

Agrani Bank Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2018

1. BACKGROUND INFORMATION

1.1 Establishment and status of the Bank

Agrani Bank Limited (the “Bank”) has been incorporated as a Public Limited Company on May 17, 2007 Vide Certificate of Incorporation No. C-66888(4380)/07. The Bank has taken over the business of Agrani Bank (emerged as a Nationalized Commercial Bank in 1972, pursuant to Bangladesh Bank (Nationalization) Order No. 1972 (P.O. # 26 of 1972)) on a going concern Basis through a Vendor Agreement signed between the Ministry of Finance of the Peoples’ Republic of Bangladesh on behalf of Agrani Bank and the Board of Directors on behalf of Agrani Bank Limited on November 15, 2007 with a retrospective effect from July 01, 2007. The Bank’s current shareholdings comprise Government of the Peoples’ Republic of Bangladesh and 09 (Nine) other shareholders nominated by the Government. The Bank has 952 branches and 05 (five) windows that are working under Islamic Banking Unit complying with the rules of Islamic Shariah.

1.2 Nature of Business

1.2.1 Conventional Banking

The principal activities of the bank include providing all kinds of commercial banking services to its customers through its branches and SME Centers and electronic delivery channels in Bangladesh.

1.2.2 Islamic Banking Unit

The Bank obtained the Islamic Banking Unit permission vide letter no. BRPD(P-3)745(3)/2009-2567 dated July 22, 2009. The Bank commenced operation of its 05 (Five) Islamic windows on February 28, 2010. There are 05 (Five) Islamic Banking Windows which are located at Motijheel Branch, Gulshan Branch, Agrabad Branch, Laldighipar Branch and Maizdee Court Branch. The Islamic Banking Windows are governed under the rules and guidelines of Bangladesh Bank. The principal activities of the windows are to provide all kinds of Islamic Commercial Banking services to its customers.

1.2.3 Off-shore Banking Unit

The Bank obtained the Off-shore Banking Unit permission vide letter no# BRPD(P-3)744(27)/2013-1993 dated December 03, 2013. The Off-shore Banking Unit is a separate Banking Unit of Agrani Bank Limited, operates its business through separate counter. The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank. The Bank commenced the operation of its Off-shore Banking Unit with effect from the year 2013. The Unit is located at Chattogram EPZ Branch, Chattogram. Separate financial statements of Off-shore Banking Unit are also prepared.

1.3 Subsidiaries of the Bank

The financial statements of subsidiaries which are included in the consolidated financial statements of the Group have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events of similar nature. There is no significant restriction on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans and advances. The Bank has 06 (Six) subsidiaries out of which Agrani Equity and Investment Limited & Agrani SME Financing Company Limited have been incorporated in Bangladesh and other four subsidiaries- Agrani Exchange House Private Limited incorporated in Singapore, Agrani Remittance House SDN, BHD. incorporated in Malaysia, Agrani Exchange Company (Australia) Pty Limited incorporated in Australia and Agrani Remittance House Canada, Inc. incorporated in Canada.

1.3.1 Agrani Exchange House Private Limited, Singapore

Agrani Exchange House Private Limited is a limited liability company incorporated and domiciled in the Republic of Singapore with the Registration No. 200200048D whose registered office and principal place of business is located at 5A Lembu Road Singapore 208444. The Company is a wholly-owned subsidiary of Agrani Bank Limited, a fully state owned bank of Bangladesh, which is also the Company’s ultimate holding company. The principal activities of the Company are to carry on the remittance business and to undertake and participate in any or all transactions, activities and operations commonly carried on or undertaken by remittance and exchange houses.

1.3.2 Agrani Remittance House SDN. BHD., Malaysia

The Company is a private limited liability company, incorporated and domiciled in Malaysia with the Registration No. 706823-M whose registered office is located at Suite 13.01, 13th Floor, tower Block Plaza Pekeliling, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia. The Company is a wholly-owned subsidiary of Agrani Bank Limited, a fully state-owned bank of Bangladesh, which is also the Company’s ultimate holding company. The principal activity of the Company is that of providing remittance services to legal Bangladeshi expatriates working in Malaysia.

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1.3.3 Agrani Equity and Investment Limited

The Company is a public limited registered under the Companies Act 1994. The Company was incorporated in Bangladesh on 16 March 2010 with Certificate of Incorporation No. C-8357/10 whose registered office is located at 9/D, Dilkusha, Motijheel, Dhaka-1000, Bangladesh. The Company is a wholly-owned subsidiary of Agrani Bank Limited, a fully state-owned bank of Bangladesh, which is also the Company's ultimate holding company. The principal activities of the Company comprise merchant banking, portfolio management, issue management and underwriting.

1.3.4 Agrani SME Financing Company Limited

The Company has been incorporated as a public limited company on 27 October, 2010 vide certificate of incorporation No. C-87827/10. The company has taken over the ongoing work of Small Enterprise Development Project (A Norway and Agrani bank funded Project of Ministry of Finance, Bangladesh) on a going concern Basis through a Vendor's Agreement signed between the Ministry of Finance of the People's Republic of Bangladesh, the Board of Directors on behalf of the Agrani Bank Limited and the Board of Directors on behalf of the Agrani SME Financing Company Limited on 27 December, 2011. The principal activities of the Company are providing support to Small and Medium Enterprises all over the country through training program on limited Basis and providing loan to the customers.

1.3.5 Agrani Exchange Company (Australia) Pty. Limited

The Company is a private limited liability company, incorporated and domiciled in Australia with the Corporation No. 154851546 whose registered office is located at 301 Castlereagh Street, Sydney NSW 2000. The Company is a wholly-owned subsidiary of Agrani Bank Limited, a fully state owned bank of Bangladesh, which is also the Company's ultimate holding company. The principal activity of the Company is that of providing remittance services to Bangladeshi expatriates working in Australia. On 25 July 2016, the directors of Agrani Exchange Company (Australia) Pty. Limited resolved that the business operation of the Company be terminated and the Company be wound up. Liquidation of Agrani Exchange Company (Australia) Pty. is under process.

1.3.6 Agrani Remittance House Canada, Inc.

Agrani Remittance House Canada, Inc. is a limited liability company incorporated and domiciled in Canada with the Corporation No. 819190-5 whose registered office is located at 2962 Danforth avenue, East York, Toronto on M4C 1M6. The Company is a wholly-owned subsidiary of Agrani Bank Limited, a fully state owned bank of Bangladesh, which is also the Company's ultimate holding company. The principal activities of the Company are to carry on the remittance business and to undertake and participate in any or all transactions, activities and operations commonly carried on or undertaken by remittance and exchange houses. Bangladesh Bank has provided the approval letter no BRPD(M)204/08/2018-6156 dated on 16-08-2018 to continue the operation of Agrani Remittance House Canada Inc. for next 6 months, which was expired on 15 February 2019. Subsequently, the Bank has requested to Bangladesh Bank to give approval for continuing the operation of the Remittance House vide letter no FRD/383/19 dated 18 February 2019. Bangladesh Bank yet to reply on the same.

2 Basis of Preparation and Significant Accounting Policies

2.1 Statement of compliance

The consolidated financial statements of the group and the financial statements of Agrani Bank Limited (ABL) have been prepared in accordance with International Financial Reporting Standards (IFRSs) which are the International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) (Details in Note No-2.43) and the First Schedule (Section-38) of the Bank Companies Act-1991 (as amended in 2013) and Banking Regulation & Policy Department (BRPD) circular no-14, dated 25 June 2003 of Bangladesh Bank. In case, the requirements of Bangladesh Bank differ from those of IFRSs, the requirements of Bangladesh Bank have been complied. ABL has also complied with the requirements of following laws & regulations, as relevant:

- i) The Bank Company Act 1991 (as amended up to date)
- ii) The Companies Act, 1994
- iii) Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv) Income Tax Ordinance 1984
- v) Income Tax Rules 1984
- vi) Value Added Tax Act 1991
- vii) Value Added Tax Rules 1991
- viii) International Financial Reporting Standard (IFRS)
- ix) International Accounting Standard (IAS)

However, material departures from the requirements of IFRSs are as follows:

Notes to the Financial Statements

(a) Investments in shares and securities

IFRS:

As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank:

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

(b) Revaluation gain/loss on Government securities

IFRS:

As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognized through the profit and loss account. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized through the profit and loss account.

Bangladesh Bank:

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

(c) Provision on loans and advances

IFRS:

As per IFRS 9 an entity shall recognize an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an Individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank:

As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, and BRPD circular no. 05 dated 29 May 2013, a general provision @ 0.25% to 5% under different categories of unclassified loans (standard/SMA loans) should be maintained regardless of objective evidence of impairment. And specific provision for sub-standard/doubtful/bad-loss loans should be made at 20%, 50% and 100% respectively on loans net-off eligible securities(if any). Also, a general provision @ 1% should be provided for off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IAS 39.

(d) Recognition of interest in suspense

IFRS:

Loans and advances to customers are generally classified at amortized cost as per IFRS 9 and interest income is recognized by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.

Bangladesh Bank:

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

Notes to the Financial Statements

(e) Other comprehensive income

IFRS:

As per 'IAS 1- Presentation of Financial Statements', Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

Bangladesh Bank:

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

(f) Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

(g) Financial guarantees

IFRS:

As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognized less, income recognized in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit and letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

(h) REPO transactions

IFRS:

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

Bangladesh Bank:

As per BB circulars/guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sale transaction and the financial assets should be derecognized in the seller's book and recognized in the buyer's book.

(i) Cash and cash equivalents

IFRS:

Cash and cash equivalent items should be reported as cash item as per 'IAS 7- Statement of Cash Flows'.

Bangladesh Bank:

Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bonds are not shown as cash and cash equivalents. Money at call and on short notice is presented on the face of the balance sheet, and treasury bills and prize bonds are shown in investments.

Notes to the Financial Statements

(j) Non-banking assets

IFRS:

No indication in the name of Non-banking asset is found in any IFRS.

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003, there must exist a face item named Non-banking asset.

(k) Cash flow statement

IFRS:

AS per 'IAS 7- Statement of Cash Flows' the Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003, cash flow is the mixture of direct and indirect methods.

(l) Balance with Bangladesh Bank (CRR)

IFRS:

Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per 'IAS 7- Statement of Cash Flows'.

Bangladesh Bank:

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

(m) Presentation of intangible asset

IFRS:

An intangible asset must be identified and recognized, and the disclosure must be given as per 'IAS 38-Intangible Assets'.

Bangladesh Bank:

There is no regulation for intangible assets in BRPD circular no.14 dated 25 June 2003.

(n) Off balance sheet items

IFRS:

There is no term in the name of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank:

As per BRPD circular no.14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

(o) Loans and advances net of provision

IFRS:

Loans and advances should be presented net of provisions.

Bangladesh Bank:

As per BRPD circular no.14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

2.2

Basis for Measurement

The financial statements of the Bank have been prepared on the historical cost basis except for the following items:

- a) Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain crediting to revaluation reserve.
- b) Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
- c) Land and building at revalued amounts.

Notes to the Financial Statements

2.3 Use of estimates and judgments

The preparation of consolidated financial statements and separate financial statements (solo) of the Bank required management to make judgments, estimates and assumptions that affected the application of accounting policies and the reported amounts of assets, liabilities, income and expenditures. Actual results may differ from these estimates.

Estimates and underlying assumptions have been reviewed considering business realities. Revisions of accounting estimates have been recognized in the period in which the estimates have been revised and in the future periods affected, if applicable.

The preparation of financial statements in conformity with adopted IFRSs and BRPD circulars requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

2.4 Foreign currency transactions

2.4.1 Functional and presentational currency

Financial statements of the Bank have been presented in Bangladeshi Taka, which is the Bank's functional and presentational currency except for OBU, where the functional currency is US Dollar (USD). All financial information presented in Taka and US Dollar (USD) has been rounded off to the nearby integer, except when otherwise indicated.

2.4.2 Foreign currency translation

Foreign currency transactions have been converted into equivalent Taka at the ruling exchange rates on the respective date of such transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign Currency conversion rates for the year 2018 are as follows:

(Spot Rate)

Sl.	Particular	SGD	MYR	CAD	AUD	USD
1	Assets & Liabilities	61.1249	20.0958	61.7411	56.6813	83.9500
2	Income & Expenses	61.4830	20.2729	63.7786	56.8407	83.9500

Here, SGD, MYR, CAD, AUS and USD indicate Singaporean Dollar, Malaysian Ringgit, Canadian Dollar, Australian Dollar and US Dollar respectively.

2.4.3 Commitment

Commitments for outstanding forward foreign exchange contracts disclosed in the consolidated financial statements and separate financial statements of Bank have been translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies have been expressed in Taka terms at the rates of exchange ruling on the balance sheet date.

2.4.4 Transaction gains and losses

Gains or losses arising out of transaction of foreign exchange have been included in the Profit and Loss Statement and in Balance Sheet.

2.4.5 Foreign operations

The assets & liabilities of foreign operations are translated to Bangladeshi Taka at exchange rate prevailing at the balance sheet date. The income & expenses of foreign operations are translated at average rate of exchange for the year. Foreign currency differences are recognized and presented in the foreign currency translation reserve in equity.

2.5 Basis for Consolidation

The consolidated financial statements include the financial statements of Agrani Bank Limited and its six subsidiaries named Agrani Equity and Investment Limited, Agrani SME Financing Company Limited, Agrani Exchange House Private Limited, Singapore, Agrani Remittance House, BHD, Malaysia, Agrani Exchange Co.(Australia) Pty. Limited, Agrani Remittance House Canada, Inc. made up to the end of the financial year. The Consolidated financial statements have been prepared in accordance with International Financial Reporting Standard-10 'Consolidated Financial Statements'. These Consolidated financial statements are prepared to a common financial year ended 31 December 2018.

Notes to the Financial Statements

2.5.1 Subsidiaries

Subsidiaries are entities controlled by the group. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date the control ceases.

Name of Subsidiary	Ownership	Status of Ownership	Country of Operation
Agrani Exchange House Pte. Limited	100.00%	Wholly	Singapore
Agrani Remittance House SDN. BHD.	100.00%	Wholly	Malaysia
Agrani Equity and Investment Limited	99.99%	Wholly	Bangladesh
Agrani SME Financing Com. Limited	99.99%	Wholly	Bangladesh
Agrani Remittance House Canada, Inc.	100.00%	Wholly	Canada
Agrani Exchange Co.(Australia) Pty. Limited	100.00%	Wholly	Australia

2.5.2 Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements. Unrealized gains or unrealized losses arising from transactions with equity investees are eliminated against the investment to the extent of the group's interest in the investee.

2.6 Materiality, aggregation and offsetting

The Bank aggregates each material class of similar items and separately which are dissimilar in nature or function unless those are immaterial. The Bank did not offset assets and liabilities or income and expense unless required or permitted by IFRSs.

