</u>
12.1 Accumulated provision against loans and advances			
On classified loans			
Opening balance		450,000,000	800,900,000
Further provided		-	-
		450,000,000	800,900,000
Less: Fully provided debts written off during the year		-	273,837
Add: Recovery of amounts previously written off		-	-
Add: Specific provision made during the year		150,000,000	-
Less: Recoveries and release of provision no longer required		-	(350,626,163)
Net charge to Profit and Loss Statement		-	-
Closing balance		600,000,000	450,000,000
On unclassified loans			
Opening balance		380,000,000	344,300,000
Add: Provision for the year		111,600,000	35,700,000
Closing balance		491,600,000	380,000,000
Total closing balance		<u>1,091,600,000</u>	<u>830,000,000</u>
12.2 Provision for gratuity			
Opening balance		47,106,900	10,736,400
Add: Provision made during the year		50,000,000	40,000,000
Less: Adjustment during the year		5,477,560	3,629,500
Closing balance		<u>91,629,340</u>	<u>47,106,900</u>
12.3 Provision for off-balance sheet items			
Opening balance		163,395,466	142,156,260
Add: Provision made during the year		81,396,416	21,239,206
Less: Adjustment during the year		-	-
Closing balance		<u>244,791,882</u>	<u>163,395,466</u>
12.4 Other provisions			
Provision for nostro account (note 12.4.1)		-	-
Provision for protested bills (note 12.4.2)		9,920,344	-
Provision for suspense account (note 12.4.3)		6,716,836	5,691,836
Provision for investment on shares (note 12.4.4)		2,500,000	-
		<u>19,137,180</u>	<u>5,691,836</u>
12.4.1 Provision for nostro account			
Opening balance		-	14,930,010
Add: Provision made during the year		-	-
Less: Transfer to protested bills		-	14,930,010
Closing balance		<u>-</u>	<u>-</u>
12.4.2 Provision for protested bills			
Opening balance		23,250,754	8,320,744
Add: Provision made during the year		-	-
Add: Transfer from nostro account		-	14,930,010
Less: Adjustment during the year		13,330,410	-
Closing balance		<u>9,920,344</u>	<u>23,250,754</u>

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Notes to financial statements for the year ended 31 December 2010

		Amount in Taka	
		2010	2009
12.4.3	Provision for suspense account		
	Opening balance	6,716,836	1,025,000
	Add: Provision made during the year	-	5,691,836
	Less: Adjustment during the year	-	-
	Closing balance	6,716,836	6,716,836
12.4.4	Provision for investment on shares		
	Opening balance	-	-
	Add: Provision made during the year (General)	-	-
	Add: Provision made during the year (Islami)	2,500,000	-
	Less: Adjustment during the year	-	-
	Closing balance	2,500,000	-
12.5	Provision for corporate taxation		
	Opening balance	444,317,866	451,757,017
	Add: Provision made during the year		
	Current tax	753,800,498	580,006,015
	Deferred tax	1,999,600	11,536,660
		755,800,098	591,542,675
	Less: Adjustment during the year	559,169,124	598,981,826
	Closing balance	640,948,840	444,317,866
Position of Bank's corporate income tax provision status is shown in Annexure - C.			
12.6	Interest suspense account		
	Opening balance	556,680,706	445,259,373
	Add: Transfer during the year	137,181,169	111,421,333
	Less: Recovery during the year	-	-
	Less: Write off during the year	-	-
	Closing balance	693,861,875	556,680,706
13.	Share Capital	2,914,970,312	2,242,284,912
13.1	Authorised Capital		
	600,000,000 ordinary shares of Taka 10 each	6,000,000,000	6,000,000,000
13.2	Issued, subscribed and paid-up capital		
	Issued for cash		
	Local sponsors: 45,906,215.80 ordinary shares of Taka 10 each	459,062,158	459,062,158
	Foreign sponsors: 2,744,140 ordinary shares of Taka 10 each	27,441,400	27,441,400
		486,503,558	486,503,558
	Issued for other than cash as bonus shares		
	Local sponsors: 88,424,545.40 bonus shares of Taka 10 each	884,245,454	574,252,354
	Foreign sponsors: 6,009,510 bonus shares of Taka 10 each	60,095,100	39,894,400
		944,340,554	614,146,754
	No. of shares owned by other than Directors & Sponsors (General shareholders)		
	148,412,620 ordinary shares of Taka 10 each	1,484,126,200	1,141,634,600
		2,914,970,312	2,242,284,912

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

13.3 Percentage of shareholding

SL	Shareholder's Group	2010		2009	
		No. of shares	% of Shareholding	No. of shares	% of Shareholding
1.	Sponsors & Directors				
	i) Local (Individual)	126,572,820.00	43.42%	103,219,050.00	46.03%
	ii) Govt. of Bangladesh	-	-	-	-
	iii) Foreign (Individual)	8,753,650.00	3.00%	6,733,580.00	3.00%
	iv) Independent Director (Individual) :-	100,000.00	0.04%	112,400.00	0.05%
2.	Associated Companies	-	-	-	-
3.	Govt. of Bangladesh (other than in sl. 1)	-	-	-	-
4.	Corporate Bodies				
	i. Local :- Financial Institutes [including Firms/Companies] - other than in sl. 1	54,316,330.00	18.63%	50,354,070.00	22.46%
	ii. Foreign (other than in sl. 1)	-	-	-	-
5.	General Investors				
	i) Local Individual	100,804,790.00	34.58%	62,699,580.00	27.96%
	ii) Non-Resident Bangladeshis(NRBs):-	762,320.00	0.26%	985,220.00	0.44%
	iii) Foreign Individual	187,120.00	0.07%	124,590.00	0.06%
6.	Others	-	-	-	-
	Total	291,497,030.00	100.00%	224,228,490.00	100.00%

13.4 Names of the directors/shareholders and their shareholdings as on 31 December 2010

Name of the Director/Shareholder	Status	Shareholding (Number of shares)	
		2010	2009
Dr. H. B. M. Iqbal	Chairman	20,518,090	8,090,840
Mr. B. H. Haroon	Vice Chairman	10,692,950	8,225,350
Mr. Abdus Salam Murshedy	Director	12,275,060	9,442,360
Mr. Shafiqur Rahman	Director	4,346,470	4,112,670
Mr. Yeh Cheng Min	Director	8,753,650	6,733,580
Mrs. Shaila Shelly Khan	Director	14,569,990	11,207,690
Mrs. Nawrin Iqbal	Director	4,989,950	3,838,430
Mr. Md. Lutfur Rahman	Director	981,720	8,447,480
Mr. Md. Masud Zaman	Director	2,220,290	1,707,920
Mr. Moin Iqbal	Director	1,353,330	1,041,030
Mr. Shah Md. Nahyan Haroon	Director	855,410	658,010
Mr. Mohammad Imran Iqbal	Director	867,760	667,510
Ms. Parsa Sanjana Amin	Director	1,636,800	1,636,800
Dr. Arifur Rahman	Sponsor Shareholder	10,100,000	10,100,390
Mr. Nurul Amin	Sponsor Shareholder	2,027,640	2,027,420
Mr. Kutubuddin Ahmed	Sponsor Shareholder	9,251,640	7,116,650
Mr. Sanwar Dito	Sponsor Shareholder	7,589,570	5,838,130
Mrs. Rashida Ahmed	Sponsor Shareholder	495,950	805,950
Mrs. Ferdous Amin	Sponsor Shareholder	3,948,390	3,948,380
Mrs. Sharmin Salam	Sponsor Shareholder	1,048,850	806,810
Mr. Md. Miraj Rahman	Sponsor Shareholder	609,360	468,740
Mr. Md. Maruf Rahman	Sponsor Shareholder	609,360	468,740
Mr. Md. Moniruzzaman	Sponsor Shareholder	2,177,740	1,675,190
Mr. Md. Wahiduzzaman	Sponsor Shareholder	2,177,740	1,675,190
Mrs. Asma Begum	Sponsor Shareholder	1,235,840	950,650
Mr. Shah Md. Adnan Haroon	Sponsor Shareholder	1,582,110	1,217,010
Mr. Alif Alam	Sponsor Shareholder	4,547,020	3,497,710
Mr. Jamal G. Ahmed	Sponsor Shareholder	433,860	333,740
Mrs. Husne-Ara Begum	Sponsor Shareholder	941,830	724,490
Mr. Adytta Amin	Sponsor Shareholder	2,488,100	2,487,770
Mr. Kazi Abdul Mazid	Independent Director	100,000	112,400
Sub-total		135,426,470	110,065,030
No. of shares owned by other than Directors & Sponsors (General shareholders)		156,070,560	114,163,460
Total		291,497,030	224,228,490

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13.4.1 Classification of shareholders by holding

Shareholding Range	No. of Shareholders	No. of Shares	Percentage of holding of shares
0 - 500	39,800	11,227,787	3.85
501 - 5000	36,989	54,193,506	18.59
5001 - 10,000	1,858	14,049,882	4.82
10,001 - 20,000	711	10,430,899	3.58
20,001 - 30,000	198	4,918,220	1.69
30,001 - 40,000	87	3,119,181	1.07
40,001 - 50,000	68	3,173,810	1.09
50,001 - 100,000	112	8,133,134	2.79
100,001 - 1,000,000	118	36,760,331	12.61
Over 1,000,000	36	145,490,280	49.91
Total	79,977	291,497,030	100.00

13.5 Capital adequacy ratio (CAR)

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, required capital of the Bank at the close of business on 31 December 2010 is Taka 6,172,020,000 as against available core capital of Taka 5,976,442,401 and supplementary capital of Taka 886,728,548 that is, a total of Taka 6,863,170,949 thereby showing surplus capital/equity of Taka 691,150,949 at that date. Details are shown below:

		Amount in Taka	
		2010	2009
13.5.1	Core capital (Tier I)		
	Paid-up capital	2,914,970,312	2,242,284,912
	Statutory reserve	1,651,254,947	1,148,592,394
	Retained earnings	1,410,217,142	813,546,932
	Dividend equalisation account	-	-
	Proposed cash dividend	-	-
		5,976,442,401	4,204,424,238
13.5.2	Supplementary capital (Tier II)		
	General provision (unclassified loans) (Note 12.1)	491,600,000	380,000,000
	Provision for off-balance sheet items (Note 12.3)	244,791,882	163,395,466
	HFT Revaluation Reserves (50%) (note 15)	150,336,666	216,809,960
	Exchange equalisation account	-	465,671
		886,728,548	760,671,097
		6,863,170,949	4,965,095,335
	Total assets including off-Balance Sheet items	94,184,558,637	63,741,324,474
	Total risk-weighted assets	68,578,000,000	32,802,404,161
	Required capital (9% of risk-weighted assets)	6,172,020,000	3,280,240,416
	<u>Actual capital maintained</u>		
	Core capital, Tier I (note 13.5.1)	5,976,442,401	4,204,424,238
	Supplementary capital, Tier II (note 13.5.2)	886,728,548	760,671,097
		6,863,170,949	4,965,095,335
	Surplus/(shortfall)	691,150,949	1,684,854,919
	Capital adequacy ratio	10.01%	15.14%

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13.6 Capital requirement

	2010 Under Basel-II		2009 Under Basel-I	
	Required	Holding	Required	Holding
Core capital	4.50%	8.72%	5.00%	12.82%
Supplementary capital	4.50%	1.29%	5.00%	2.32%
Total	9.00%	10.01%	10.00%	15.14%

14. Statutory reserve

An amount equivalent to 20% of the profit before tax has been transferred to the statutory reserve fund as under :

Opening balance	1,148,592,394	870,219,371
Add : Addition during the year (20% of profit before tax)	502,662,553	278,373,023
Closing balance	1,651,254,947	1,148,592,394

15. Other reserve

Revaluation on HFT securities

Opening balance	433,619,919	-
Add : Addition during the year	-	433,619,919
Less : Adjustment during the year	132,946,588	
Closing balance	300,673,331	433,619,919

16. Retained earnings

Opening balance	813,546,932	555,892,595
Add: Post-tax profit for the year	1,757,512,666	1,088,317,560
Add: Dividend equalisation reserve	-	-
Less: Transfer to statutory reserve	502,662,553	278,373,023
Less: Issue of bonus shares	672,685,400	552,290,200
Less: Cash dividend	-	-
Less: Transfer to dividend equalisation reserve	-	-
Closing balance	1,395,711,645	813,546,932

16(a) Consolidated retained earnings

Premier Bank Limited	1,395,711,645	813,546,932
Off-shore Banking Unit	14,505,497	-
	1,410,217,142	813,546,932

17. Contingent Liabilities

17.1 Claims lodged with but not recognised by the Bank;

Money for which the Bank is contingently liable in respect of guarantees issued favouring

Directors	4,252,000	-
Government	2,181,580,000	1,753,325,592
Banks and other financial institutions	15,468,000	33,048,035
Others	3,379,245,427	2,845,410,168
	5,580,545,427	4,631,783,795

17.2 Other contingent liabilities

Litigation pending against the Bank	-	-
Value of traveller's cheques	-	-
Value of savings certificates	535,482,000	58,542,000
	535,482,000	58,542,000

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		Amount in Taka	
		2010	2009
18.	Other Commitments		
	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		
	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	1,206,630,900	-
	Other exchange contracts	-	-
		<u>1,206,630,900</u>	<u>-</u>
19.	Income statement		
	Income		
	Interest, discount and similar income	6,805,441,745	4,828,480,173
	Dividend income	16,855,242	4,325,000
	Fee, commission and brokerage	373,167,379	296,637,923
	Gains less losses arising from dealing securities	-	-
	Gains less losses arising from investment securities	-	-
	Gains less losses arising from dealing in foreign currencies	336,347,860	284,332,697
	Income from non-banking assets	-	-
	Other operating income	718,970,360	349,144,671
	Profit less losses on interest rate changes	-	-
		<u>8,250,782,586</u>	<u>5,762,920,464</u>
	Expenses		
	Interest, fee and commission	3,474,331,176	3,309,515,842
	Losses on loans and advances	256,238,731	48,411,718
	Administrative expenses	613,023,836	506,582,597
	Other operating expenses	982,132,023	462,446,192
	Depreciation on banking assets	65,072,553	44,099,001
		<u>5,390,798,319</u>	<u>4,371,055,350</u>
		<u>2,859,984,267</u>	<u>1,391,865,114</u>
20.	Interest income		
	Interest on call loans	75,430,247	82,883,111
	Interest received from other banks and financial institutions	119,326,625	82,200,276
	Interest received from foreign banks and Bangladesh Bank F/C accounts	16,883,566	11,731,500
	Interest received from customers, other than banks	4,739,030,456	4,066,823,283
		<u>4,950,670,894</u>	<u>4,243,638,170</u>
20(a)	Consolidated interest income		
	Premier Bank Limited (note 20)	4,950,670,894	4,243,638,170
	Off-shore Banking Unit	28,425,414	-
		<u>4,979,096,308</u>	<u>4,243,638,170</u>
21.	Interest paid on deposits, borrowings, etc		
	Interest paid on deposits	3,372,003,298	3,285,484,526
	Interest paid on borrowings	88,407,961	24,031,316
		<u>3,460,411,259</u>	<u>3,309,515,842</u>
21(a)	Consolidated interest paid on deposits, borrowings, etc		
	Premier Bank Limited (note 21)	3,460,411,259	3,309,515,842
	Off-shore Banking Unit	13,919,917	-
		<u>3,474,331,176</u>	<u>3,309,515,842</u>