2.7 Comparative Information

Presentation of Financial Statements, comparative information in respect of the previous year have been presented in all numerical information in the financial statements and the narrative and descriptive information where it is relevant for the understanding of the current year's financial statements.

2.8 Reporting period

The accounting period of the Group has been determined to be from 01 January to 31 December each year and is followed consistently.

2.9 Cash flow statement

Cash flow statement has been prepared in accordance with the BRPD circular no. 14 dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.10 Statement of changes in equity

Statement of Changes in Equity has been prepared in accordance with IAS 1 "Presentation of Financial Statements" and following the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003.

2.11 Liquidity statement

The Basis of the liquidity statement of assets and liabilities as on the reporting date is given below:

Particulars	Basis
Balance with other banks and financial institutions	Maturity term
Investments	Respective maturity terms
Loans and advances	Repayment schedule Basis
Fixed assets	More than 5 years bucket
Other assets	Realization/ amortization Basis
Borrowing from other banks, financial institutions & agents	Maturity/ repayments terms
Deposits and others accounts	Maturity term/ Previous trend
Other liabilities	Payments/ adjustments schedule Basis

Notes to the Financial Statements

2.12 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank management for its short-term commitments.

2.13 Investments

All investments are initially recognized at cost, including acquisition charges associated with the investment. Accounting treatment of government treasury securities (categorized as HFT or/and HTM) is given following DOS circular no. 5 dated 26 May 2008 and subsequent clarifications on 28 January 2009.

2.13.1 Held to Maturity (HTM)

Investments which are intended to be held till maturity are classified as Held to Maturity (HTM). These are measured at amortized cost at each year-end by taking into account any discount or premium on acquisition. Premiums are amortized and discounts are credited, using the historical yield. Any increase in value of such investments is booked to equity but decrease to profit and loss account.

2.13.2 Held for Trading (HFT)

These are investments primarily held for selling or trading. After initial recognition, investments are marked to market weekly and any decrease in the present value is recognized in the Profit and Loss Account and any increase is booked to Revaluation Reserve Account through Profit and Loss Account as per DOS Circular no. 05 dated 28 January 2009.

2.13.3 REPO and reverse REPO

The Bank has been recording transactions of REPO and reverse REPO following DOS circular no. 6 dated 15 July 2010 issued by Bangladesh Bank. In case of REPO of both the coupon and non-coupon bearing (treasury bill) securities, the Bank adjusts the revaluation reserve account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest-bearing security, the Bank does not accrue interest during REPO period.

Investments – Initial recognition and subsequent measurement at a glance. Investments are stated as per following bases:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. T-bills/T-bonds-Held for Trading (HFT)	Cost	Fair value	Loss to Profit and Loss Account, gain to Revaluation Reserve through Profit and Loss Account.
Govt. T-bills/T-bonds-Held to Maturity (HTM)	Cost	Amortized cost	Increase in value of such investments is booked to equity, decrease to profit and loss account.
Debenture/Bond	Cost	None	None
Shares (Quoted) *	Cost	Lower of cost or market value (overall portfolio)	Loss (net off gain) to profit and loss account but no unrealized gain booking.
Shares (Unquoted)*	Cost	Lower of cost or Net Asset Value (NAV)	Loss to profit and loss account but no unrealized gain booking.
Mutual fund (Closed-end) *	Cost	Lower of cost and (higher of market value and 85% of NAV)	Loss (net) to profit and loss account but no unrealized gain booking.
Prize bond	Cost	Cost	None

* Provision for shares against unrealized loss (gain net off) has been made as per DOS circular no. 4 dated 24 November 2011 and for mutual funds (closed-end) as per DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.

2.13.4 Investment in quoted securities

These securities are bought and held primarily to sell them in future or held for dividend income, and are reported at cost. Unrealized gains are not recognized in the profit and loss statement. But required provision is kept for diminution in value of the investment.

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2.13.5 Investment in unquoted securities

Investment in unlisted securities is reported at cost. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

As per Bangladesh Bank DOS Circular # 04 dated 24 November 2011, provision for diminution in value of the investment was made by netting off unrealized gain/loss of shares from market price/book value less cost price. Besides, bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003 as follows, "All investment in shares and securities (both dealing and investment) should be revaluated at the year-end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investment".

2.13.6 Investment in subsidiary

Investment in a subsidiary is accounted for under the cost method of accounting and presented in the Bank's consolidated financial statements as that of a single economic entity in accordance with the IAS 27 "Separate Financial Statements" and IFRS 10 "Consolidated Financial Statements".

2.14 Loans and advances

2.14.1 Presentation of loans and advances

- Loans and advances are initially recognized at fair value, representing the cash advanced to the borrowers plus the net of direct and incremental transaction costs and fees. They are subsequently measured at amortized cost and shown at gross amount instead of directly reducing the carrying amount of assets while interest suspense and loan loss provision against classified loans are shown under other liabilities in the Balance Sheet as per BRPD Circular no. 14, dated June 25, 2003.
- Loans to staffs are allowed at concessional rate as approved by the authority and are shown under advances as per BRPD Circular no. 14, dated 25 June 2003.

2.14.2 Interest on loans and advances

- Interest is calculated on unclassified loans and advances and recognized as income during the year;
- Interest calculated on classified loans and advances as per Bangladesh Bank Circulars is kept in interest suspense account;
- Interest is calculated on daily product Basis but debited to the party's loan account quarterly. No interest is charged on loans and advances which are classified as bad and loss;
- Total balance of loans and advances as on 31 December 2018 includes bad/loss loan Tk. 63,484,516,283 on which the Bank did not accrue any interest because of deterioration of quality of loans and advances determined by the management and on the Basis of instructions contained in Bangladesh Bank Circulars as mentioned in Note-2.14.3 of this financial statement; and
- Interest suspense and penal interest, if any, calculated on classified loans and advances are taken into income in the year of its receipt from the defaulting borrowers.

2.14.3 Provision for loans and advances

Provision for loans and advances is made on the Basis of instructions mentioned in Bangladesh Bank BRPD Circular no. 19 dated December 27, 2012; BRPD Circular no. 14, 15 dated September 23, 2012; BRPD Circular no. 05 dated May 29, 2013; BRPD Circular no. 16 dated November 18, 2014; BRPD Circular no. 15 dated September 27, 2017; BRPD Circular no. 01 dated February 20, 2018.

Rate of Provision

Particulars		Short term agri credit	Consumer Financing			SMEF	Loans to BHs/MBs/SDs	All Other Credit
			Other Than HF & LP	HF	LP			
Unclassified	Standard	1%	5%	1%	2%	0.25%	2%	1%
	SMA	-	5%	1%	2%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	50%	50%
	BL	100%	100%	100%	100%	100%	100%	100%

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2.14.4 Interest and discount income

Interest on loans and advances, investment income and discount income are stated at the gross amount as per requirement of BRPD Circular no 14 dated June 25, 2003.

2.14.5 Written off loans and advances

Loans and advances with no realistic prospect of recovery are written off against which full provisions were made earlier and legal cases initiated but pending, except the state owned enterprises for which no legal actions have been taken. Detailed memorandum records for all such written off accounts are maintained without reducing the Bank's claim. Written off loans are calculated according to BRPD Circular no 2, dated January 13, 2003, DOS Circular no 1, dated December 29, 2004 and BRPD circular no.13, November 7, 2013.

2.14.6 Impairment of financial assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36 "Impairment of Assets". At each balance sheet date, Agrani Bank Limited assesses whether there is objective evidence that a financial asset or a group of financial assets (i.e. loans and advances, off-balance sheet items and investments) is impaired. A financial asset or group of financial assets is impaired, and impairment losses are incurred if-

- i) there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset up to the balance sheet date;
- ii) the loss event had an impact on the estimated future cash flows of the financial asset or the group of the financial assets; and
- iii) a reliable estimate of the loss amount can be made.

In the event of impairment loss, the Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made Based on Bangladesh Bank guidelines or other regulatory requirements.

2.15 Fixed assets and depreciation

a) Fixed assets are stated at cost of acquisition/valuation less accumulated depreciation.

b) **Depreciation is charged on straight-line method on all fixed assets at the following rates per annum:**

Fixed Assets	Rate of depreciation
Land	Nil
Building	2.50%
Furniture and Fixture	10.00%
Library Books	10.00%
Motor Vehicles	20.00%
Office Equipment	20.00%
Electric Materials	20.00%
Computer and Computer accessories	20.00%

- c) Depreciation at the applicable rates is charged proportionately on additions made during the year from the month the assets are available for use if such assets are acquired in the first half of the month. Depreciation is charged on assets retiring during the year for the period up to the end of the month of their retirement if assets are retiring in the second half of the month.
- d) Upon retirement of items of fixed assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gains or losses, if any, are transferred to Profit and Loss Account.
- e) Repairs and maintenances costs of fixed assets are treated as revenue expenditure and charged to Profit and Loss Account when they are incurred. Depreciation of premises and equipment is included in general and administrative expenses. Repairs and maintenances are charged to general and administrative expenses and improvements of fixed assets are capitalized. Gain or loss on sale of fixed assets is recognized in profit and loss statement as per provision of IAS 16 "Property, Plant and Equipment".
- f) Excess depreciation due to revaluation comparing the depreciation on cost value is transferred to the retained earnings from revaluation reserve.

Notes to the Financial Statements

2.15.1 Impairment of fixed assets

At each balance sheet date, the Bank assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognized as an expense in the profit and loss statement unless the asset is carried at revalued amount in accordance with International Accounting Standard (IAS) 16, Property, Plant and Equipment in which case an impairment loss of a revalued asset should be treated as a revaluation decrease under that Accounting Standard. No impairment loss was recognized up to the reporting period as there were no such indication existed as on Balance Sheet date.

2.16 Other assets

As per BRPD circular no. 14 dated 25 June 2003, other assets/item(s) have been shown separately as 'income generating' and 'non-income generating' in the relevant notes to the financial statements. Other assets include investment in subsidiaries includes all items of other assets, advance for revenue and capital expenditure, stocks of stationery and stamps, security deposits to government agencies, other receivables etc.

2.16.1 Provision for other assets

Other assets have been classified as per BRPD Circular No. 14 dated June 25, 2001 of Bangladesh Bank and necessary provisions made thereon accordingly; and for items not covered under the circular, adequate provisions have been made considering their realizable ability.

2.16.2 Written off other assets

Other assets having no realistic prospect of recovery have been written off against full provision without reducing the claimed amount of the Bank. Notional balances against other assets written off have been kept to maintain the detailed memorandum records for such accounts/assets.

2.17 Non-Banking assets

Non-banking assets were acquired due to the failure of borrowers to repay the loan in time taken against mortgaged property. The Bank was awarded absolute ownership of a few mortgaged properties (mostly land) through the verdict of the Honorable Court under section 33(7) of the Artha rin Adalat Act 2003. The value of the properties has been recognized in the financial statements as non-earning assets on the Basis of third-party valuation report. Value of the assets received in addition to the loan outstanding has been kept as reserve against non-banking assets.

2.18 Reconciliation of inter-branch transactions

Inter-branch transactions are reconciled on a regular Basis, and balance of un-reconciled entries at the closing date is accounted for according to its nature.

2.19 Assets pledged as security

The Bank has no secured liabilities except as mentioned in Note-10.2 to the financial statements and there was no asset pledged as security against liabilities.

2.20 Revenue recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity and it can be measured reliably. Items are treated as revenue/income when there is no existence of risk or uncertainty regarding their realizability.

2.21 Fees and commissions

The recognition of fees revenue including commissions is determined by the purpose for the fees and the Basis of accounting for any associated financial instruments. Fees earned from services that are provided over a specified service period are recognized over that service period. Fees earned for the completion of a specific service or significant event are recognized when the service is completed or the event has occurred.

Fees and commissions consist mainly of fees for opening of letters of credit and issuance of guarantees in BDT and in foreign currencies. Fees and commissions are charged when they become due. Commissions arising from foreign currency transactions are reported as income.

2.22 Interest income from investments

Interest income on investments in government and other securities, debentures and bonds is accounted for on accrual Basis.

2.23 Dividend Income

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established as per IFRS-15 'Revenue from contracts with customers'.

Notes to the Financial Statements

2.24 Interest paid and expenses

In terms of the provision of the International Accounting Standard (IAS-1) Presentation of Financial Statements, the interests and other expenses are recognized on accrual Basis.

2.25 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest-bearing borrowings which are stated in the financial statements at principal amount of the outstanding balance. Interest payables on such borrowings are reported under other liabilities.

2.26 Deposits and other accounts

Deposits and other accounts include non-interest-bearing current deposit redeemable at call, interest-bearing on demand and short-term deposits, savings deposits, fixed deposits and various scheme deposits. These items are brought to account at the gross value of the outstanding balances.

2.27 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognized as per the guidelines of Bangladesh Bank and International Financial Reporting Standards (IFRS).

2.28 Share Capital

2.28.1 Capital Management

The bank has a capital management process for measuring, deploying and monitoring its available capital and assessing its adequacy. This capital management process aims to achieve four major objectives; exceed regulatory thresholds and meet long-term internal capital targets, maintain strong credit rating, manage capital levels commensurate with the risk profile of the Bank and provide the Bank's shareholders with acceptable returns.

Capital is managed in accordance with the board approved capital management planning from time to time. Senior management develops the capital strategy and oversees the capital management planning of the Bank. The bank's Accounts and Risk management department are playing key role to implement the Bank's capital strategy. Capital is managed using both regulatory control measures and internal matrix.

2.28.2 Paid-up Capital

Paid up capital represents the total amount of shareholder capital that has been paid in full by the Government of Bangladesh i.e. ordinary shareholder. In the event of winding-up of the Company ordinary shareholder(s) rank after all other shareholders and creditors are fully entitled to any residual proceeds of liquidation for settlement of debt.

Statutory Reserve

As per the Bank Companies Act, 1991 (amendment up to 2013) under section-24, the Bank is required to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

2.28.3 Dividends on Ordinary Shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when it is approved by the bank's Annual General meeting. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

2.29 Retirement benefit scheme

The Bank operates two alternative retirement benefit schemes for its permanent employees, elements of which are as under:

a) Contributory recognized provident fund (CPF) scheme

- i) Employees' contribution 10%;
- ii) Bank's contribution 8.33%;
- iii) This fund is operated by a Board comprising of 8 Trustees; and
- iv) Employees enjoying contributory provident fund facilities are entitled to get gratuity for 2 months last basic pay drawn for each completed year of service subject to completion of minimum 10 years of service.