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		Amount in Taka	
		2010	2009
22.	Investment income		
	Interest on treasury bills, Bangladesh Bank bills and repo	27,000,733	27,471,419
	Interest on treasury bonds	538,914,451	509,671,148
	Capital Gain on sale of investment in shares (note 22.1)	1,260,430,253	47,699,436
		<u>1,826,345,437</u>	<u>584,842,003</u>
22.1	Gain on sale of shares		
	Investment in portfolio	740,049,253	-
	DSE & CSE membership	520,381,000	-
		<u>1,260,430,253</u>	<u>-</u>
23.	Commission, exchange and brokerage		
	Commission	373,167,379	296,637,923
	Exchange earnings	336,347,860	284,332,697
		<u>709,515,239</u>	<u>580,970,620</u>
24.	Other income		
	Services and other charges	94,609,105	80,121,898
	Income from rent of lockers	673,164	776,295
	Postage recoveries	20,838,169	20,212,512
	Telex/fax/e-mail charges received	25,590,644	24,565,494
	Dividend on shares	16,855,242	4,325,000
	Incidental charges	20,474,563	43,793,368
	Revaluation for HFT	138,995,521	-
	Income from brokerage operation	205,565,100	1,491,152
	Rent on property	6,723,467	-
	Miscellaneous earnings	205,500,627	178,183,952
		<u>735,825,602</u>	<u>353,469,671</u>
25.	Salary and allowances		
	Basic pay	216,722,583	179,183,112
	Allowances	238,732,853	211,556,683
	Bonus	79,154,382	51,166,437
	Provident fund contribution	18,159,990	16,378,803
	Retirement benefits and gratuity	54,466,933	41,021,764
		<u>607,236,741</u>	<u>499,306,799</u>
26.	Rent, taxes, insurance, electricity, etc.		
	Rent, rates and taxes	399,157,463	180,070,566
	Insurance	31,433,678	25,527,213
	Electricity, gas, water, etc	39,390,544	26,909,393
		<u>469,981,685</u>	<u>232,507,172</u>
27.	Legal expenses		
	Law charges	1,132,557	2,363,263
	Other professional charges	950,422	831,500
		<u>2,082,979</u>	<u>3,194,763</u>
28.	Postage, stamp, telecommunication, etc		
	Telephone	5,445,976	4,787,243
	Postage, stamp and swift charges	16,206,128	15,291,975
	Telegram, telex, fax and e-mail	6,893,865	5,954,908
		<u>28,545,969</u>	<u>26,034,126</u>

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		Amount in Taka	
		2010	2009
29.	Stationery, printing, advertisement, etc		
	Printing and stationery	59,504,349	28,122,772
	Publicity, advertisement, contribution, etc	154,274,879	76,124,984
		<u>213,779,228</u>	<u>104,247,756</u>
30.	Chief executive's salary and fees	5,787,095	7,275,798
		<u>5,787,095</u>	<u>7,275,798</u>
31.	Directors' fees	2,810,000	1,812,000
		<u>2,810,000</u>	<u>1,812,000</u>
32.	Depreciation and repair of Bank's assets		
	Repairs:		
	Furniture and fixtures	6,957,509	1,436,275
	Office equipment	9,725,286	5,879,109
	Renovation and maintenance of premises	2,109,887	3,401,391
		<u>18,792,682</u>	<u>10,716,775</u>
	Depreciation: (Annexure - B)		
	Vehicles	3,945,772	3,733,273
	Furniture and fixtures	27,386,945	17,087,028
	Equipment & Computer	28,934,636	21,753,580
	Land and building	4,805,200	1,525,120
		<u>65,072,553</u>	<u>44,099,001</u>
		<u>83,865,235</u>	<u>54,815,776</u>
33.	Other expenses		
	Training expenses	3,408,563	1,808,009
	Car maintenance	7,362,614	7,128,177
	Washing and cleaning	1,428,453	1,547,246
	Subscription	4,263,826	3,515,836
	Entertainment	22,243,469	14,971,283
	Travelling	10,649,205	3,944,838
	Conveyance	3,642,583	2,589,216
	Cartage and freight	15,750	4,680
	Liveries and uniform	307,950	372,500
	Cash carrying charges	5,455,861	4,661,590
	Credit card fees	18,258,644	8,048,897
	Remittance charges	237,558	222,412
	Revaluation of HFT (note 33.1)	140,463,337	16,416,710
	Premium paid for securities	571,744	2,475,380
	AGM expenses	10,544,825	3,088,503
	Financial assistance	-	3,000
	Sundry expenses	17,040,954	12,976,963
		<u>245,895,336</u>	<u>83,775,240</u>
33.1	As per Bangladesh Bank Circular no.DOS, dated 28.01.2009 for revaluation of Bond under HFT expenditure incurred Tk 140,463,337.		
34.	Provision against loans and advances		
	Specific provision	150,000,000	(350,626,163)
	General provision	111,600,000	35,700,000
		<u>261,600,000</u>	<u>(314,926,163)</u>

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		Amount in Taka	
		2010	2009
35.	Earnings per share (EPS)		
	Net profit after taxation (Numerator)	1,757,512,666	1,088,317,560
	Number of ordinary shares outstanding (Denominator)	291,497,030	291,497,030
	Earnings per share (EPS)	6.03	3.73
Earnings per share (EPS) has been calculated in accordance with BAS - 33 : "Earnings per share (EPS)". Previous year's figures have been adjusted issue of 67,268,539 bonus shares (for the year 2009) during the year.			
35(a)	Consolidated earnings per share (CEPS)		
	Net profit after taxation (Numerator)	1,772,018,163	1,088,317,560
	Number of ordinary shares outstanding (Denominator)	291,497,030	291,497,030
	Consolidated earnings per share (CEPS)	6.08	3.73
Consolidated earnings per share (CEPS) has been calculated in accordance with BAS - 33 : "Consolidated earnings per share (CEPS)". Previous year's figures have been adjusted issue of 67,268,539 bonus shares (for the year 2009) during the year.			
35.1	Net operating cash flow per share (NOCFPS)		
	Cash generated from operating activities	2,059,556,779	589,020,093
	Average number of ordinary shares outstanding	291,497,030	291,497,030
	Net operating cash flow per share (NOCFPS)	7.07	2.02
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 2010 as per Notification of Securities & Exchange Commission (SEC).			
35.1(a)	Consolidated net operating cash flow per share (CNOCFPS)		
	Cash generated from operating activities	2,074,062,275	589,020,093
	Average number of ordinary shares outstanding	291,497,030	291,497,030
	Consolidated net operating cash flow per share (CNOCFPS)	7.12	2.02
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 2010 as per Notification of Securities & Exchange Commission (SEC).			
36.	Number of Employees		
The number of employees engaged for the whole year or part thereof who received total remuneration of Tk. 36,000 p.a. or above were 965.			
37.	Highlights of Activities		
	Paid-up capital	2,914,970,312	2,242,284,912
	Total capital	6,848,665,452	4,965,095,335
	Capital surplus/(shortfall)	676,645,452	1,684,854,919
	Total assets	66,759,120,328	47,343,235,844
	Total deposits	53,977,802,766	37,381,956,159
	Total loans and advances	44,939,342,042	33,664,587,265
	Total contingencies	25,944,210,986	16,398,088,630
	Loan-deposit ratio	83.26%	90.06%
	Ratio of classified loans against total loans	4.81%	1.83%
	Profit after tax and provision	1,757,512,666	1,088,317,560
	Loans classified during the year	-	-
	Provision against classified loans	600,000,000	450,000,000
	Provision surplus	7,875,187	122,547,100
	Cost of funds	7.61%	9.33%
	Profit-earning assets	57,274,342,467	41,097,600,012
	Non-profit earning assets	9,484,777,861	6,245,635,832
	Return on investments	17.91%	9.96%
	Return on assets (profit after tax)	2.63%	2.30%
	Income from investment	1,826,345,437	584,842,003
	Earnings per share	6.03	3.73
	Net income per share	6.03	3.73
	Net operating cash flow per share (NOCFPS)	7.07	2.02
	Price earning ratio (approximate)	10.67 times	8.85 times

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	Amount in Taka	
	2010	2009
37(a) Consolidated Highlights of Activities		
Paid-up capital	2,914,970,312	2,242,284,912
Total capital	6,863,170,949	4,965,095,335
Capital surplus/(shortfall)	691,150,949	1,684,854,919
Total assets	68,240,347,651	47,343,235,844
Total deposits	54,691,466,383	37,381,956,159
Total loans and advances	46,400,574,078	33,664,587,265
Total contingencies	25,944,210,986	16,398,088,630
Loan-deposit ratio	84.84%	90.06%
Ratio of classified loans against total loans	4.66%	1.83%
Profit after tax and provision	1,772,018,163	1,088,317,560
Loans classified during the year	-	-
Provision against classified loans	600,000,000	450,000,000
Provision surplus	7,875,187	122,547,100
Cost of funds	7.61%	9.33%
Profit-earning assets	58,735,574,503	41,097,600,012
Non-profit earning assets	9,504,773,148	6,245,635,832
Return on investments	17.91%	9.96%
Return on assets (profit after tax)	2.60%	2.30%
Income from investment	1,826,345,437	584,842,003
Earnings per share	6.08	3.73
Net income per share	6.08	3.73
Net operating cash flow per share (NOCFPS)	7.12	2.02
Price earning ratio (approximate)	10.59 times	8.85 times

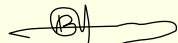
38. Assets and liabilities at 31 December 2010 denominated in foreign currencies have been converted to local currency Bangladesh Taka (BDT) at the following exchange rates:

Currency	Abbreviation and unit		Equivalent BDT
British Pound Sterling	GBP	1.00	109.8355
European Currency	EURO	1.00	93.6945
Canadian Dollar	CAD	1.00	70.8571
Australian Dollar	AUD	1.00	72.0044
Japanese Yen	JPY	1.00	0.8697
US Dollar	USD	1.00	70.8250
Swiss Franc	CHF	1.00	75.1580

39. No material events have occurred after the Balance Sheet date that could affect the values reported in the financial statements.
40. Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
41. Wherever considered necessary, previous period figures have been rearranged for the purpose of comparison with current year's presentation without causing any impact on the profit as well as value of assets and liabilities as reported in the said financial statements.
42. 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

Balance Sheet of Islamic Banking Branches as at 31 December 2010

Annexure-A

		Amount in Taka	
	Note	2010	2009
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)	1.1	12,305,615	12,721,775
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	1.2	7,904,804	23,394,431
		20,210,419	36,116,206
Balance with other banks and financial institutions	2		
In Bangladesh	2.1	2,200,000,000	200,000,000
Outside Bangladesh		-	-
		2,200,000,000	200,000,000
Placement with banks and other financial institutions		-	-
Investment in shares & securities	3		
Government	3.1	315,800	-
Others	3.2	336,910,000	-
		337,225,800	
Investments (including bills)	4		
General investment		1,927,580,632	1,214,811,636
Bills purchased and discounted		131,988,301	51,671,919
		2,059,568,933	1,266,483,555
Fixed assets including premises, furniture and fixtures	5	8,884,466	9,246,117
Other assets	6	3,523,327,023	2,012,497,397
Non-banking assets		-	-
Total Assets		8,149,216,641	3,524,343,275
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	7	2,200,000,000	-
Deposits and other accounts			
Mudaraba savings deposits		221,357,972	457,105,861
Mudaraba term deposits		4,894,995,310	2,360,974,383
Other mudaraba deposits		-	-
Al - Wadiah Current deposits and other accounts		532,202,178	512,878,632
Bills payable		32,420,235	24,794,306
		5,680,975,695	3,355,753,182
Other liabilities	8	268,240,946	168,590,093
Deferred tax liabilities/(Assets)		-	-
Total Liabilities		8,149,216,641	3,524,343,275
Contingent Liabilities			
Acceptances and endorsements		107,655,500	113,928,000
Letters of guarantee		53,064,568	46,171,674
Irrevocable letters of credit		307,666,000	420,144,000
Bills for collection		52,671,426	52,372,804
Other contingent liabilities		-	-
		521,057,494	632,616,478
Other commitments		-	-
Total Off-Balance Sheet Items		521,057,494	632,616,478

The Premier Bank Limited

Profit and Loss Statement of Islamic Banking Branches for the year ended 31 December 2010

Annexure A

		Amount in Taka	
	Note	2010	2009
OPERATING INCOME			
Investment income	9	503,354,307	383,031,170
Profit paid on deposits, borrowings, etc	10	(364,568,597)	(325,376,779)
Net investment income		138,785,710	57,654,391
Commission, exchange and brokerage	11	10,151,601	8,460,339
Other operating income	12	15,607,256	19,840,610
Total operating income (A)		164,544,567	85,955,340
Salary and allowances	13	19,504,004	20,489,874
Rent, taxes, insurance, lighting, etc	14	6,209,543	6,286,695
Legal expenses		-	-
Postage, stamps, telecommunication, etc	15	1,064,951	1,184,135
Stationery, printing, advertisement, etc	16	1,033,672	892,017
Depreciation and repair of Bank's assets	17	1,658,615	1,589,129
Other expenses	18	860,729	1,160,058
Total operating expenses (B)		30,331,514	31,601,908
Total operating profit (C=A-B)		134,213,053	54,353,432

The Premier Bank Limited

Notes to financial statements of Islamic Banking Branches
for the year ended 31 December 2010

		Amount in Taka	
		2010	2009
1	Cash		
1.1	Cash in hand		
	In local currency	11,036,296	12,079,122
	In foreign currency	1,269,319	642,653
		12,305,615	12,721,775
1.2	Balance with Bangladesh Bank and its agent bank(s)		
	Balance with Bangladesh Bank		
	In local currency	7,904,804	23,394,431
	In foreign currency	-	-
		7,904,804	23,394,431
		20,210,419	36,116,206
2.	Balance with other banks and financial institutions		
	In Bangladesh	2,200,000,000	200,000,000
	Outside Bangladesh	-	-
		2,200,000,000	200,000,000
2.1	In Bangladesh		
	AB Bank Limited	1,400,000,000	200,000,000
	Southeast Bank Limited	400,000,000	-
	Bank Asia limited	200,000,000	-
	Export Import Bank Limited	200,000,000	-
		2,200,000,000	200,000,000
3.	Investment in shares and securities		
3.1	Government securities		
	Treasury bills	-	-
	Bangladesh Bank bills	-	-
	Treasury bonds	-	-
	Repo	-	-
	Prize bonds	315,800	-
		315,800	-
3.2	Others		
	In shares and bonds (quoted and unquoted)		
	<u>Quoted</u>		
	Islamic Investment Bond	-	-
	Investment in Shares (Islami)	336,910,000	-
		336,910,000	-
	<u>Unquoted</u>		
		-	-
		-	-
		337,225,800	-
4.	Investments (including bills)		
	General investment	1,927,580,632	1,214,811,636
	Bills purchased and discounted	131,988,301	51,671,919
		2,059,568,933	1,266,483,555

The Premier Bank Limited

Notes to financial statements of Islamic Banking Branches for the year ended 31 December 2010