Notes to the Financial Statements

b) General pension fund scheme (Super Annuation Fund)

i) Pension

The Bank operates a pension scheme. This fund is operated by a Trustee Board comprising of 9 Trustees.

ii) Annual provision

Year	% of Basic pay
1986 to 1994	10%
1995 to 1999	18%
2000 to 2003	25%
2004 to 2005	30%
2006	35%
2007 to 2013	30%
2014 to June'2017	50%
From July'2017	75%

In the year 2018, additional provision Taka 1,500,000,000 has been kept for the provision of Super Annuation Fund (SAF). This has been named as Super Annuation Fund (SAF) created for paying pension to retiring employees. It is fully funded.

iii) General provident fund (GPF)

Employees opted for pensions are also contributing 5%-25% of basic salary as per their desire to GPF. The Bank does not contribute any amount to the GPF against these employees. The Fund is shown under Sundry Deposit.

2.30 Death relief grant scheme

The Bank operates a Death Relief Grant Scheme since January 01, 1989, which replaced the group insurance scheme. The scheme is applicable to all employees of the Bank and payments out of this fund are made to the successors of the employees on their death while in Bank's service and quantum of payment is determined as per scale and grade of such employees.

2.31 Taxation

The expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

i) Current tax:

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to the tax payable in respect of previous years.

Provision for current income tax of the Bank has been made on taxable income @ 40% considering major disallowances of expenses and concessional rates on certain incomes (0% on gain on trading of govt. securities, 10% on capital gain of shares & MFs and 20% on dividend income) as per Income Tax Ordinance (ITO) 1984. Tax provision of the Group entities is made on taxable income of subsidiaries at different rates applicable as per the ITO 1984 and the tax authority of the country where it is incorporated.

Tk. 3,260,640,205 has been made for provision for the year 2018 and Tk. 2,682,800,000 in the year 2017 by the bank.

Income Tax assessment has been finalized up to 2003, 2004 and 2007. Reference case is pending for the year 2002, 2005, 2006, 2008, 2009, 2010, 2011, 2012, 2013 and 2014. DCT appeal under process for the year 2015. The return has been submitted for the year 2016 and 2017. Details statuses of Tax assessment are shown annexure-F.

ii) Deferred tax: Deferred tax has been calculated as per International Accounting Standard-12 Income Taxes and BRPD Circular No# 11 Dated 12 December 2011. Calculation shows net deferred tax assets of Tk. 11,762,791,741 (Note - 9.4), where asset has been recognized amount of Tk. 793,049,225 to the Profit & Loss Account.

2.32 Provisions

Provisions are recognized if the Bank has a present legal or constructive obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Notes to the Financial Statements

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as of the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation.

2.33 Loan commitments

No loan commitments are found to be designated at fair value through profit or loss under the fair value option. All loan commitments remain as off-balance sheet items.

2.34 Materiality, Aggregation and Off Setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Bank has legal right to set off the amounts and intends to settle on a net Basis. Income and expenses are presented on a net Basis only when permitted by the relevant accounting standards.

The values of any asset or liability as shown in the statement of financial position (balance sheet) are not off-set by way of deduction from another liability or asset unless there exist a legal right therefor. No such incident exists during the year.

2.35 Financial guarantees

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other parties on behalf of customers to secure loans, overdrafts, other banking facilities and other various payments. Financial guarantees are recognized in the financial statements at fair value on the dates the guarantees were given as contingent liabilities.

2.36 Events after Reporting Period

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

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that are indicative of conditions that arose after the reporting period (non adjusting events after the reporting period).

2.37 Segment reporting

For the purpose of Segment Reporting as per International Financial Reporting Standard-8 "Operating Segments", the following segments relating to revenue, expenses, assets and liabilities have been identified and shown in the related notes accordingly as primary/secondary segments.

- i) domestic operations in line with geographical segments;
- ii) banking operations comprising of branches of the banking entity; and
- iii) treasury operations comprising of the banking entity.

Information regarding the result of each reportable segment is included in Annexure-L. Performance is measured Based on segment profit before provision, as included in the internal management reports that are reviewed by the Bank's Management. Segment report is used to measure performance as Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

2.38 Risk management

Being a financial institution, in the ordinary course of business, the Bank is sensitive to verities of risks. The generic severity of such risk(s) is much intense in our locality due to presence of large number of banks and complex financial transactions. In such highly competitive environment to ensure a bank's consistent system and performance, the presence of strong Risk Management culture is obligatory. Being compliant, the Bank is now looking forward to take risk management practice to a different level, preventing risk before occurrence, i.e., on a proactive Basis rather than on a reactive Basis. As a part of regulatory and global benchmarking the bank has based upon 06 (six) core risk guidelines of Bangladesh Bank and Basel framework. Listed below are the identified risks the Bank is currently managing or intends to manage in the future:

Notes to the Financial Statements

Sl. No.	Basel Accord	Core Risk Guideline of BB	Pillar
1	Credit Risk	Credit Risk	Pillar - I & Pillar - II
2	Market Risk	Foreign Exchange Risk	
3	Operational Risk	Asset Liability Risk	
4	Residual Credit Risk	Money Laundering Risk	
5	Residual Risk (CRM)	Internal Control & Compliance Risk	Pillar -II
6	Residual Market Risk – Equity	ICT Risk	Pillar -II
7	Residual Market Risk - Currency		Pillar -II
8	Credit Concentration Risk		Pillar -II
9	Liquidity Risk		Pillar -II
10	Interest Rate Risk		Pillar -II
11	Settlement Risk		Pillar -II
12	Reputation Risk		Pillar -II
13	Strategic Risk		Pillar -II
14	Pension Obligation Risk		Pillar -II
15	Compliance Risk		Pillar -II

Accordingly, the Bank has various high powered committees to monitor and ensure smooth risk management activities. For example, Management Committee (MANCOM), Asset Liability Committee (ALCOM), Credit Committee (CC), Audit Committee, etc. to manage the overall risks of the Bank in line of Basel the bank has formed a dedicated Risk Management Division. The details of ABL's risk management are shown in the chapter "Risk Management".

2.39 Disclosure on fraud and forgeries committed by bank employees:

During the year of 2018, 10 instances of fraud and forgeries were identified. total amount of money involved against the 10 instances was Tk.120,037,111. Tk.2,720,550/- has been recovered/accounted for against 02 instances out of total defalcated amount of Tk.120,037,111 and the rest amount of Tk.117,316,561 against 08 instances has not been accounted for/recovered as yet. It is mentionable here that all the 10 instances were internal fraud. Administrative and disciplinary actions have been taken against the delinquent officials of the Bank. All efforts are in force to recover the remaining defalcated money.

2.40 Related party transactions

A party is related to the company if

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

Related party transaction is a transfer of resources, services, or obligations between related parties regardless a price is charged as per IAS 24- Related party disclosures. Details of related party transactions are disclosed in Annexure- A.

Notes to the Financial Statements

2.41 Directors' responsibilities on statement

The Board of Directors takes the responsibilities for the preparation and presentation of these financial Statements.

2.42 Approval of financial statements

The Board of Directors approved the financial statements on April 30, 2019.

2.43 Credit Rating of the Bank

As per the BRPD circular no. 6 dated 5 July 2006, the Bank has done its credit rating by Alpha Credit Rating Limited (Alpha Rating) Based on the financial statements of Agrani Bank Limited dated 31 December 2017. The following ratings had been awarded:

Basis of Rating	Long Term		Short Term		Outlook
	2017	2016	2017	2016	
Government Support	AAA	AAA	ST-1	ST-1	Stable
Without Government Support	A	A-	ST-2	ST-3	Stable

2.44 Compliance of International Financial Reporting Standards (IFRS)

Name of International Accounting Standards (IAS)	IAS No.	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	N/A
Statement of Cash Flows	7	Applied*
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Employee Benefits	19	Applied
Accounting for Govt. Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting & Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investments in Associates	28	N/A
Financial Instruments: Presentation	32	Applied*
Earnings per share	33	Applied
Interim Financial Reporting	34	N/A
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied*
Financial Instruments: Recognition and Measurement	39	N/A
Investment Property	40	N/A
Agriculture	41	N/A

Notes to the Financial Statements

Name of International Financial Reporting Standards (IFRS)	IFRS No.	Status
First-time Adoption of International Financial Reporting Standards	1	N/A
Share-Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-Current Assets Held for Sale and Discontinued Operations	5	Not Applied
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	Applied
Consolidated Financial Statements	10	Applied
Joined Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	Applied
Fair value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Applied
Leases	16	N/A

* Subject to departure mentioned earlier in note # 2.1 above

2.45 Audit Committee

Name	Status with Bank	Status with Committee	Address
Ms. Mahmuda Begum	Director	Chairman	Additional Secretary (World Bank) Economic Relations Division, Ministry of Finance, Block-16, Room-4, Sher-e-Bangla Nagar, Dhaka-1207.
Mr. Kashem Humayun	Director	Member	Managing Editor The Daily Sangbad
Mr. Md. Ansar Ali Khan	Director	Member	Gardenia-7, Eskaton Garden, Dhaka.

2.46 Changes in Accounting Policies

As per IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” Accounting Policies are applied consistently for comparability between financial statements of different accounting periods. Changes in Accounting Policies are applied retrospectively to the financial statements (if any). Comparative amounts presented in the financial statements affected by the change in accounting policy for each prior period presented.

2.47 General:

- Figures have been rounded off to the nearest Taka.
- Prior Year’s figures have been shown for comparison purposes and rearranged wherever necessary to conform to current year’s presentation.
- Conversion rate is calculated Based on the simple average of buying and selling rates.

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
3	Cash	37,115,199,280	38,440,817,584
3.1	Cash in Hand:		
	Local Currency	3,798,989,739	3,752,277,207
	Foreign Currency	94,329,320	36,220,469
		3,893,319,059	3,788,497,676
3.2	Balance with Bangladesh Bank and its agent bank:		
	Bangladesh Bank (Note - 3.2.1)	31,729,192,142	33,274,111,396
	Sonali Bank Limited as agent of Bangladesh Bank (Note - 3.2.2)	1,492,688,079	1,378,208,512
		33,221,880,221	34,652,319,908
	total (Note 3.1+3.2)	37,115,199,280	38,440,817,584
3.2.1	Balance with Bangladesh Bank		
	Local Currency	31,142,663,162	33,138,743,507
	Foreign Currency- Annexure-E(2)	586,528,980	135,367,889
		31,729,192,142	33,274,111,396
3.2.2	Balance with Sonali Bank Limited		
	Local Currency	1,492,688,079	1,378,208,512
	Foreign Currency	-	-
		1,492,688,079	1,378,208,512
3.3	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR):		
	Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Company Act, 1991 (Amendment upto 2013) and Monetary Policy Department (MPD) circular nos. 01 & 02, dated June 23, 2014 and December 10, 2013 & DOS circular no. 1 dated 19 January 2014 of Bangladesh.		
	As per MPD Circular No.01 dated 03 April, 2018 of Bangladesh Bank (effective from 15 April, 2018), all scheduled banks (including islami bank) are required to maintain a CRR minimum 5.5% on bi-weekly basis based on weekly average demand and time liabilities of two months prior to current month and minimum 5.0% on daily basis for year 2018 and As per MPD Circular No.116/2014-853 dated 23 June, 2014 of Bangladesh Bank (effective from 24 June, 2014), all scheduled banks are required to maintain a CRR minimum 6.5% on bi-weekly basis based on weekly average demand and time liabilities of two months prior to current month and minimum 6.0% on daily basis for year 2017 and 13% Statutory Liquidity Ratio for conventional banking and 5.50% Statutory Liquidity Ratio for Islamic banking, excluding CRR, on the same liabilities in the form of treasury bills, bonds and debentures including FC balance with Bangladesh Bank. As per the above mentioned circular, CRR & SLR of December 2018 have been on weekly average balance of October 2018. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:		
3.3.1	Cash Reserve Requirement (Daily Basis)		
	Reserve Required @ 5.0 % of total Demand and Time Liabilities	30,987,137,000	31,125,824,000
	Actual Reserve held	35,305,775,000	36,178,938,000
	Surplus/ (Deficit)	4,318,638,000	5,053,114,000
3.3.1.a	CRR of Islamic Banking Unit (Daily Basis)		
	Reserve Required @ 5.0 % of total Demand and Time Liabilities	48,829,000	54,926,820
	Actual Reserve held	68,203,000	66,084,337
	Surplus/ (Deficit)	19,374,000	11,157,517
	As per MPD Circular No.01 dated 03 April, 2018, daily CRR may be kept @ 5.0% on daily basis. But bi-weekly average amount would not be below 5.5% of total Time & Demand Liabilities.		
3.3.2	Cash Reserve Requirement (Bi-Weekly Average)		
	Required Reserve @ 5.5 % of Average Demand and Time Liabilities	34,085,851,000	33,719,643,000
	Actual Reserve held	35,305,775,000	36,178,938,000
	Surplus/(Deficit)	1,219,924,000	2,459,295,000

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
3.3.2.a	CRR of Islamic Banking Unit (Bi-Weekly Basis)		
	Required Reserve @ 5.5 % of Average Demand and Time Liabilities	53,712,000	59,504,060
	Actual Reserve held	68,203,000	66,084,337
	Surplus/(Deficit)	14,491,000	6,580,277
3.3.3	Statutory Liquidity Ratio (SLR)		
	Required Reserve @13 % of total Demand and Time Liabilities	80,566,557,000	67,439,286,000
	Actual Reserve held (Note: 3.3.3.1)	90,058,431,138	144,548,122,472
	Surplus/(Deficit)	9,491,874,138	77,108,836,472
3.3.3.1	Actual Reserve Held :		
	Cash in hand	3,893,319,059	3,788,497,676
	Excess of CRR	1,219,924,000	2,459,295,000
	Balance with Sonali Bank (as a agent of BB)	1,492,688,079	1,378,208,512
	Un encumbered Approved Securities (HTM)	46,769,379,000	51,893,141,015
	Un encumbered Approved Securities (HFT)	12,808,113,000	61,111,744,269
	Other eligible securities (HTM)	23,875,008,000	23,917,236,000
	Total	90,058,431,138	144,548,122,472
3.3.4	SLR of Islamic Banking Unit		
	Required Reserve @ 5.50 % of total Demand and Time Liabilities	53,712,000	50,349,590
	Actual Reserve held (Note: 3.3.4.1)	76,948,000	60,016,708
	Surplus/(Deficit)	23,236,000	9,667,118
3.3.4.1	Actual Reserve Held :		
	Cash in hand	2,457,000	3,436,431
	Excess of CRR	14,491,000	6,580,277
	Eligible Securities (Bangladesh Govt. Islami Investment Bond)	60,000,000	50,000,000
		76,948,000	60,016,708
3(a)	Consolidated Cash		
	(i) Cash in Hand:		
	Agrani Bank Limited	3,893,319,059	3,788,497,676
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	16,548	83,375
	Agrani Exchange House Private Limited, Singapore	12,171,924	44,471,966
	Agrani Remittance House SDN. BHD., Malaysia	266,772	408,325
	Agrani Remittance House Canada Inc.	374,460	1,117,757
	Agrani Exchange Company (Australia) Pty. Limited	14,694,174	14,694,174
		3,920,842,937	3,849,273,273
	(ii) Balance with Bangladesh Bank and its agent bank :		
	Agrani Bank Limited	33,221,880,221	34,652,319,908
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	7,174,730	6,725,280
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		33,229,054,951	34,659,045,188
		37,149,897,888	38,508,318,461