		Amount in Taka	
		2010	2009
5.	Fixed assets including premises, furniture and fixtures		
	Land and Building	-	
	Furniture and fixtures	5,785,087	6,248,473
	Equipment and computers	3,099,379	2,997,644
	Vehicles	-	
		8,884,466	9,246,117
6.	Other assets		
	Head Office general account	3,457,080,662	1,988,254,321
	Adjusting account	60,900,626	17,232,587
	Stock of stationery	554,854	618,568
	Stamp in hand	68,028	22,043
	Advance against interior decoration	14,000	14,000
	Suspense A/c	25,150	87,220
	Sundry assets	4,683,703	6,268,658
		3,523,327,023	2,012,497,397
7.	Borrowings from other banks, financial institutions and agents		
	In Bangladesh (note 7.1)	2,200,000,000	-
	Outside Bangladesh	-	-
		2,200,000,000	-
7.1	In Bangladesh		
	Bangladesh Bank (Refinance facility)	2,200,000,000	-
		2,200,000,000	-
8.	Other liabilities		
	Adjusting account	165,283,889	111,827,495
	Profit receivable on investment	102,093,404	54,111,623
	Interest suspense A/c	68,806	165,994
	Investment compensation	794,847	2,484,981
		268,240,946	168,590,093

The Premier Bank Limited

Notes to financial statements of Islamic Banking Branches for the year ended 31 December 2010

		Amount in Taka	
Profit and Loss Statement		2010	2009
9.	Investment income		
	Profit received from customers other than banks	185,119,494	148,862,822
	Profit received on Head Office general account	236,494,363	217,126,683
	Profit received on deposit with other banks	71,740,450	17,041,665
	Gain on sale of share	10,000,000	
		<u>503,354,307</u>	<u>383,031,170</u>
10.	Profit paid on deposits, borrowings, etc		
	Profit paid on deposits	364,568,597	325,376,779
		<u>364,568,597</u>	<u>325,376,779</u>
11.	Commission, exchange and brokerage		
	Commission	7,392,449	6,313,424
	Exchange earnings	2,759,152	2,146,915
		<u>10,151,601</u>	<u>8,460,339</u>
12.	Other income		
	Services and other charges	7,903,782	10,976,392
	Postage recovers	490,677	517,098
	Telex/fax/e-mail charges received	657,763	588,650
	Incidental charges	1,298,319	3,074,200
	Legal charges recoveries	-	4,684,270
	Miscellaneous earnings	5,256,715	-
		<u>15,607,256</u>	<u>19,840,610</u>
13.	Salary and allowances		
	Basic pay	7,660,230	8,062,061
	Allowances	8,403,003	9,299,006
	Bonus	2,746,211	2,338,840
	Provident fund contribution	694,560	789,967
		<u>19,504,004</u>	<u>20,489,874</u>
14.	Rent, taxes, insurance, electricity, etc		
	Rent, rates and taxes	3,386,994	3,772,182
	Insurance	2,226,441	2,003,746
	Electricity, gas, water, etc	596,108	510,767
		<u>6,209,543</u>	<u>6,286,695</u>
15.	Postage, stamp, telecommunication, etc		
	Telephone	217,265	227,773
	Postage, stamp and swift charges	139,839	105,533
	Telegram, telex, fax and e-mail	707,847	850,829
		<u>1,064,951</u>	<u>1,184,135</u>
16.	Stationery, printing, advertisement, etc		
	Printing and stationery	1,001,283	892,017
	Publicity and advertisement	32,389	-
		<u>1,033,672</u>	<u>892,017</u>
17.	Depreciation and repair of Bank's assets		
	Repairs:		
	Furniture and fixtures	17,034	19,340
	Office equipment	264,883	198,182
	Renovation and maintenance of premises	125,750	56,810
		<u>407,667</u>	<u>274,332</u>
	Depreciation:		
	Vehicles	-	-
	Furniture and fixtures	619,109	669,013
	Office equipment	631,839	645,784
		<u>1,250,948</u>	<u>1,314,797</u>
		<u>1,658,615</u>	<u>1,589,129</u>
18.	Other expenses		
	Washing and cleaning	15,264	11,603
	Subscription	26,389	28,514
	Entertainment	265,646	310,928
	Travelling	165,280	149,560
	Conveyance	80,768	92,404
	Liveries and uniform	9,000	10,100
	Cash carrying charges	186,630	215,155
	Sundry expenses	111,752	341,794
		<u>860,729</u>	<u>1,160,058</u>

The Premier Bank Limited

Details of fixed assets at 31 December 2010

Annexure B

Amounts in Taka

Asset Category	Cost			Depreciation					Written Down Value at 31 December 2010	
	At 01 Jan 2010	Additions during the year	Adjustment during the year	Total at 31 December 2010	Rate (%)	Balance on 01 Jan 2010	Charge for the year	Adjustment for disposal during the year		Total balance at 31 December 2010
Land and Building	193,733,119	7,203,000	-	200,936,119	2.5	1,525,120	4,805,200	-	6,330,320	194,605,799
Furniture and fixtures	297,434,939	101,250,369	-	398,685,308	10	85,117,281	27,386,945	-	112,504,226	286,181,082
Equipment and computers	226,151,238	79,594,045	-	305,745,283	20	111,279,234	28,934,636	-	140,213,870	165,531,413
Vehicles	32,589,694	-	-	32,589,694	20	22,437,341	3,945,772	-	26,383,113	6,206,581
Total at 31 December 2010	749,908,990	188,047,414	-	937,956,404		220,358,976	65,072,553	-	285,431,529	652,524,875
Total at 31 December 2009	475,106,394	274,802,599	-	749,908,990		176,259,975	44,099,001	-	220,358,976	529,550,014

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

Statement of Tax Position

Annexure C

Accounting year	Assessment Year	Tax provision as per accounts (Taka)	Tax as per assessment order (Taka)	Excess/(Shortage) of provision (Taka)	Present status
2000	2001-2002	5,771,693	2,799,908	2,971,785	Assessment completed
2001	2002-2003	49,654,000	48,047,507	1,606,493	Assessment completed
2002	2003-2004	64,508,955	63,810,585	698,370	Assessment completed
2003	2004-2005	177,475,419	198,415,810	(20,940,391)	Assessment completed
2004	2005-2006	385,352,222	456,618,189	(71,265,967)	Appeal filed with High Court
2005	2006-2007	332,892,485	347,908,111	(15,015,626)	Appeal filed and pending
2006	2007-2008	330,881,559	417,870,279	(86,988,720)	Appeal filed and pending
2007	2008-2009	451,398,452	429,459,338	21,939,114	Appeal filed and pending
2008	2009-2010	577,320,969	557,791,520	19,529,449	Appeal filed and pending
2009	2010-2011	591,542,675	-	-	Return filed but assessment not yet completed
2010	2011-2012	755,800,098	-	-	Return not yet due for filing
	Total	3,722,598,527	2,522,721,247	(147,465,493)	

No provision has been made for the difference between the amount of tax provision made in the accounts and tax payable amount as per the relevant assessment orders, as the Bank is confident of becoming successfully in its appeal against those tax assessments.