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
4	Balance with Other Banks & Financial Institutions		
	In Bangladesh (Note - 4.1)	119,099,906,202	73,143,717,356
	Outside Bangladesh (Annexure E-1)	6,543,775,383	4,652,098,874
		125,643,681,585	77,795,816,230
4.1	In Bangladesh: Local Currency		
	Banks		
	Al-Arafah Islami Bank Limited	4,339,151,879	1,144,390,700
	Exim Bank Limited	4,197,573,450	2,226,459,250
	Shahjalal Islami Bank Limited	2,094,775,176	1,975,525,251
	First Security Islami Bank Limited	2,000,000,000	-
	Social Islami Bank Limited	2,204,321,125	2,362,789,000
	AB Bank Limited	4,000,000,000	1,200,000,000
	Agrani Bank Islami Banking Unit	2,000,000,000	-
	Bangladesh Development Bank Ltd.	2,000,000,000	-
	Bank Asia Limited	-	1,800,000,000
	BRAC Bank Limited	4,000,000,000	2,500,000,000
	Dhaka Bank Limited	5,000,000,000	2,000,000,000
	Dutch Bangla Bank Limited	-	2,000,000,000
	Eastern Bank Limited	-	2,000,000,000
	Karmasangsthan Bank	2,000,000,000	-
	National Bank Limited	4,000,000,000	2,000,000,000
	Ansar VDP Unnayan Bank	1,400,000,000	400,000,000
	Premier Bank Limited	3,000,000,000	1,500,000,000
	IFIC Bank Limited	4,000,000,000	2,000,000,000
	Jamuna Bank Limited	4,000,000,000	1,800,000,000
	Modhumoti Bank Limited	1,000,000,000	400,000,000
	Meghna Bank Limited	1,000,000,000	400,000,000
	Mercantile Bank Limited	4,000,000,000	2,000,000,000
	Midland Bank Limited	900,000,000	300,000,000
	Mutual Trust Bank Limited	4,000,000,000	2,550,000,000
	Commerce Bank of Cylon	850,000,000	1,350,000,000
	Bangladesh Commerce Bank Limited	1,300,000,000	800,000,000
	NCC Bank Limited	4,000,000,000	1,800,000,000
	NRB Bank Limited	500,000,000	800,000,000
	NRB Commercial Bank Limited	400,000,000	400,000,000
	NRB Global Bank Limited	1,400,000,000	400,000,000
	One Bank Limited	1,800,000,000	1,800,000,000
	Pubali Bank Limited	-	2,000,000,000
	Padma Bank Limited (former The Farmers Bank Limited)	1,700,000,000	600,000,000
	SBAC Bank Limited	1,500,000,000	400,000,000
	Southeast Bank Limited	3,500,000,000	2,000,000,000
	Standard Bank Limited	3,000,000,000	1,500,000,000
	The City Bank Limited	-	2,500,000,000
	Trust Bank Limited	3,000,000,000	500,000,000
	Union Bank Limited	4,000,000,000	600,000,000
	ICB Islamic Bank Limited	69,948,607	69,948,607
	Basic Bank Ltd.	3,000,000,000	-
	United Commercial Bank Limited	3,000,000,000	-
	Rajshahi Krishi Unnayan bank	3,000,000,000	3,000,000,000
	Balance with ABL Islamic Window	44,135,965	14,604,548
	National Bank of Pakistan	200,000,000	200,000,000
		97,399,906,202	53,293,717,356
	Less: Inter unit transaction	(2,000,000,000)	-
		95,399,906,202	53,293,717,356

Notes to the Financial Statements

Amount in Taka

	31-Dec-18	31-Dec-17
Non- Bank Financial Institutions		
Bangladesh Financial Investment Company Limited	700,000,000	300,000,000
Bangladesh Industrial Finance Company Limited	200,000,000	200,000,000
Bay Leasing & Investment Limited	600,000,000	600,000,000
Delta Brac Housing Finance Corporation Ltd.	1,500,000,000	1,200,000,000
FAS Finance & Investment Company Limited	350,000,000	450,000,000
First Finance & Investment Limited	330,000,000	330,000,000
GSP Finance Company Limited	300,000,000	200,000,000
Hajj Finance Limited	500,000,000	-
IDLC Finance Limited	900,000,000	1,000,000,000
IIDFC	200,000,000	-
ICB	10,500,000,000	8,500,000,000
International Leasing and Financial Services Limited	500,000,000	500,000,000
IPDC Finance Limited	600,000,000	600,000,000
Lanka Bangla Limited	750,000,000	600,000,000
Peoples Leasing, Finance & Investment Limited	370,000,000	370,000,000
Premier Leasing & Finance Ltd.	500,000,000	400,000,000
Prime Finance & Investment Limited	500,000,000	500,000,000
Reliance Finance Limited	500,000,000	500,000,000
Fareast Finance & Investment Company Limited	600,000,000	550,000,000
Union Capital Limited	600,000,000	500,000,000
Capm Venture Capital and Finance Limited	50,000,000	50,000,000
Islamic Finance and Investment Limited	300,000,000	200,000,000
Meridian Finance & Investment Limited	150,000,000	150,000,000
MIDAS Financing Limited	200,000,000	200,000,000
National Finance Ltd.	100,000,000	100,000,000
National Housing Finance And Investments Limited	600,000,000	600,000,000
Phoenix Finance and Investments Limited	600,000,000	350,000,000
Uttara Finance Limited	200,000,000	-
United Finance Limited	500,000,000	900,000,000
	23,700,000,000	19,850,000,000
	119,099,906,202	73,143,717,356
4.2 Balance with Other Banks and Financial Institutions (Account wise):		
Current & Other Accounts	6,543,775,383	4,652,098,874
Fixed Deposit Receipts (FDR)	119,099,906,202	73,143,717,356
	125,643,681,585	77,795,816,230
4.3 Maturity grouping of balances:		
On demand	6,543,775,383	4,652,098,874
Within 1 to 3 months	65,260,000,000	60,876,500,000
Within 3 to 12 months	53,839,906,202	12,267,217,356
Within 1 to 5 years	-	-
More than 5 years	-	-
	125,643,681,585	77,795,816,230

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
4(a)	Consolidated balance with other banks and financial institutions		
	(i) In Bangladesh		
	Agrani Bank Limited	119,099,906,202	73,143,717,356
	Agrani Equity & Investment Limited	2,299,603	5,129,177
	Agrani SME Financing Company Limited	276,980,217	361,002,145
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		119,379,186,022	73,509,848,678
	Less: Inter-company transaction(s)	(126,692,320)	(366,131,322)
		119,252,493,702	73,143,717,356
	(ii) Outside Bangladesh		
	Agrani Bank Limited	6,543,775,383	4,652,098,874
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	111,398,480	83,717,192
	Agrani Remittance House SDN. BHD., Malaysia	17,459,171	61,742,436
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		6,672,633,034	4,797,558,502
		125,925,126,736	77,941,275,858
5	Money at call and short notice		
	With Bank		
	The Farmers Bank Limited	-	890,000,000
	NRB Commercial Bank Limited	-	350,000,000
	NRB Global Bank Limited	-	200,000,000
	BCBL	-	140,000,000
		-	1,580,000,000
	With Non-Bank Financial Institution		
	BD Finance & Investment Limited	-	60,000,000
	FAS Finance & Investment Limited	70,000,000	50,000,000
	Fareast Finance & Investment Limited	-	50,000,000
	Prime Finance & Investment Limited	90,000,000	-
	BIFC	40,000,000	40,000,000
	Lanka Bangla Finance	-	150,000,000
	IPDC Finance Limited	-	150,000,000
	First Finance Ltd.	60,000,000	60,000,000
	Bay Leasing & Investment Ltd.	70,000,000	-
	Pepples Leasing	240,000,000	250,000,000
	Premier Leasing	10,000,000	-
	GSP Finance Ltd.	60,000,000	-
	IIDFC	-	80,000,000
	Meridian Finance Limited	-	50,000,000
	National Housing & Finance Limited	-	100,000,000
	National Finance Limited	-	30,000,000
	CAPM Venture Capital & Finance	50,000,000	50,000,000
		690,000,000	1,120,000,000
		690,000,000	2,700,000,000

Notes to the Financial Statements

Amount in Taka

	31-Dec-18	31-Dec-17
6 Investments		
SLR Securities		
Government Securities (Note- 6.1)	82,881,919,024	136,341,540,314
Other Investment (Note- 6.2)	630,580,970	630,580,970
	83,512,499,994	136,972,121,284
Non SLR Securities		
Government Securities (Note- 6.1)	15,864,672,950	9,283,101,408
Other Investment (Note- 6.2)	59,853,069,967	24,620,900,902
	75,717,742,917	33,904,002,310
Total	159,230,242,911	170,876,123,594
6.1 Government Securities:		
SLR Securities		
Treasury Bills (Note- 6.1.1)	21,109,151,327	69,249,093,824
Govt. Treasury Bond/Other Govt. Bond/Other Securities (Note- 6.1.2)	61,772,767,697	57,778,203,773
Reverse REPO	-	9,314,242,717
	82,881,919,024	136,341,540,314
Non SLR Securities		
Govt. Treasury Bond/Other Govt. Bond/Other Securities (Note- 6.1.2)	13,857,277,850	9,274,020,708
Treasury Bills (Note- 6.1.1)	1,995,522,000	-
Prize Bonds (at cost)	11,873,100	9,080,700
	15,864,672,950	9,283,101,408
Total	98,746,591,974	145,624,641,722
6.1.1 Treasury Bills		
SLR Securities		
07 days Bangladesh Bank Bills	-	17,495,839,939
14 days Bangladesh Bank Bills	-	6,496,288,548
14 days Treasury Bills (Annexure-B.1)	1,999,623,639	-
91 days Treasury Bills	-	6,916,599,915
182 days Treasury Bills (Annexure-B.1)	7,456,093,778	13,436,723,102
364 days Treasury Bills (Annexure-B.1)	11,653,433,910	24,903,642,320
Sub Total	21,109,151,327	69,249,093,824
Non SLR Securities		
91 days Treasury Bills (Lien with BB)(Annexure-B.1)	1,995,522,000	-
Total	23,104,673,327	69,249,093,824
6.1.2 Govt. Treasury Bond/Other Govt. Bond/Other Securities		
SLR Securities		
2 years Bangladesh Govt. Treasury Bond	4,213,790,160	306,841,807
5 years Bangladesh Govt. Treasury Bond	5,723,256,140	3,128,327,869
10 years Bangladesh Govt. Treasury Bond	13,330,018,364	14,652,739,616
15 years Bangladesh Govt. Treasury Bond	7,953,038,722	9,113,051,048
20 years Bangladesh Govt. Treasury Bond	6,352,710,909	6,344,434,491
25 years Treasury Bond (Jute Bond)	18,827,500	61,055,000
7-10 Yrs.(Agrani Bank-BPC) T.Bond	18,126,800,000	18,126,800,000
9-13 Yrs.(Agrani Bank-BJMC) T.Bond	5,098,800,000	5,098,800,000
10 years Bangladesh Govt. Treasury Bond (Remeasured)	895,525,902	896,153,942
Bangladesh Govt. Islamic Investment Bond (BGIIIB)	60,000,000	50,000,000
	61,772,767,697	57,778,203,773

Notes to the Financial Statements

	31-Dec-18	31-Dec-17
		<i>Amount in Taka</i>
		31-Dec-17
Non SLR Securities		
15 & 20 years Bangladesh Govt. Treasury Bond (Lien with BB under ALS)	6,081,620,850	-
5 & 10 years Bangladesh Govt. Treasury Bond (Lien with BB infavour of SCB)	7,775,657,000	9,274,020,708
	13,857,277,850	9,274,020,708
Total	75,630,045,547	67,052,224,481
6.1.3 Investment in Government securities classified as per Bangladesh Bank's DOS Circular Letter No. 05 date 26 May 2008 and DOS Circular Letter No. 05 date 28 January 2009.		
Held to Maturity (HTM) (Note: 6.1.3.a)	70,704,387,329	75,860,377,015
Held for Trading (HFT) (Note: 6.1.3.b)	12,808,112,664	61,111,744,269
	83,512,499,993	136,972,121,284
6.1.3.a Held to Maturity (HTM)		
Treasury Bill		
07 days Bangladesh Bank Bills	-	17,495,839,939
14 days Bangladesh Bank Bills	-	6,496,288,548
30 days Bangladesh Bank Bills	-	-
14 days Treasury Bills	1,999,623,638	-
91 days Treasury Bills	-	6,916,599,915
182 days Treasury Bills	7,456,093,778	4,969,453,834
364 days Treasury Bills	11,653,433,910	1,057,513,530
	21,109,151,326	36,935,695,766
Bond/Other Securities		
2 years Bangladesh Govt. Treasury Bond	4,013,762,560	107,705,407
5 years Bangladesh Govt. Treasury Bond	5,620,266,840	639,465,873
10 years Bangladesh Govt. Treasury Bond	3,979,264,539	2,143,639,753
15 years Bangladesh Govt. Treasury Bond	5,984,277,806	5,999,390,148
20 years Bangladesh Govt. Treasury Bond	5,167,129,886	5,171,090,156
25 years Treasury Bond (Jute Bond)	18,827,500	61,055,000
7-10 Years.(Agrani Bank-BPC) T.Bond	18,126,800,000	18,126,800,000
9-13 Years.(Agrani Bank-BJMC) T.Bond	5,098,800,000	5,098,800,000
Bangladesh Govt. Islamic Investment Bond (BGIIB)	60,000,000	50,000,000
10 years Bangladesh Govt. Treasury Bond (Remeasured)	895,525,902	896,153,942
ICB Share	630,580,970	630,580,970
	49,595,236,003	38,924,681,249
	70,704,387,329	75,860,377,015
6.1.3.b Held for Trading (HFT)		
Treasury Bill		
07 days Bangladesh Bank Bills	-	-
91 days Treasury Bills	-	-
182 days Treasury Bills	-	8,467,269,268
364 days Treasury Bills	-	23,846,128,790
Reverse Repo (Treasure Bond)	-	1,965,000,000
	-	34,278,398,058
Bond/Other Securities		
2 years Bangladesh Govt. Treasury Bond	200,027,600	199,136,400
5 years Bangladesh Govt. Treasury Bond	102,989,300	2,488,861,996
10 years Bangladesh Govt. Treasury Bond	9,350,753,825	12,509,099,863
15 years Bangladesh Govt. Treasury Bond	1,968,760,916	3,113,660,900
20 years Bangladesh Govt. Treasury Bond	1,185,581,023	1,173,344,335
Reverse Repo (Bangladesh Govt. Treasure Bond)	-	7,349,242,717
	12,808,112,664	26,833,346,211
	12,808,112,664	61,111,744,269