Notes to financial statements for the year ended 31 December 2010

Name of Directors and the entities in which they had interest as at 31 December 2010

FINANCIALS 2010

The Premier Bank Limited

Notes to financial statements for the year ended 31 December 2010

Annexure D

Name of Directors and the entities in which they had interest as at 31 December 2010

Sl. no.	Name	Designation	Entities where they had interest	Position	Interest (%)
			Envoy Towers Ltd	Managing Director	50
			Olio Apparels Ltd	Managing Director	50
			Building Products Ltd	Managing Director	50
			Sharmin Holdings Ltd	Managing Director	18.54
			Sports Media Ltd	Managing Director	25
			Sheltech Suit (Pvt) Ltd	Director	-
			Sheltech Cond. (Pvt) Ltd	Director	-
			Square Hospitals Ltd	Director	4.61
			Regional Power Ltd	Vice Chairman	25
4	Mr. Shafiqur Rahman	Director	Rupsha Tyres & Chemical Ltd	Managing Director	40
			Rupsha Rubber Industries	Proprietor	
5	Mr. Yeh Cheng Min	Director	Alita (BD) Ltd	Chairman	70
			Ace Bicycle (BD) Ltd	Managing Director	70
			Van Green (BD) Ltd	Chairman	70
6	Mrs. Nawrin Iqbal	Director	Bentley Sweater Ltd	Vice Chairman	15
			Premier Property Development Co. Ltd.	Vice Chairman	
			Nawrin Electronics Ltd	Managing Director	12.50
			Centaur Ltd	Director	-
			Bukhara Restaurant (Pvt) Ltd	Director	10
			ATAB Centre Ltd.	Director	-
			Gulf Medical Centre Ltd	Director	-
			Bengal Tiger Cement Ind.Ltd.	Director	-
			Premier Group of Companies Ltd.	Director	-
			Premier Hotel & Resort Ltd.	Director	-
			Premier Hotel & Management Ltd.	Director	-
7	Mrs. Shaila Shelly Khan	Director	-	-	-
8	Mr. Md. Masud Zaman	Director	Baly Yarn Dyeing Ltd	Managing Director	28.75
			Baly Plastic Industries Ltd	Director	30.90
			Baly Shrimp Hatchery	Managing Partner	29
			Baly PVC and Rubber Industries Ltd.	Director	-
9	Mr. Md. Lutfur Rahman	Director	Thai Terrace	Proprietor	-
			Nirvana Builders International	Proprietor	-
			Beagon Enterprise	Proprietor	-
			Nirvana Builders Ltd.	Managing Director	-
			Banani Travls & Tours Ltd.	Director	-
10	Mr. Moin Iqbal	Director	Bentley Sweater Ltd	Chairman	-
			Premier Property Development Co. Ltd.	Chairman	-
			Premier Hotel & Resort Ltd.	Managing Director	-
			Premier Hotel & Management Ltd.	Managing Director	-
			Premier Group of Companies Ltd.	Director	-
			Air Concern International Ltd.	Director	-
			Bukhara Restaurant (Pvt) Ltd	Director	-
			ATAB Centre Ltd.	Director	-
			Nawrin Electronics Ltd	Director	-
			Banani Travels & Tours Ltd.	Director	-
11	Mr. Shah Md. Nahyan Haroon	Director	Rajbithi Travels Ltd	Managing Director	-
12	Mr. Mohammad Imran Iqbal	Director	Premier Property Development Co. Ltd.	Managing Director	-
			Bentley Sweater Ltd	Add. Managing Director	-
			Premier Group of Companies Ltd.	Director	-
			Premier Hotel & Resort Ltd.	Director	-
			Premier Hotel & Management Ltd.	Director	-
			ATAB Centre Ltd.	Director	-
			Bukhara Restaurant (Pvt) Ltd	Director	-
			Nawrin Electronics Ltd	Director	-
			Al-Khalig Travels Ltd.	Director	-
13	Ms. Parsa Sanjana Amin	Director	-	-	-
14	Mr. Kazi Abdul Mazid	Independent Director	MBF Clothing Ltd.	Director	-
			Isamoti Somaj Unnayan Uddog	Secretary	-
			Armah Fashions	Proprietor	-

The Premier Bank Limited

Details of borrowers for charges on loan losses

Annexure E

(Amount in Taka)

Sl. no.	Name of Borrowers	Amount written-off	Suit value
1.	M/S Shahaba Appreales & Well Sweater	146,640,000	N/A
2.	M/S Akbar Travels International	65,573,000	N/A
3.	M/S Kisma Trading & Construction Industry	40,029,000	N/A
4.	Future Vision Ltd	3,996,731	N/A
	Total	256,238,731	

The Premier Bank Limited

Advances to customers for more than 15% of Bank's total capital

Annexure F

(Amount in Taka)

Sl. no.	Name of Parties	Outstanding as on 31.12.2010	Classification status	Measures taken for recovery	suit value
01.	Trading Corporation of Bangladesh	1,185,367,960	UC	N/A	N/A
	Total	1,185,367,960			

The Premier Bank Limited

Top-10 Borrowers as on 31.12.2010

Annexure G

(Amount in Lac)

Sl. no.	Borrower's Name	Outstanding as on 31.12.2010			Outstanding as on 31.12.2009
		Funded	Non-Funded	Total	
1.	TRADING CORPORATION OF BANGLADESH	9983.00	20633.00	30616.00	-
2.	AYESHA CLOTHING CO LTD	835.00	19746.00	20581.00	2946.00
3.	DESH TRADING CORPORATION	-	12994.00	12994.00	545.00
4.	CITY SEED CRUSHING INDUSTRIES LTD	1778.00	9898.00	11676.00	1440.00
5.	M.I. YARN DYEING LTD	5885.00	4346.00	10231.00	8002.00
6.	SINHA DENIM LIMITED	6342.00	1451.00	7793.00	2065.00
7.	S.ALAM TRADING CO. (PVT) LIMITED	7591.00	-	7591.00	2680.00
8.	GRAMEEN PHONE LIMITED	-	7020.00	7020.00	2649.00
9.	AGRO FOOD SERVICES LTD	-	6660.00	6660.00	-
10.	WEGA ZONE LIMITED	90.00	6061.00	6151.00	163.00
	Total	32504.00	88809.00	121313.00	20490.00

The Premier Bank Limited

Investment in shares (Islami) as on 31.12.2010

Annexure H-1

Sl.no.	Name of the Company	Type of shares	Face Value	No. of Share	Total Cost	Average Cost	Market Price per share as on 30.12.2010	Total Market Value as at 30.12.2010
1	Atlas Bangladesh	A	10	3,333	1,607,739	482	394	1,313,535
2	Confidence Cement	A	10	50,000	16,948,000	339	293	14,670,000
3	Dhaka Electric Supply	A	100	8,000	18,875,600	2,360	2,032	16,252,000
4	Export Import Bank Limited	A	10	620,200	38,917,550	63	61	37,646,140
5	Fine Foods Limited	A	10	250	25,622	103	97	24,300
6	First Lease International	A	100	500	843,360	1,687	1,510	755,000
7	Meghna Life Insurance Ltd.	A	10	32,000	12,261,760	383	403	12,908,800
8	Metro Spinning Ltd.	A	10	40,000	4,286,000	107	87	3,480,000
9	Shahjalal Islami Bank Limited	A	10	50,000	3,919,500	78	79	3,965,000
10	Aftab Automobiles	A	10	30,000	13,434,900	448	452	13,548,000
11	Bangladesh Welding Elect.	A	10	500	139,055	278	267	133,250
12	BGIC	A	10	100,000	10,890,000	109	77	7,700,000
13	S. Alam Cold Rolled Steels	A	100	5,000	4,221,100	844	823	4,113,750
14	The Dacca Dyeing Ltd.	A	10	63,500	6,431,280	101	98	6,242,050
15	United Airways	B	100	17,700	12,640,101	714	737	13,044,900
	Total:				145,441,567			135,796,725

Deposit against issue of right shares	500,000.00
Balance with Nank on account of investment in shares (Islami)	198,512,850
Provided for provision	2,100,425
Total	201,113,275
Grand Total	336,910,000