Notes to the Financial Statements

Amount in Taka

	31-Dec-18	31-Dec-17
6.2 Other Investment		
SLR Securities		
Shares	630,580,970	630,580,970
	630,580,970	630,580,970
Non SLR Securities		
Subordinated Bond (Note- 6.2.1)	43,120,000,000	10,490,000,000
Commercial Paper	600,000,000	200,000,000
Shares (Note- 6.2.2)	16,133,069,950	13,930,900,885
Un-approved Debenture (Annexure-D)	17	17
	59,853,069,967	24,620,900,902
Total	60,483,650,937	25,251,481,872
6.2.1 Subordinated Bond (Annexure-B.3)		
UCBL Subordinated Bond-I	210,000,000	300,000,000
One Bank Subordinated Bond	200,000,000	300,000,000
AB Bank Subordinated Bond-I	300,000,000	400,000,000
Southeast Bank Subordinated Bond	300,000,000	400,000,000
EBL Floating Rate Dated Subordinated Bond	160,000,000	200,000,000
Bank Asia Floating Rate Dated Subordinated Bond	160,000,000	200,000,000
Prime Bank Floating Rate Dated Subordinated Bond	160,000,000	200,000,000
EXIM Bank Floating Rate Dated Subordinated Bond	400,000,000	500,000,000
UCBL Subordinated Bond-II	160,000,000	200,000,000
Al-Arafah Islami Bank Subordinated Bond	240,000,000	300,000,000
AB Bank Subordinated Bond-II	400,000,000	500,000,000
Standard Bank Subordinated Bond	180,000,000	240,000,000
Dhaka Bank Floating Rate Dated Subordinated Bond	500,000,000	500,000,000
IFIC Bank Coupon Bearing Subordinated Bond	500,000,000	500,000,000
Southeast Bank Subordinated Bond II	450,000,000	450,000,000
Mutual Trust Bank Ltd Subordinated Bond-II	300,000,000	300,000,000
Bank Asia Ltd. Subordinated Bond II	250,000,000	250,000,000
Floating Rate Subordinated Mudaraba Bond fo Exim Bank Ltd.	500,000,000	500,000,000
DBBL Subordinated Bond	500,000,000	500,000,000
City Bank 2nd Subordinated Bond	200,000,000	200,000,000
Premier Bank Subordinated Bond	200,000,000	200,000,000
Standard Bank Subordinated Bond II	500,000,000	500,000,000
Islami Bank Subordinated Bond	1,000,000,000	1,000,000,000
Pubali Bank Ltd. Floating Rate Subordinated Bond	1,000,000,000	1,000,000,000
National Bank 2nd Subordinated Bond	250,000,000	250,000,000
FSIBL Subordinated Bond	300,000,000	300,000,000
UCBL 3rd Subordinated Bond	300,000,000	300,000,000
NCC Bank Non-Convertible Subordinated Bond	500,000,000	-
Rupali Bank Subordinated Bond	2,000,000,000	-
Jamuna Bank Subordinated Bond	500,000,000	-
Mercantile Bank Subordinated Bond	1,000,000,000	-
Southeast Bank Subordinated Bond III	1,500,000,000	-
Dhaka Bank Floating Rate Dated Subordinated Bond II	1,500,000,000	-
Prime Bank Subordinated Bond	2,000,000,000	-
The Farmers Bank Subordinated Bond	1,000,000,000	-

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31-Dec-18	31-Dec-17
Al Arafah Islami Bank Mudaraba Sub. Bond-II	1,000,000,000	-
ICB Subordinated Bond	7,000,000,000	-
City Bank Ltd. 3rd Subordinated Bond	1,000,000,000	-
Trust Bank Ltd. Floating Rate Dated Subordinated Bond	2,000,000,000	-
Shahjalal Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond	2,500,000,000	-
Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond	3,000,000,000	-
UCB 4TH Floating Rate Dated Subordinated Bond	2,500,000,000	-
DBBL Floating Rate Dated Subordinated Bond-II	2,000,000,000	-
SIBL Floating Rate Dated Subordinated Bond	2,500,000,000	-
	43,120,000,000	10,490,000,000
6.2.2 Shares		
SLR Shares		
Share Quoted (Annexure-C 1)	630,580,970	630,580,970
Share Un-Quoted (Annexure-C 2)	-	-
	630,580,970	630,580,970
Non SLR Shares		
Share Quoted (Annexure-C 1)	5,753,725,785	5,151,556,720
Share Un-Quoted (Annexure-C 2)	10,379,344,165	8,779,344,165
	16,133,069,950	13,930,900,885
Total	16,763,650,920	14,561,481,855
6.3 Maturity grouping of Investment		
On demand	11,873,100	9,080,700
Less than 3 months	14,688,234,640	59,489,863,426
More than 3 months but less than 1 year	31,672,975,772	41,088,638,223
More than 1 year but less than 5 year	51,251,737,080	36,692,061,255
More than 5 years	61,605,422,319	33,596,479,990
	159,230,242,911	170,876,123,594
6.4 Net Investments		
Carrying amount	159,230,242,911	170,876,123,594
Less: Provision (Note - 12.11)	(3,897,390,171)	(3,897,390,171)
Net Investment	155,332,852,740	166,978,733,423

6.5 Other Investments included Tk. 3,000 million for investment in shares under buy back agreement from Beximco Group. The buy-back agreement has expired on 2012 for the second time. Agrani Bank Limited has completed all formalities to transfer of shares purchased from the three companies (Unique Hotel & Resorts Ltd., BEXIMCO Ltd. and GMG Airlines Ltd.). Meanwhile only the shares of GMG Airlines Limited have been transferred in favour of Agrani Bank Limited with book value of Tk. 670 million and market value nil respectively.

It is noted that, the BEXIMCO Group approached a proposal vide a letter dated 28 March, 2018 where they expressed their interest to resolve outstanding liabilities under share sale and buy back agreement. The matter has been tabled out in 554th meeting of the Board of Directors of the Bank held on 09 April, 2018 and the Board resolved the issue that the outstanding liabilities under said Buy Back Agreement might be adjusted after being repaid Tk 307.00 crore by the BEXIMCO within three months from the date the decision communicated to them and fulfillment of some terms and conditions set forth in the board resolution. Meanwhile a letter dated 11 April, 2018 has been sent to the BEXIMCO informing the decision of the Board of Directors of the Bank. Upto 31 December 2018 BDT 130.00 crore has been received from BEXIMCO Group. The repayment of the rest amount of BDT 177.00 crore is under process.

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
6(a)	Consolidated investments		
	(i) Government Securities		
	Agrani Bank Limited	98,746,591,974	145,624,641,722
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		98,746,591,974	145,624,641,722
	(ii) Others		
	Agrani Bank Limited	60,483,650,937	25,251,481,872
	Agrani Equity & Investment Limited	8,606,633,275	6,778,821,411
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	52,249,080	51,125,000
	Agrani Remittance House Canada Inc.	24,696,440	26,326,480
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		69,167,229,732	32,107,754,763
	total Investments (i+ii)	167,913,821,706	177,732,396,485
7	Loans and Advances		
	In Bangladesh (Note - 7.1.a)	383,949,190,516	313,720,312,722
	Outside Bangladesh (Note - 7.1.b)	9,274,244,026	2,732,515,958
	Bills Purchased & Discounted (Note - 7.1.c)	2,529,594,949	2,665,769,733
		395,753,029,491	319,118,598,413
7.1.a	In Bangladesh:		
	a) Loans		
	Rural Credits	16,220,861,826	14,801,686,679
	Weavers Credits	7,683,946	7,877,194
	Industrial Credits	98,640,758,362	87,478,668,530
	Jute Advances	9,308,473,800	9,701,124,222
	Leather Sector Advances	4,709,506,254	4,517,353,422
	Staff Loans	41,069,613,268	36,972,779,729
	Loan (Others)	87,595,031,097	68,914,719,225
	Small and Micro Credits including SME	73,175,305,734	56,593,827,622
		330,727,234,287	278,988,036,623
	b) Cash credits		
	Cash Credits	40,782,127,105	28,224,153,425
	Packing Credits	2,677,683,906	1,958,937,738
	Loan Against Imported Merchandise (LIM)	245,474,212	221,885,825
	Payment Against Documents (PAD)	962,569,762	683,714,603
		44,667,854,985	31,088,691,591
	c) Overdrafts	8,554,101,244	3,643,584,508
	Total (a+b+c)	383,949,190,516	313,720,312,722
7.1.b	Outside Bangladesh:	9,274,244,026	2,732,515,958
	Total Loans, Cash Credit & Over Draft etc.	393,223,434,542	316,452,828,680
7.1.c	Bills Purchased & Discounted (Note - 7.10)	2,529,594,949	2,665,769,733
	Total Loans and Advances	395,753,029,491	319,118,598,413

According to clause # 1.a of Memorandum of Understanding (MOU) signed between Bank and Bangladesh Bank, the adjusted loan growth of 2018 was fixed at 20% of the outstanding adjusted loan of December 2017. As on 31 December, 2018 adjusted loan growth stands at 23.52%. However, bank's Advance Deposit Ratio stands at 63.63% as on 31 December 2018

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
7.2	Maturity grouping of loans and advances:		
	On demand	27,781,550,022	15,349,823,381
	Within 1 to 3 months	49,090,939,864	39,070,120,152
	Within 3 to 12 months	99,179,107,952	45,544,033,655
	Within 1 to 5 years	133,754,259,139	102,058,302,629
	More than 5 years	85,947,172,514	117,096,318,596
		395,753,029,491	319,118,598,413
7.3.a	Disclosure for significant concentration		
	Advances to allied concerns of Directors	-	-
	Advances to Managing Director	-	-
	Advances to Other Executives	34,353,182,615	31,066,064,904
	Advances to Customers' Group	262,759,088,514	200,573,864,979
	Industrial Credits	98,640,758,362	87,478,668,530
		395,753,029,491	319,118,598,413
7.3.b	Disclosure for sector-wise loans and advances		
	Government sector	1,947,799,000	1,842,756,000
	Other public sector	6,128,501,000	1,870,668,210
	Private sector	387,676,729,491	315,405,174,203
		395,753,029,491	319,118,598,413
7.3.c	Disclosure on large loan		
	Loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of total capital of the Bank according to Bangladesh Bank circular BRPD 02, dated 16.01.2014. total capital of the Bank is Tk. 3,975.99 crore as at 31 December 2018 (TK 3,448.26 crore in 2017).		
	Orion Group	6,897,800,000	7,948,100,000
	Sikder Group	5,373,100,000	6,295,800,000
	Bashundhara Group	6,131,900,000	3,907,500,000
	Bangladesh Petroleum Corporation	6,259,100,000	4,255,700,000
	Dhaka Hyde & Skins Limited	4,144,900,000	3,597,500,000
	Tanaka Group	6,474,000,000	6,267,300,000
	Joj Bhuiya Group	6,391,300,000	5,902,700,000
	Pecefic Group	3,171,900,000	3,080,100,000
	Beximco Group	4,765,100,000	4,785,500,000
	Magpie Group	3,952,000,000	3,779,100,000
	Prime Group	5,864,800,000	4,687,500,000
	Bangladesh Services	7,147,900,000	5,413,800,000
	Bangladesh Sugar & Food Organisation	4,882,200,000	5,390,000,000
	Sonali Group	3,421,900,000	3,061,900,000
	Moon Group	4,535,300,000	4,141,800,000
	Aristocrat Group	3,041,200,000	2,937,200,000
	BSRM Steel	4,946,400,000	-
	Jamuna Group	4,764,500,000	-
	Tharmax Group	4,518,100,000	-
	Unique Meghnaghat Power	4,505,600,000	-
	City Group	3,710,000,000	-
	Agrani Equity	3,980,000,000	-
	Jakiya Group	7,154,700,000	5,968,100,000
		116,033,700,000	81,419,600,000

According to clause # 3 of Memorandum of Understanding (MOU) signed between the Bank and Bangladesh Bank, "Large loan Concentration" 15% of total capital, of which funded exposure shall not exceed 10% of total capital. As on 31 December 2018, 7 parties of the private sector and 2 parties of government sector capital exceed the agreed upon ceiling.

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7.3.d Disclosure on large loan re-structuring		
No large loan has been re-structured during the year 2018 & 2017 under BRPD circular No. 04 date 29 January 2015 of Bangladesh Bank.		
7.4 Geographical Location - wise Loans and Advances:		
A. Urban		
Dhaka Region	249,770,426,580	194,038,087,362
Chattogram Region	25,006,800,101	21,908,677,729
Khulna Region	18,891,551,560	16,127,019,529
Rajshahi Region	17,178,668,931	14,675,919,281
Barishal Region	4,860,080,496	4,340,124,238
Sylhet Region	4,258,538,456	3,664,434,245
Rangpur	10,821,052,631	9,123,590,862
Mymensing Region	10,554,017,474	8,618,162,900
Cumilla Region	5,538,940,470	5,025,248,445
Faridpur Region	5,439,659,508	5,013,597,862
Sub Total	352,319,736,207	282,534,862,453
B. Rural		
Dhaka Region	6,255,463,282	5,278,310,055
Chattogram Region	1,070,249,987	926,136,952
Khulna Region	8,322,735,854	6,762,116,191
Rajshahi Region	6,322,409,628	5,236,225,064
Barishal Region	3,306,981,648	2,777,083,386
Sylhet Region	1,573,504,961	1,322,588,990
Rangpur	5,292,997,047	4,580,368,091
Mymensing Region	5,788,936,767	4,916,202,773
Cumilla Region	3,460,410,732	3,167,613,618
Faridpur Region	2,039,603,378	1,617,090,840
Sub Total	43,433,293,284	36,583,735,960
Total (A + B)	395,753,029,491	319,118,598,413
7.5 Sector-wise Loans and Advances		
Agriculture and Fishery	16,220,861,825	14,801,686,679
Jute & Jute Goods	9,308,473,799	9,701,124,222
Transport Storage & Communication	5,934,153,000	3,758,556,950
Ship Breakings	965,318,130	975,418,130
Textile & Readymade Garments	32,735,392,000	31,026,615,000
Food & Allied Industry	4,238,680,000	4,712,139,859
Construction & Engineering	13,630,760,260	10,878,397,260
Pharmaceuticals and Chemicals	2,634,006,515	1,438,237,515
Leather Sector	4,709,553,420	4,517,353,422
Power Sector	9,606,600,680	8,194,182,680
Professional and Services	3,613,520,350	2,028,910,915
Housing Service	11,298,833,469	9,460,436,769
Wholesale/Retail Trading	87,756,820,610	76,100,261,615
Personal (staff and other personal loan)	57,166,512,090	48,219,465,359
Bank & Other Non-Financial Institution	-	-
Electronics & Automobile	-	-
Cement & Ceramic	-	-
Others	135,933,543,343	93,305,812,038
	395,753,029,491	319,118,598,413

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
7.6	Loans & Advances are Classified as per Bangladesh Bank Circular		
	Unclassified :		
	Standard (including staff loan)	312,483,694,258	255,525,214,452
	Special Mention Account	13,335,513,469	7,897,877,466
		325,819,207,727	263,423,091,918
	Classified		
	Sub-Standard	2,513,599,381	4,295,266,744
	Doubtful	3,935,706,100	2,258,019,536
	Bad & Loss	63,484,516,283	49,142,220,215
		69,933,821,764	55,695,506,495
		395,753,029,491	319,118,598,413
	According to clause # 5 (i) of Memorandum of Understanding (MOU) signed between Bank and Bangladesh Bank, classified loan to be reduced 25% in amount from that of the previous year. However, as on 31 December 2018 Classified loan stood at 6,993.38 crore which was Tk. 5,569.55 crore in the year 2017.		
7.7	Loans & Advances (Category wise)		
	A. Inside Bangladesh		
	I. Continuous loan (CL-2)		
	Small & Medium Enterprise Finance	59,037,447,826	46,311,312,312
	Other Than Small & Medium Enterprise Finance	73,577,901,629	54,462,207,273
		132,615,349,455	100,773,519,585
	II. Demand loan (CL-3)		
	Small & Medium Enterprise	59,645,253	20,240,786
	Other Than Small & Medium Enterprise	21,165,345,157	19,592,271,704
		21,224,990,410	19,612,512,490
	III. Term loan (CL-4)		
	Small & Medium Enterprise Finance	13,959,563,933	10,229,996,406
	Consumer Finance (including staff, other than HF)	1,578,380,124	2,403,659,562
	Housing Finance (HF)	24,151,848,128	18,495,537,900
	Loans for Professional Set-up Business	250,031,415	192,614,476
	Others	176,907,781,419	150,272,721,307
		216,847,605,019	181,594,529,651
	IV. Short term agri credit and microcredit (CL-5)		
	Short Term Agri Credit	14,532,768,401	13,184,890,637
	Micro Credit	1,258,072,180	1,220,630,091
		15,790,840,581	14,405,520,728
	B. Outside Bangladesh (Off-shore Banking Unit)	9,274,244,026	2,732,515,959
	Total Loans & Advances (Inside & Outside Bangladesh) (A+B)	395,753,029,491	319,118,598,413
7.8	Movement of classified loans and advances		
	Opening balance	55,695,506,495	68,044,863,101
	Addition during the year	24,821,015,269	6,396,643,394
	Reduction during the year	(10,582,700,000)	(18,746,000,000)
		69,933,821,764	55,695,506,495
7.9	Particulars of Loans and Advances		
	Loans considered good in respect of which of the banking company is fully secured	338,954,967,960	272,162,217,005
	Loans considered good against which the banking company holds no security other than the debtor's personal guarantee	44,700,950,947	36,434,276,856
	Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors	12,097,110,584	10,522,104,552
	Loans adversely classified, for which no provision is created	-	-
		395,753,029,491	319,118,598,413
	Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons	34,353,182,615	31,066,064,904
	Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members	-	-

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Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person	34,353,182,615	31,066,064,904
Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members	-	-
Due from bank companies	-	-
Amount of classified loan on which interest has not been charged, mentioned as follows		
(Decrease) / increase in provision	-	-
Amount of loan written off	726,693,000	107,600,000
Amount realized against loan previously written off	778,235,486	902,969,108
Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet	28,283,759,114	26,581,336,481
Interest creditable to the Interest Suspense A/c	-	-
Cumulative amount of the written off loan	54,721,293,000	53,994,600,000
Amount written off during the current period	726,693,000	107,600,000
Amount of written off loan for which lawsuit has been filed	54,721,293,000	53,994,600,000
7.10 Bills purchased and discounted:		
In Bangladesh	766,758,763	549,337,970
Outside Bangladesh	1,762,836,186	2,116,431,763
	2,529,594,949	2,665,769,733
7.11 Maturity grouping of bills purchased and discounted		
Payable within 1 month	2,529,594,949	2,665,769,733
Over 1 month but less than 3 months	-	-
Over 3 months but less than 6 months	-	-
6 months or more	-	-
	2,529,594,949	2,665,769,733
7.12 Net Loans and advances:		
Carrying amount	395,753,029,491	319,118,598,413
Less: Interest suspense and penal interest	(19,798,688,304)	(17,059,532,213)
Provision for loans & advances (Note-12.9)	(32,868,556,617)	(31,436,043,268)
	(52,667,244,921)	(48,495,575,481)
	343,085,784,570	270,623,022,932
7(a).1 Consolidated loans, advances and leases/investments		
Agrani Bank Limited	395,753,029,491	319,118,598,413
Agrani Equity & Investment Limited	441,653,252	581,724,147
Agrani SME Financing Company Limited	1,588,992,597	1,079,318,480
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	397,783,675,340	320,779,641,040
Less: Inter-company transaction (s)	(4,392,297,067)	(2,220,661,586)
	393,391,378,273	318,558,979,454
7(a).2 Consolidated loans & advances are classified as per Bangladesh Bank circular		
Unclassified :		
Standard (including staff loan)	314,376,200,033	257,078,181,612
Special Mention Account	13,406,679,276	7,948,940,373
	327,782,879,309	265,027,121,985
Classified:		
Sub-Standard	2,531,345,686	4,309,930,471
Doubtful	3,945,755,109	2,266,925,246
Bad & Loss	63,523,695,236	49,175,663,338
	70,000,796,031	55,752,519,055
	397,783,675,340	320,779,641,040
Less: Inter-company transaction (s)	(4,392,297,067)	(2,220,661,586)
	393,391,378,273	318,558,979,454

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
7(a).3	Loans & Advances are Classified as per Bangladesh Bank Circular: Agrani SME Financing Company Limited		
	Unclassified :		
	Standard (including staff loan)	1,450,852,523	971,243,013
	Special Mention Account	71,165,807	51,062,907
		1,522,018,330	1,022,305,920
	Classified:		
	Sub-Standard	17,746,305	14,663,727
	Doubtful	10,049,009	8,905,710
	Bad & Loss	39,178,953	33,443,123
		66,974,267	57,012,560
		1,588,992,597	1,079,318,480
8	Fixed assets including land, buildings, furniture and fixtures (Annexure G)		
	Cost/ Valuation:		
	Balance at the beginning of the year	18,979,895,753	18,706,264,138
	Addition during the year	255,364,887	281,208,150
	Revaluation during the year	-	-
	Transfer to non-banking assets	(400,252,668)	-
	Disposal during the year	(30,914,789)	(7,576,535)
	Balance at the end of the year	18,804,093,183	18,979,895,753
	Less: Accumulated Depreciation		
	Balance at the beginning of the year	3,419,159,308	2,928,960,104
	Charge for the year	629,217,189	497,770,739
	Disposal during the year	(27,862,794)	(7,571,535)
	Balance at the end of the year	4,020,513,703	3,419,159,308
	Written Down Value (WDV)	14,783,579,480	15,560,736,445
8(a)	Consolidated Fixed assets including land, buildings, furniture and fixtures		
	Written Down Value (WDV)		
	Agrani Bank Limited	14,783,579,480	15,560,736,445
	Agrani Equity & Investment Limited	2,515,129	3,039,958
	Agrani SME Financing Company Limited	7,886,130	12,139,585
	Agrani Exchange House Private Limited, Singapore	5,507,170	6,917,101
	Agrani Remittance House SDN. BHD., Malaysia	16,629,355	16,764,276
	Agrani Remittance House Canada Inc.	46,800	74,043
	Agrani Exchange Company (Australia) Pty. Limited	178,546	178,546
		14,816,342,610	15,599,849,954
9	Other Assets		
	Income generating Other Assets		
	Investment in shares of subsidiary companies (Note - 9.1)	4,619,433,350	4,619,433,350
		4,619,433,350	4,619,433,350
	Non-income generating Other Assets		
	Stationery, stamps, printing materials etc.	109,258,302	100,156,850
	Accrued Income (Note - 9.3)	4,881,732,576	3,435,137,185
	Receivable From Govt.	4,602,852	6,730,089
	Advance Deposits & prepayments	3,281,280	3,912,893
	Advance Tax Paid (Annexure-F)	17,692,273,401	15,225,547,530
	Advance Rent	126,567,443	131,808,669
	Suspense Account (Note - 9.2)	926,397,079	1,053,369,212
	Demonetized Notes	185	185

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Debit balance of Al-Rajhi Foreign Exchange	1	1
Army pension (Note - 9.2(ii))	3,703,760,763	3,436,349,597
Civil pension	121,449,446	126,868,306
Purchase of WES Bond	42,728,368	151,131,524
Payment against sanchaya patra	4,206,026,446	3,056,731,072
Pension paid- Staff	9,423,733	-
D.D paid without advice	155,897,000	294,162,350
Protested Bills	70,820,672	72,631,505
Exempted Loans	47,492,217	47,315,217
Interest on Exempted Loans	421,633,595	422,135,913
Deferred Tax Assets (Note - 9.4)	11,762,791,741	10,969,742,516
Foreign Correspondent draft paid	17,081,105	20,904,703
Balance with Indian Bankw	23,505	23,505
Balance with Pakistani Bank	1	1
Software Purchase (Note - 9.8)	987,823,944	1,107,332,546
Dividend Receivable from Preference Share	4,426,132,522	3,977,298,044
Work in Progress for Consulting of Bank building	1,070,740,536	978,034,774
Receivable from Agrani SME Financing Company Limited	55,672,663	55,672,663
Receivable/(Payable) against Sale/Buy of Share of ICB	52,909	63,719,647
Receivable from Agrani Remittance House Canada Inc.	29,197,654	28,884,654
Receivable from Agrani Exchange Company (Australia) Pty. Limited	32,490,122	32,490,121
	50,905,352,061	44,798,091,272
Total	55,524,785,411	49,417,524,622
9.1 Investment in shares of subsidiary companies		
Agrani Equity & Investment Limited	4,000,000,000	4,000,000,000
Agrani SME Financing Limited	600,000,000	600,000,000
Agrani Exchange House Pvt. Limited, Singapore	6,457,000	6,457,000
Agrani Remittance House SDN. BHD., Malaysia	8,967,168	8,967,168
Agrani Remittance House Canada Inc.	8,217	8,217
Agrani Exchange Company (Australia) Pty. Limited	4,000,965	4,000,965
	4,619,433,350	4,619,433,350
9.1.i	<p>As per decision of 457th meeting of the Board of Directors of Agrani Bank Limited held on 29 May, 2016 and the consent letter BRPD(M) 204/8/2016-3995 of Bangladesh Bank regarding wind up of Agrani Exchange Company Pty Limited, Australia, the Company has closed down its operation in 30 June 2016 and it's liquidation process is underway. As a part of liquidation process, the Company has submitted an application requesting to cancel the registration of the company to Australian Securities and Investments Commission (ASIC)- Australian government body that acts as Australia's corporate regulator. Agrani Bank Limited would take next steps immediately after the liquidation of the company effectively comes to an end.</p>	
9.1.ii	<p>Although Bangladesh Bank instructed Agrani Bank Limited to close down the operation of Agrani Remittance House Canada Inc. due to the company not be able to make it profitable since it's inception, the Bank has applied to Bangladesh Bank for giving a rational time span within which the Company becomes profitable with taking some realistic plan and implementing of the plan that mentioned in the prayer. Again on 03 December 2017 the Bank has written to Bangladesh Bank seeking approval for continuing operation of the above Remittance House; and in response, the Bangladesh Bank has provided the approval letter no BRPD(M)204/08/2018-6156 dated on 16-08-2018 to continue the operation of Agrani Remittance House Canada Inc. for next 6 months, which was expired on 15 February 2019. Subsequently, the Bank has requested to Bangladesh Bank to give approval for continuing the operation of the Remittance House vide letter no FRD/383/19 dated 18 February 2019. Bangladesh Bank yet to reply on the same.</p>	

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9.2	Suspense Account		
	Sundry debtors -Staff (Note - 9.2(i))	21,325,705	20,831,039
	Sundry debtors -other (Note - 9.2(i))	858,680,089	855,977,276
	Legal charges	118,529	214,229
	Clearing adjustment	2,488,980	171,752,250
	Advance against petty cash	9,435	1,202,636
	Loan application form	1,371,094	1,463,393
	Clearing Suspense	58,379	554,897
	Remittance only point	-	53,270
	Clearing Suspense A/C for T-24 Branch	5,692,002	-
	Debit Card Off-us transactions	31,501,500	-
	Premium paid XPB	5,151,366	1,320,222
		926,397,079	1,053,369,212
9.2 (i)	Sundry debtors- staff & others		
	An amount of Tk. 311,541,583 remain un-recovered/unadjusted over one year and provision has been kept against the amount.		
9.2 (ii)	Army Pension		
	This represents pension paid to retired army personnel by the Bank of Tk. 3,703,760,763 as per Government decision which is reimbursable. Tk. 106,665,837 against the outstanding amount has already been reimbursed by the Government and kept in sundry deposit which is to be adjusted. Moreover an amount of Tk. 1,141,819,710 has been provided in the accounts against long outstanding.		
9.3	Accrued income		
	Accrued interest on loans & advances	394,524,710	303,701,536
	Accrued interest on investment*	2,410,787,738	2,246,249,788
	Accrued interest on balance with Other Banks & Financial Institutions	1,880,363,441	606,713,198
	Accrued commission, exchange & brokerage	151,518,187	236,877,315
	Accrued other operating income	44,538,500	41,595,348
		4,881,732,576	3,435,137,185
	* Accrued Interest excludes amounting to Tk. 58,332,089 recorded previous year(s). However, the management was not sure about the source of that accrued interest. Management assumes that the amount was erroneously recorded as income during the previous year(s). As the error is not material, the accrued interest is adjusting with the total income/accrued income without restating the same.		
9.4	Deferred Tax		
	Deferred tax has been computed in accordance with provision of IAS -12 based on taxable temporary differences in the carrying amount of the assets/liabilities and their tax base as follows:		
i)	Written down value of fixed assets		
	a. Carrying amount (excluding land & building)	1,303,038,654	1,708,971,799
	b. Tax base	920,357,168	1,010,810,038
	c. (Taxable)/deductible temporary difference (b-a)	(382,681,486)	(698,161,761)
	Applicable tax rate	40.00%	42.50%
	Deferred tax asset/(liabilities)	(153,072,594)	(296,718,748)