The Premier Bank Limited

Investment in shares (General) as on 31.12.2010

Annexure H-2

Sl. no.	Name of the Company	Type of shares	Face Value	No. of Shares	Total Cost	Avg. Cost	Market Price as on 30.12.2010	Total Market Value as at 30.12.2010
1	1ST BSRF MF	A	100	2,000	3,769,040	1,885	2,099	4,198,500
2	AB Bank	A	100	47,000	71,545,750	1,522	1,581	74,283,500
3	Aftab Automobiles	A	10	30,000	12,065,400	402	452	13,548,000
4	Atlas Bangladesh	A	10	14,233	6,343,933	446	394	5,609,225
5	Bd Welding Elect. Ltd.	A	10	92,000	24,782,040	269	267	24,518,000
6	Beximco Pharma Ltd.	A	10	27,600	3,719,928	135	135	3,728,760
7	Beximco Synthetic	A	100	10,000	4,897,000	490	515	5,147,500
8	BGIC	A	10	432,000	46,336,320	107	77	33,264,000
9	BOC Bangladesh Ltd.	A	10	25,000	21,497,250	860	692	17,307,500
10	BRAC Bank Ltd.	A	100	70,000	62,083,000	887	856	59,937,500
11	Confidence Cement	A	10	90,160	31,143,969	345	293	26,452,944
12	Dhaka Bank Limited	A	10	217,400	16,507,182	76	76	16,587,620
13	Dhaka Electric Supply	A	100	93,550	225,882,088	2,415	2,032	190,046,825
14	Eastland Insurance Ltd.	A	100	14,760	23,924,189	1,621	1,594	23,531,130
15	Export Import Bank Limited	A	10	58,100	3,353,532	58	61	3,526,670
16	Fine Foods Limited	A	10	125,000	12,622,500	101	97	12,150,000
17	First Lease International	A	100	17,000	28,633,950	1,684	1,510	25,670,000
18	Golden Son Limited	A	10	100,000	11,614,000	116	102	10,230,000
19	GRAMEEN PHONE LTD	A	10	24,400	6,190,768	254	246	5,997,520
20	Heidelberg Cement BD Ltd.	A	100	10,395	42,856,194	4,123	3,659	38,037,904
21	IFIC Bank	A	100	74,655	109,500,968	1,467	1,421	106,066,091
22	Industrial Prom. & Dev. Co.	A	100	93,000	72,321,450	778	688	63,960,750
23	Islamic Finance & Investment Ltd.	A	100	1,000	1,030,760	1,031	933	933,250
24	Lafarge Surma Cement Ltd.	Z	100	11,600	8,729,464	753	564	6,539,500
25	Lankabangla Finance	A	10	74,500	39,674,230	533	498	37,093,550
26	Maksons Spinning Mills	A	10	30,000	2,072,100	69	68	2,052,000
27	Malek Spinning Mills	A	10	160,000	15,169,600	94.81	100	16,064,000
28	Meghna Cement Mills	A	10	75,100	31,134,958	415	346	25,984,600
29	Meghna Condensed Milk	B	10	48,000	4,150,080	87	80	3,844,800
30	Meghna Pet Industries Ltd.	Z	10	15,000	412,650	28	26	394,500
31	Mercantile Bank Ltd.	A	100	5,000	2,771,450	554	581	2,902,500

The Premier Bank Limited

Investment in shares (General) as on 31.12.2010

Annexure H-2

Sl.no.	Name of the Company	Type of shares	Face Value	No. of Share	Total Cost	Avg. Cost	Market Price as on 30.12.2010	Total Market Value as at 30.12.2010
32	Metro Spinning Ltd.	A	10	36,000	3,850,560	107	87	3,132,000
33	Midas Finance Company	A	100	2	0	0	1,853	3,707
34	Mutual Trust Bank Ltd.	A	100	40,000	28,245,200	706	708	28,330,000
35	National Bank Limited	A	10	1,700	280,194	165	192	325,720
36	One Bank Limited	A	100	12,450	13,207,085	1,061	1,154	14,364,188
37	Padma Oil Company	A	10	5,700	7,198,302	1,263	828	4,720,170
38	Premier Leasing & Finance	A	100	2,700	2,704,590	1,002	1,117	3,014,550
39	Prime Finance & Investment Ltd.	A	10	25,000	12,449,750	498	466	11,647,500
40	RAK Ceramics	N	10	118	26,326	223	172	20,249
41	Reliance Insurance	A	100	2,500	4,895,875	1,958	1,738	4,345,625
42	Rupali Insurance	A	100	18,180	31,061,439	1,709	1,737	31,574,115
43	S. Alam Cold Rolled Steels	A	100	20,000	16,917,600	846	823	16,455,000
44	Standard Bank Ltd.	A	100	152,850	97,263,041	636	646	98,741,100
45	The City Bank Limited	A	100	33,835	33,239,166	982	1,000	33,843,459
46	Titans Gas T&D Co. Ltd.	A	100	105,420	110,101,702	1,044	999	105,314,580
47	Trust Bank Limited	A	100	6,800	4,771,900	702	753	5,122,100
48	UCBL	A	10	115,250	25,726,105	223	227	26,127,175
49	Union Capital Limited	A	10	50,000	12,975,500	260	247	12,340,000
50	UNITED AIRWAYS	B	100	8,700	5,928,615	682	737	6,411,900
51	Uttara Finance Ltd.	A	10	190,000	97,192,600	512	387	73,454,000
52	Unique Hotel & Resort Ltd.	N/A	10	200,000	32,000,000	160	160	32,000,000
53	Energy Prima Ltd.	N/A	10	100,000	9,500,000	95	95	9,500,000
54	Langa Bangla securities Ltd.	N/A	10	20,000	5,000,000	250	250	5,000,000
55	M.I Cement Limited	N/A	10	32,338	3,608,921	112	112	3,608,921
56	MUL Bangladesh Ltd.	N/A	10	40,192	6,125,261	152	152	6,125,261
Total:					1,511,005,475			1,395,129,959
Balance with bank on account of brokerage business								
Proceeds of shares receivable from DSE								
Payable to DSE								
Fund available for investment								
Profit transferred to the Bank from brokerage business								
Total								
Grand Total								
								104,934,518
								47,697,1569
								(309,758)
								(9,921,703)
								(93,949,255)
								477,725,371
								1,872,855,330

Off-shore Banking Units
Balance Sheet as at 31 December 2010

Particulars	Note	2010		2009 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	286,255	19,995,287	-
Outside Bangladesh				-
		286,255	19,995,287	-
Loans and advances				
Loans, cash credits, overdrafts, etc.	4	9,999,971	708,352,119	-
Bills purchased and discounted	5	10,628,580	752,879,917	-
		20,628,552	1,461,232,036	-
Fixed assets including premises, furniture and fixtures		-	-	-
Other assets		-	-	-
Non - banking assets		-	-	-
Total assets		20,914,806	1,481,227,323	-
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents			-	-
Deposits and other accounts				
Current deposits	6			-
Bills payable		-	-	-
Savings bank deposits		-	-	-
Term deposits		10,076,437	713,663,617	-
Bearer certificate of deposit		-	-	-
		10,076,437	713,663,617	-
Other liabilities	7	10,632,661	753,058,209	-
Total liabilities		20,709,097	1,466,721,826	-
Capital / Shareholders' equity				
Paid up capital		-	-	-
Statutory reserve		-	-	-
Foreign currency gain		-	-	-
Other reserve		-	-	-
Deficit in profit and loss account / Retained earnings		205,709	14,505,497	-
Total Shareholders' equity		205,709	14,505,497	-
Total liabilities and Shareholders' equity		20,914,806	1,481,227,323	-

Particulars	Notes	2010		2009 Taka
		USD	Taka	

OFF- BALANCE SHEET ITEMS

Contingent liabilities	9			-
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		-	-	-

Off-shore Banking Units
Profit and Loss Account
for the year ended 31 December 2010