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
ii)	Provision for Bad & Loss Loans and Advances *		
	a. Carrying amount	(28,283,759,114)	(26,581,336,481)
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	28,283,759,114	26,581,336,481
	Applicable tax rate	40.00%	42.50%
	Deferred tax asset/(liabilities)	11,313,503,646	11,297,068,004
iii)	Provision for Supper Annuation Fund during the year (Note-12.14)		
	a. Carrying amount	(1,780,035,228)	(280,000,000)
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	1,780,035,228	280,000,000
	Applicable tax rate	40.00%	42.50%
	Deferred tax asset/(liabilities)	712,014,091	119,000,000
iv)	Provision for Death Relief Grant Scheme during the year (Note-12.16)		
	a. Carrying amount	(54,598,771)	(30,273,771)
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	54,598,771	30,273,771
	Applicable tax rate	40.00%	42.50%
	Deferred tax asset/(liabilities)	21,839,508	12,866,353
v)	Loss in revaluation of share (Note-12.11)		
	a. Carrying amount	(3,897,390,171)	(3,897,390,171)
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	3,897,390,171	3,897,390,171
	Applicable tax rate	10.00%	10.00%
	Deferred tax asset/(liabilities)	389,739,017	389,739,017
vi)	Carry forward of loss on sale of share in current year		
	a. Carrying amount	(1,711,265,740)	(1,592,630,109)
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	1,711,265,740	1,592,630,109
	Applicable tax rate	10.00%	10.00%
	Deferred tax asset/(liabilities)	171,126,574	159,263,011
vii.a)	Revaluation reserve on Land		
	a. Carrying amount	8,989,074,835	8,994,204,742
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	(8,989,074,835)	(8,994,204,742)
	Applicable tax rate *	4.00%	4.00%
	Deferred tax asset/(liabilities)	(359,562,993)	(359,768,190)
vii.b)	Revaluation reserve on Land		
	a. Carrying amount	4,304,467,512	4,304,467,512
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	(4,304,467,512)	(4,304,467,512)
	Applicable tax rate *	3.00%	3.00%
	Deferred tax asset/(liabilities)	(129,134,025)	(129,134,025)

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
viii)	Revaluation reserve on Building		
	a. Carrying amount	509,153,705	523,700,954
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	(509,153,705)	(523,700,954)
	Applicable tax rate	40.00%	42.50%
	Deferred tax asset/(liabilities)	(203,661,482)	(222,572,905)
	total deferred tax assets/(liabilities)-A	11,762,791,741	10,969,742,516
	Less: Opening deferred tax assets/ (liabilities)-B	10,969,742,516	
	Add: Adjustment to opening deferred tax asset resulting from reduction in tax rate-C	641,743,688	
	Deferred tax expense relating to the origination and reversal of temporary differences (A-B-C)	1,434,792,913	
	Less: Reduction in deferred tax income due to tax rate change	641,743,688	
	Deferred tax income	793,049,225	
	* As per 53H of Income Tax Ordinance 1984, 17II of Income Tax Rules 1984 and under the clause (b), (c), or (e) or subsection (1) of section 17 of the Registration Act 1908		

9.4.a Year wise Deferred Tax breakdown for last 9 years

Year		
2009	2,232,196,835	-
2010	3,545,392,538	2,232,196,835
2011	2,796,355,659	3,545,392,538
2012	4,398,529,766	2,796,355,659
2013	6,554,559,973	4,398,529,766
2014	6,961,853,368	6,554,559,973
2015	8,344,803,824	6,961,853,368
2016	11,208,175,703	8,344,803,824
2017	10,969,742,516	11,208,175,703
2018	11,762,791,741	10,969,742,516

Fixed assets, revaluation reserve of land and building, provision for bad/loss loan & advances, death relief grand scheme for the departed employees and loss of revaluation of shares have been considered during calculation of deferred tax due to having considerable taxable temporary differences. As per calculation of Deferred Tax Assets balance for the year ended December 31, 2018 has increased by the amount of Tk. 793,049,225 which charged to profit and loss account.

The carrying amount has been arrived at by estimating temporary differences (based on analysis of prior years' relevant figures) on account of bad/loss debts that are likely to be written off in future years out of the year-end total amount of provision for bad and loss loans and advances Tk. 28,283,759,114.

As per BRPD Circular no. 11 dated 12 December 2011, the above amount of deferred tax originated against specific loan loss provision and included in the accumulated retained earning is not distributable as dividend.

9.5 Non-banking Assets

The Bank has got the possession of ownership of the mortgage properties according to the judgment of the Honorable Court in accordance with the section 33(7) of "Artha Rin Adalat-2003". An amount of Tk. 412,754,628 is reported in the financial statements as Non-Banking assets.

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
9.6	Software (Annexure G)		
	Cost		
	Balance at the beginning of the year	1,249,994,906	1,202,855,622
	Addition during the year	3,365,147	47,210,369
	Disposal / Transfer during the year	(120,772)	(71,085)
	Balance at the end of the year	<u>1,253,239,281</u>	<u>1,249,994,906</u>
	Less: Accumulated Amortization		
	Balance at the beginning of the year	(142,662,360)	(22,222,247)
	Charge for the year	(122,873,749)	(120,511,198)
	Disposal / Transfer during the year	120,772	71,085
	Balance at the end of the year	<u>(265,415,337)</u>	<u>(142,662,360)</u>
	Net Value	<u>987,823,944</u>	<u>1,107,332,546</u>
9(a)	Consolidated Other Assets		
	Agrani Bank Limited	55,524,785,411	49,417,524,622
	Agrani Equity & Investment Limited	126,500,590	107,947,671
	Agrani SME Financing Company Limited	89,928,546	61,250,052
	Agrani Exchange House Private Limited, Singapore	34,231,350	63,151,534
	Agrani Remittance House SDN. BHD., Malaysia	20,516,043	9,490,968
	Agrani Remittance House Canada Inc.	2,508,973	5,718,375
	Agrani Exchange Company (Australia) Pty. Limited	3,055,122	3,055,122
		<u>55,801,526,035</u>	<u>49,668,138,344</u>
	Less: Inter-company transaction (s)	(4,744,115,916)	(4,743,802,916)
		<u>51,057,410,119</u>	<u>44,924,335,428</u>
10	Borrowing from other banks including financial institutions & agents	<u>23,529,390,694</u>	<u>13,871,567,614</u>
10.1	Classification into the following broad categories		
	In Bangladesh	15,464,852,930	12,420,898,985
	Outside Bangladesh	8,064,537,764	1,450,668,629
		<u>23,529,390,694</u>	<u>13,871,567,614</u>
10.2	Segregated as:		
	Secured (Secured by D.P Notes and agreements)	20,252,232,930	13,839,028,985
	Unsecured borrowing	3,277,157,764	32,538,629
		<u>23,529,390,694</u>	<u>13,871,567,614</u>
10.3	Maturity - wise grouping		
	On demand	10,677,157,764	167,538,629
	Less than 3 months	-	-
	More than 3 months but less than 1 year	3,984,725,000	5,200,000,000
	More than 1 year but less than 5 year	802,655,000	1,418,130,000
	More than 5 years	8,064,852,930	7,085,898,985
		<u>23,529,390,694</u>	<u>13,871,567,614</u>
10.4	Term grouping		
10.4.1	Short Term Borrowing		
	T.T buy (With Sonali Bank Limited)	-	135,000,000
	Borrowings from Local Bank	7,400,000,000	5,200,000,000
	Borrowings from Foreign Bank	4,787,380,000	1,418,130,000
	Credit Balance of NOSTRO Account (Annexure-E 1)	3,277,157,764	32,538,629
		<u>15,464,537,764</u>	<u>6,785,668,629</u>

Notes to the Financial Statements

	31-Dec-18	31-Dec-17	
	<i>Amount in Taka</i>		
10.4.2 Long Term Borrowing			
Rural Housing Scheme	94,280	264,781	
Borrowing from ADB	112,500	112,500	
Borrowing from EGBMP	191,399,149	183,479,184	
IFAD Loan -194	5,047,001	4,099,000	
Borrowings from B. Bank (Bakna Basur Refinance Fund)	200,000,000	200,000,000	
Borrowings from B. Bank (Refinance Fund- Jute)	668,200,000	697,850,000	
Agrani Bank Shilpa Unnayan Bond	-	93,520	
	1,064,852,930	1,085,898,985	
Agrani Bank 1st Subordinate Bond (Note-10.4.2.i)	7,000,000,000	6,000,000,000	
Total Long Term Borrowing	8,064,852,930	7,085,898,985	
	23,529,390,694	13,871,567,614	
10.4.2.i Agrani Bank 1st Subordinate Bond			
Non-Convertible Subordinated Bond.			
The Bank with due approval from Bangladesh Bank and BSEC issued a 7-year Non-convertible Fully Redeemable Floating Rate Subordinated Bond of Tk. 7000.00 million (face value @ Tk 10.00 million) in which 6000.00 million issued in December 2017 and 1000.00 million issued in December 2018 through private placement to enhance Tier - II capital. The Bond will be redeemed at the end of 3rd, 4th, 5th, 6th and 7th year of maturity at 20% per year. Coupon rate of the issued bonds is variable with a floating rate between 7.00% and 10.00%. The instrument i.e. the Bond has been rated and awarded BBB+ by Alpha Credit Rating Limited in the long term with validity upto December 09,2018. Although it's a recognized component of Tier - II capital, the outstanding amount of the Bond is shown as a borrowing as per BB guidelines/ instruction. Following is the list of subscribers to this Bond:			
	Investors Name	Number Of Bonds Purchased	Aggregate Principal Amount of the Bond Subscribed
	Janata Bank Limited	400	4,000,000,000
	Investment Corporation of Bangladesh	300	3,000,000,000
	Total	700	7,000,000,000
10(a) Consolidated borrowing from other banks, financial institutions and agents			
Agrani Bank Limited	23,529,390,694	13,871,567,614	
Agrani Equity & Investment Limited	3,979,991,056	2,794,534,855	
Agrani SME Financing Company Limited	412,306,011	-	
Agrani Exchange House Private Limited, Singapore	-	-	
Agrani Remittance House SDN. BHD., Malaysia	-	-	
Agrani Remittance House Canada Inc.	-	-	
Agrani Exchange Company (Australia) Pty. Limited	-	-	
	27,921,687,761	16,666,102,469	
Less: Inter-company transaction (s)	(4,392,297,067)	(2,794,534,855)	
	23,529,390,694	13,871,567,614	
11 Deposits and other accounts	621,927,230,672	530,349,741,838	
11.1 Deposits and Other Accounts (Category wise)			
Current & Other Account (Note - 11.1.1)	157,080,929,433	120,065,565,376	
Bills payable (Note - 11.1.2)	8,875,779,435	5,591,284,631	
Saving Bank Deposits (Note - 11.1.3)	177,292,217,218	161,043,260,016	
Fixed Deposits (Note - 11.1.4)	278,678,304,586	243,649,631,815	
	621,927,230,672	530,349,741,838	

Notes to the Financial Statements

Amount in Taka

	31-Dec-18	31-Dec-17
11.1.1 Current & Other account		
Current Deposits (Note - 11.1.1.i)	42,869,023,340	39,815,994,197
Balance with ATM	878,848	1,046,848
Sundry Deposits (Note - 11.1.1.ii)	9,158,000,201	8,533,471,529
Special Time Deposits (11.1.1.iii)	104,940,665,090	71,594,213,224
Call Deposits (Note - 11.1.1.iv)	112,361,954	120,839,578
	157,080,929,433	120,065,565,376
11.1.1.i Current Deposits		
Current Deposit-Government Organizations	7,535,527,393	6,412,893,233
Current Deposit-Autonomous and Semi Autonomous Org	3,522,300,526	3,029,503,058
Current Deposit-Non Financial Public Enterprises	5,059,250,608	4,874,898,342
Current Deposit-Local Authority	1,926,507,891	1,534,806,616
Current Deposit-Insurance Co.s & Pension Funds Public	187,937,025	101,679,699
Current Deposit-Public Non-Banking Financial Org	199,796,246	178,923,523
Current Deposit-Other Financial Public Organizations	143,090,692	189,149,457
Current Deposit-Other Banks	618,131,981	603,865,512
Current Deposit-Individuals and Others	22,162,754,352	21,374,945,361
Current Deposit-Foreign Currency	1,465,834,740	1,468,123,121
Current Deposit-Miscellaneous	47,891,886	47,206,275
	42,869,023,340	39,815,994,197
11.1.1.ii Sundry Deposits		
General Provident Fund	3,403,447,286	3,083,404,019
Margin on Bills purchased	11,690,472	18,799,852
Margin on Letters of Credit	3,382,846,190	2,845,837,742
Margin on Letters of Guarantee	379,362,143	361,574,083
Miscellaneous Margin	32,001,863	25,662,258
Foreign Currency	213,866,111	250,622,269
Key Deposit	10,443,323	8,418,432
Staff Cash Security	23,524,641	23,341,083
Foreign correspondence charges	2,136,800	2,533,848
F. C Exp. Proceeds	85,686,484	46,062,138
Commission Payable to Govt.	74,399,146	49,932,205
Premium paid XPB	856,976	856,976
Clearing Adjustment	3,862,616	17,769,539
Self Employment Promotion	391,671	163,280
Teachers Payment	674,933,599	456,536,673
Boisko Bhata	3,970,128	10,805,480
FSSAP	17,410,554	353,754,449
Freedom Fighter Allowance	53,388,471	58,735,134
Army Pension	71,671,159	290,653,631
Small Enterprise Development	167,260	87,825,469
Rural Finance Programme	5,008,021	5,432,476
Hajj Deposit	-	60,000
Others	613,863,880	507,753,417
Clearing Cheque Sent for Collection T24	82,202,185	3,883,163
Debit Card Remote ON-US Transactions	-	18,709,160
Debit Card Remote ON-US Commission	9,459,841	2,935,372
SEQAEP Pre-paid Card Fees	1,409,381	1,409,381
	9,158,000,201	8,533,471,529