Particulars	Note	2010		2009 Taka
		USD	Taka	
Interest income	10	403,113	28,425,413	-
Interest paid on deposits, borrowings, etc.	11	(197,404)	(13,919,917)	-
Net interest		205,709	14,505,497	-
Commission, exchange, brokerage, etc.		-	-	-
Other operating income		-	-	-
Total operating income (A)		205,709	14,505,497	-
Salaries and allowances		-	-	-
Rent, taxes, insurance, electricity, etc.		-	-	-
Legal expenses		-	-	-
Postage, stamp, telecommunication, etc.		-	-	-
Stationery, printing, advertisements, etc.		-	-	-
Auditors' fees		-	-	-
Depreciation and repair of Bank's assets		-	-	-
Other expenses		-	-	-
Total operating expenses (B)		-	-	-
Profit / (loss) before provision (C=A-B)		205,709	14,505,497	-
Provision for loans and advances / investments				
Specific provision		-	-	-
General provision		-	-	-
Provision for diminution in value of investments		-	-	-
Other provision		-	-	-
Total provision (D)		-	-	-
Total profit / (loss) before taxes (C-D)		205,709	14,505,497	-
Provision for taxation				
Current tax		-	-	-
Deferred tax		-	-	-
Net profit / (loss) after taxation		205,709	14,505,497	-
Retained earnings brought forward from previous years		-	-	-
		205,709	14,505,497	-

Off-shore Banking Units
Cash Flow Statement
for the year ended 31 December 2010

Particulars	2010		2009 Taka
	USD	Taka	
A) Cash flows from operating activities			
Interest receipts in cash	403,113	28,425,413	
Interest payments	-	-	
Fees and commission receipts in cash	-	-	
Cash payments to employees	-	-	
Cash payments to suppliers	-	-	
Receipts from other operating activities	-	-	
Payments for other operating activities	(197,404)	(13,919,917)	
Cash generated from operating activities before changes in operating assets and liabilities	205,709	14,505,497	-
Increase / (decrease) in operating assets and liabilities			
Loans and advances to other banks	-	-	-
Loans and advances to customers	(20,628,552)	(1,461,232,036)	-
Other assets	-	-	-
Deposits from other banks / borrowings	10,076,437	713,663,617	-
Deposits from customers	-	-	-
Other liabilities	10,632,661	753,058,209	-
	80,546	5,489,790	-
Net cash from operating activities	286,254	19,995,287	-
B) Cash flows from investing activities			
Purchase / sale of property, plant and equipment	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-
Net cash used in investing activities	-	-	-
C) Cash flows from financing activities			
Borrowing from Premier Bank Limited	-	-	-
Profit transferred to HO	-	-	-
Net Cash from financing activities	-	-	-
D) Net increase / (decrease) in cash and cash equivalents (A+B+C)	286,254	19,995,287	-
E) Effects of exchange rate changes on cash and cash equivalents	-	-	-
F) Cash and cash equivalents at beginning of the year	-	-	-
G) Cash and cash equivalents at end of the year (D+E+F)	286,254	19,995,287	-
Cash and cash equivalents at end of the year			
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	286,255	19,995,287	-
	286,255	19,995,287	-

Off-shore Banking Units
Notes to the Financial Statements
for the year ended 31 December 2010

1.1 Status of the units

Off-shore Banking Units of The 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 Dhaka EPZ Branch premises from January 2010.

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 Cash flow statement

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

1.2.5 Reporting period

These financial statements cover from January 01 to December 31, 2010.

2 General

These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in 1) these financial statements have been rounded off to the nearest Taka.

Profit Transferred into Taka Currency @ US\$1 = Taka 69.275 at mid rate of June 30, 2010 and @US\$1 = Taka 70.825 at 2) mid rate of Decemeber 31, 2010

	2010		2009 Taka
	USD	Taka	
3 Balance with other banks and financial institutions			
In Bangladesh (note-3.1)	286,255	19,995,287	-
Outside Bangladesh (note-3.2)	-	-	-
	<u>286,255</u>	<u>19,995,287</u>	<u>-</u>
3.1 In Bangladesh	<u>286,255</u>	<u>19,995,287</u>	<u>-</u>
3.2 Outside Bangladesh (Nostro accounts)			
<u>Current account</u>	-	-	-
4 Loans and advances			
i) Loans, cash credits, overdrafts, etc.			
Loan (General)	9,999,971	708,352,119	-
Lease finance	-	-	-
T.R Loan	-	-	-
	<u>9,999,971</u>	<u>708,352,119</u>	<u>-</u>
ii) Bills purchased and discounted (note-5)			
Payable Inside Bangladesh			
Inland bills purchased	-	-	-
Payable Outside Bangladesh			
Foreign bills purchased and discounted	10,628,580	752,879,917	-
	<u>10,628,580</u>	<u>752,879,917</u>	<u>-</u>
	<u>20,628,552</u>	<u>1,461,232,036</u>	<u>-</u>
5 Bills purchased and discounted			
Payable in Bangladesh	-	-	-
Payable outside Bangladesh	10,628,580	752,879,917	-
	<u>10,628,580</u>	<u>752,879,917</u>	<u>-</u>
6 Deposits and other accounts			
Bank deposits	-	-	-
Customer deposits and other accounts (note-6.1)	10,076,437	713,663,617	-
	<u>10,076,437</u>	<u>713,663,617</u>	<u>-</u>
6.1 Customer deposits and other accounts			
Current deposits	-	-	-
Foreign currency deposits	10,076,437	713,663,617	-
Security deposits receipts	-	-	-
Sundry deposits	-	-	-
	<u>10,076,437</u>	<u>713,663,617</u>	<u>-</u>
7 Other liabilities			
Interest on bills discount	-	-	-
Interest on borrowing	-	-	-
Accrued interest on FDR	112,381	7,959,378	-
Head Office DEPZ Dollar Account	10,520,280	745,098,831	-
	<u>10,632,661</u>	<u>753,058,209</u>	<u>-</u>

	2010		2009 Taka
	USD	Taka	
8. Retained earnings			
Balance 1st Januray	-	-	-
Less: foreign currency translation gain for last year	-	-	-
	-	-	-
Addition during the year	205,709	14,505,497	-
	205,709	14,505,497	-
Add: foreign exchange gain	-	-	-
	205,709	14,505,497	-
	-	-	-
	205,709	14,505,497	-
9. Contingent liabilities			
9.1 Acceptance & endorsement			
Back to Back bills	-	-	-
	-	-	-
Less: Margin	-	-	-
	-	-	-
9.2 Letters of credits			
Letters of credits	-	-	-
Customer liabilities PAD	-	-	-
Back to Back letter of credit	-	-	-
	-	-	-
Less: Margin	-	-	-
	-	-	-
9.3 Letters of guarantee			
Letters of guarantee (Local)	-	-	-
Letters of guarantee (Foreign)	-	-	-
Foreign counter guarantees	-	-	-
	-	-	-
Less: Margin	-	-	-
	-	-	-
9.4 Bills for collection			
Outward local bills for collection	-	-	-
Outward foreign bills for collection	-	-	-
Inward local bills for collection	-	-	-
Inward foreign bills for collection	-	-	-
	-	-	-
Less: Margin	-	-	-
	-	-	-
10 Interest income			
Loan (general)	294,812	20,788,629	-
LTR loan	-	-	-
Lease finance	-	-	-
Payment against documents	-	-	-
Documentary bills purchased	108,300	7,636,784	-
Others	-	-	-
Interest on loans and advances	403,113	28,425,413	-
	-	-	-
Interest on balance with other banks and financial institutions	-	-	-
Interest received from foreign banks	-	-	-
	-	-	-
Total Interest income	403,113	28,425,413	-
11 Interest on deposits, borrowings, etc.			
a) Interest paid on deposits	197,404	13,919,917	-
b) Interest paid on local bank accounts	-	-	-
c) Interest paid on foreign bank accounts	-	-	-
	197,404	13,919,917	-