Notes to the Financial Statements

	31-Dec-18	31-Dec-17
<i>Amount in Taka</i>		
11.1.1.iii Special Notice Deposits		
Special Notice Deposit -Government Org.	31,804,473,069	23,820,522,509
Special Notice Deposit -Autonomous and Semi Autonomous Organizations	10,412,327,805	7,915,120,448
Special Notice Deposit -Non Financial Pub Enterprise	51,328,195,172	30,771,181,134
Special Notice Deposit -Local Authority	1,610,307,885	1,136,513,719
Special Notice Deposit -Insurance Co.s & Pension Funds-Public	283,012,479	183,067,493
Special Notice Deposit -Public Non-Banking Financial Organizations	615,153,388	516,210,503
Special Notice Deposit -Other Deposit Accepting Public Organizations	581,460,924	299,974,601
Special Notice Deposit -Other Banks	1,294,890,484	928,630,002
Special Notice Deposit -Individuals and Others	7,010,843,884	6,022,992,815
	104,940,665,090	71,594,213,224
11.1.1.iv Call Deposits		
Call Deposit -Government Organizations	16,462,243	20,333,177
Call Deposit -Autonomous and Semi Autonomous Org.	871,460	3,142,330
Call Deposit -Non Financial Public Enterprises	979,511	1,101,023
Call Deposit -Local Authority	22,093,636	9,185,383
Call Deposit -Insurance Co.s & Pension Funds-Public	-	-
Call Deposit -Public Non-Banking Financial Org.	-	-
Call Deposit -Other Deposit Accepting Public Org.	692	692
Call Deposit -Other Banks	206,369	206,369
Call Deposit -Individuals and Others	71,748,043	86,870,604
	112,361,954	120,839,578
11.1.2 Bills payable		
Draft payable	649,543,559	727,325,808
TT's payable	1,409,300	1,509,300
MT's payable	6,050	4,350
Pay slip issued	209,845,363	203,865,140
Pay order issued	5,989,560,944	3,039,863,936
Inland Bill proceeds Awaiting for Remittance	4,213,667	331,019
Foreign Bill proceeds Awaiting for Remittance	1,758,253,485	1,407,568,539
Overdue DD payable	18,456,874	20,616,806
Upahar cheque sold A/C	36,732	194,740
FRMS	10,000	10,000
Foreign D.D, T.T, & TC payable	244,443,461	189,994,993
	8,875,779,435	5,591,284,631
11.1.3 Saving Bank Deposits		
Saving Deposit -Government Organizations	1,729,063,538	1,175,632,210
Saving Deposit -Autonomous and Semi Autonomous Organizations	3,778,692,319	3,581,944,797
Saving Deposit -Non Financial Public Enterprises	370,750,335	334,194,514
Saving Deposit -Local Authority	261,398,062	200,424,737
Saving Deposit -Insurance Co.s & Pension Fund	1,573,805,598	1,628,600,476
Saving Deposit -Public Non-Banking Financial Organizations	32,091,685	19,516,031
Saving Deposit -Other Financial Public Organizations	28,512,199	37,822,978
Saving Deposit -Other Banks	9,190,006	2,296,550
Saving Deposit -Individuals and Others	168,345,378,754	153,057,244,037
Female Secondary School Assistance Project	67,701,691	127,010,041
Saving Deposit -Miscellaneous	263,376,384	269,209,113
Saving Deposit -Foreign Currency	765,627,619	561,801,342
Saving Deposit -Student	66,629,028	47,563,190
	177,292,217,218	161,043,260,016

Notes to the Financial Statements

Amount in Taka

	31-Dec-18	31-Dec-17
11.1.4 Fixed Deposits		
Fixed Deposits (11.1.4.1)	243,323,528,584	210,471,056,664
Deposit Pension Scheme	39,162,924	39,217,698
Agrani Bank Pension Scheme	168,737,768	218,664,632
Month wise Fixed Deposits	952,880	1,023,224
Non Resident Special Deposits	272,680	335,159
Agrani Bank Bishesh Shanchay	31,336,345,630	27,882,107,539
Agrani Bank Monthly Income Scheme	71,439,525	122,430,718
Agrani Bank Monthly Deposit Scheme	129,045,289	1,663,285,731
Agrani Bank Double Benefit Scheme	3,516,416,400	3,202,254,268
Agrani Bank Quarterly Income Scheme	16,841,900	22,379,500
Agrani Bank Double Benefit Scheme (New)	9,399,074	8,550,000
Agrani Bank Millionaire Deposit Scheme	39,788,479	12,078,906
Agrani Bank Lakhopoti Deposit Scheme	6,897,550	1,689,389
Agrani Bank Probashi Deposit Scheme	2,010,202	1,269,818
Agrani Bank Deposit Scheme for Woman	9,250,089	3,288,569
AGB Senior Citizen Savings Scheme	737,693	-
AGB Sanchaya Pension Scheme	4,790,091	-
AGB Wages Earner Deposit Scheme	2,687,828	-
	278,678,304,586	243,649,631,815
11.1.4.1 Fixed Deposits		
Fixed Deposit-Government Organizations	34,528,225,444	23,181,122,830
Fixed Deposit-Autonomous and Semi Autonomous Organizations	43,595,937,510	35,797,283,116
Fixed Deposit- Non Financial Public Enterprises	95,552,820,092	80,207,444,891
Fixed Deposit -Local Authority	685,892,315	1,093,336,179
Fixed Deposit -Insurance Co.s & Pension Funds Public	1,234,109,238	1,062,384,965
Fixed Deposit -Public Non-Banking Financial Organizations	1,280,079,476	2,437,677,925
Fixed Deposit -Other Financial Public Organization	1,102,411,977	786,824,693
Fixed Deposit -Other Banks	7,744,175,796	5,668,123,039
Fixed Deposit -Individuals and Others	59,587,491,682	60,223,936,609
Non-Resident Foreign Currency Deposit (NFCD)	9,760,751	9,685,971
Fixed Deposit -Deceased Account	2,624,303	3,236,446
	245,323,528,584	210,471,056,664
less: Inter Unit transaction	(2,000,000,000)	-
	243,323,528,584	210,471,056,664
11.2 Maturity Grouping of Deposits and Other Accounts		
On demand	20,681,354,885	20,770,285,631
Within 1 month	30,600,329,486	34,565,402,931
Within 1 to 3 months	125,195,162,791	130,893,976,397
Within 3 to 12 months	144,986,686,376	85,898,542,099
Within 1 to 5 years	165,157,572,466	110,233,719,146
More than 5 years	135,306,124,668	147,987,815,634
	621,927,230,672	530,349,741,838

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
11.3	Geographical Location - wise Deposits		
	Dhaka Region	309,248,077,706	253,612,738,269
	Chattogram Region	73,617,375,099	57,231,242,472
	Khulna Region	40,629,051,008	37,294,535,475
	Rajshahi Region	37,588,947,304	34,064,434,992
	Barishal Region	16,947,979,718	15,710,710,008
	Sylhet Region	23,761,607,277	21,432,689,999
	Rangpur Region	18,766,800,601	18,424,487,768
	Mymensing Region	36,172,091,079	33,968,665,663
	Cumilla Region	47,977,756,427	43,533,159,322
	Faridpur Region	17,217,544,453	15,077,077,870
		621,927,230,672	530,349,741,838
11.4	Sector wise Deposits		
	Government Organizations (President, PM's Office, Ministry & Judiciary)	75,613,749,444	54,610,503,959
	Autonomous & Semi Autonomous Bodies	61,310,129,619	50,326,993,749
	Deposit money bank	9,666,594,636	7,203,121,472
	Other public sector	164,079,657,128	127,604,919,576
	Private sector	311,257,099,845	290,604,203,082
		621,927,230,672	530,349,741,838
11.5	Inter-Bank Deposits		
	Current Deposits	618,131,981	603,865,512
	Savings Deposits	9,190,006	2,296,550
	Fixed Deposits	7,744,175,796	5,668,123,039
	Special Notice Deposits	1,294,890,484	928,630,002
	Call Deposits	206,369	206,369
		9,666,594,636	7,203,121,472
11(a)	Consolidated Deposits and other accounts		
	Agrani Bank Limited	621,927,230,672	530,349,741,838
	Agrani Equity & Investment Limited	5,487,819	8,198,118
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		621,932,718,491	530,357,939,956
	Less: Inter-comopany transaction(s)	(126,692,320)	(366,131,322)
		621,806,026,171	529,991,808,634
12	Other Liabilities		
	Interest suspense (Note - 12.1)	19,798,688,304	17,059,532,213
	Provision for expenses (Note - 12.2)	5,931,530,574	5,101,394,580
	Provision for Auditors Fee (Note - 12.3)	4,000,000	3,600,000
	Sundry creditors	1,268,042,144	1,380,310,335
	Tax deducted at source	1,045,533,425	846,793,535
	VAT on services	184,091,987	152,240,967

Notes to the Financial Statements

Amount in Taka

	31-Dec-18	31-Dec-17
Excise duty	595,153,076	544,987,884
Levy on interest payment	10,908,099	16,981,861
Levy & Surcharge on interest payment (Bonds)	36,658	43,086
Provision for Taxation (Note - 12.4 & Annexure-F)	19,098,362,325	15,837,722,120
Provision for classified loans & advances (Note - 12.5)	29,646,774,893	27,501,482,529
General provision maintained against UC loan (Note - 12.6)	3,052,901,550	3,861,656,269
General provision for special mention account (Note - 12.7)	168,880,174	72,904,470
3 % General reserve for consumer financing (Note - 12.8)	47,351,404	72,109,787
Provision for off balance sheet exposures (Note - 12.10)	1,233,377,406	1,233,377,406
Payable to Islamic Banking Unit	217,698	217,698
Provision for investment (Note - 12.11)	3,897,390,171	3,897,390,171
Provision for Balance with Other Banks & Financial Institutions	600,000,000	-
Provision for Other Assets (Note - 12.12)	5,082,803,973	4,837,046,847
Provision for Incentive Bonus (Note - 12.13)	1,403,727,827	1,525,796,705
Employees superannuation fund (Note - 12.14)	1,780,035,228	280,000,000
Employees gratuity fund (Note - 12.15)	8,486	8,486
Death relief grant scheme (Note - 12.16)	54,598,771	30,273,771
Employees Benevolent Fund (Note - 12.17)	36,142,016	24,981,238
Reserve for unforeseen losses	7,278,112	7,278,112
Duty Draw back Imprest Fund	-	4,501
Doctors self employment program	1,600,000	1,600,000
Collection accounts	5,073,957	7,656,504
Cash incentive to exporters	13,752,902	24,995,652
SPL account MEDU fund	363,941,607	384,711,474
Export Development Fund	-	170,322,645
Govt. bond for land mortgage loan	840,897	840,897
Special block account	189	189
SPL block account (DD,TT, MT & PO)	9,730,948	9,730,948
Unclaimed deposit 10 years & above	3,458	-
Service charge on CIB report	986,945	1,638,725
Provision for balance of bilateral trade	2	2
Customer Fund Adjustment Account	1,198,733	99,024,806
Vostro Account	35,385,711	35,385,711
SIDR	389,114	389,114
ADIP Project Fund	19,132,387	20,267,852
Reserve Fund for Rebate	10,868,222	5,465,905
Provision for arear of staff salary	4,485	4,485
Interest waived on staff house building loan	10,412,449	8,712,476
Interest rebate on good borrowers	20,000,000	20,000,000
Branch Adjustment (Note- 12.18)	6,669,380,908	3,887,347,327
	102,110,537,215	88,966,229,283
12.1 Interest Suspense Account		
Balance at the beginning of the year	17,059,532,213	13,343,427,150
Add: Transferred during the year	6,960,471,304	7,391,778,719
Less: Transferred to Income during the year	(4,006,817,422)	(3,137,227,499)
Less: Amount waived/ written off during the year	(214,497,791)	(538,446,157)
Balance at the end of the year	19,798,688,304	17,059,532,213

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12.2	Provision for expenses		
	Provision for Interest on Savings	181,234	91,400
	Provision for Interest on DPS	8,937,775	9,883,417
	Provision for Interest on STD	404,797	29,255
	Provision for Interest on FDR	4,040,016,661	3,149,112,477
	Provision for Interest on ABPS	4,997,555	9,506,577
	Provision for Interest on Borrowings	29,127,273	59,510,007
	Provision for ABS	1,119,617,207	1,145,015,865
	Un-disbursed Salary and Other staff benefit	2,241,319	1,744,178
	Provision for other expenses	132,701,189	105,444,982
	Provision for Interest on ABMIS	4,484,938	4,580,646
	Provision for Interest on ABMDS	32,940,855	183,691,987
	Provision for Interest on ABDBS	547,141,320	427,293,384
	Provision for Interest on Bakna Basur Refinance Fund	5,006,838	4,688,478
	Provision for Interest on Agrani Bank Quarterly Income Scheme	274,100	188,275
	Provision for Interest on Agrani Bank Double Benefit Scheme (New)	104,828	423,885
	Provision for Interest on Agrani Bank Millionaire Deposit Scheme	2,551,716	159,574
	Provision for Interest on Agrani Bank Lakhopoti Deposit Scheme	592,312	30,175
	Provision for Interest on Agrani Bank Probashi Deposit Scheme	525	-
	Provision for Interest on Agrani Bank Deposit Scheme	206,715	-
	Provision for Interest on Agrani Bank AGB Senior Citizen	1,399	-
	Provision for Interest on Agrani Bank Deposit Scheme for Woman	18	18
	Balance at the end of the year	5,931,530,574	5,101,394,580
12.3	Provision for Auditors Fee		
	Balance at the beginning of the year	3,600,000	3,600,000
	Less: Paid during the year	(3,600,000)	(3,600,000)
	Add: Provision made during the year	4,000,000	3,600,000
	Balance at the end of the year	4,000,000	3,600,000
12.4	Provision for taxation:		
	Balance at the beginning of the year	15,837,722,120	13,154,922,120
	Add: Transferred to Provision for Income Tax during the year	3,260,640,205	2,682,800,000
	Balance at the end of the year	19,098,362,325	15,837,722,120
<p>Income tax assessment for last few years are pending with various stages of income tax appeal process. Income Tax assessment has been finalized up to 2004 (except 2002) and reference cases are pending for the years 2002, 2005, 2006, 2008, 2009, 2010, 2011, 2012. Appeal is pending for the year 2013 & 2014. The returns have been submitted for the years 2015, 2016 & 2017. The bank has kept a provision of Tk. 326.06 crore for the year 2018 as per Income Tax Ordinance 1984.</p>			
12.5	Provision for Classified loans and advances		
	Balance at the beginning of the year	27,501,482,529	30,574,462,405
	Add: Recoveries of amount previously written off	778,235,486	902,969,108
	Add: Specific provision for the year	2,024,729,629	-
	Less: Provision Add back during the year	-	(3,899,757,179)
	Less: Written off/ waived	(657,672,751)	(76,191,805)
	Provision held at the end of the year	29,646,774,893	27,501,482,529

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<p>The Bank has shown some loans and advances as unclassified by dint of stay order of the Honorable High Court. But the actual position of those loans and advances is classified on the basis of objective criteria and qualitative judgment as per BRPD circular of Bangladesh Bank regarding provision of classification of loans and advances. The Bank has maintained 1% provision against those unclassified loans and advances. Moreover, Bank has maintained additional required provision of those loans and advances for 2014, 2015, 2016 and 2018. The Bank has maintained 60% provision for 2017 as per approval of Bangladesh Bank vide letter no BRPD(P-1)/661/13/2018-978 dated 30-01-2018.</p>		
12.6 General Provision maintained against UC loans		
Balance at the beginning of the year	3,861,656,269	4,951,279,282
Add: Provision made during the year	-	-
Less: Provision add back for the year	(808,754,719)	(1,089,623,013)
Provision held at the end of the year	3,052,901,550	3,861,656,269
<p>General Provision maintained against UC loans includes 1% provision against loans and advances that has been shown unclassified by dint of stay order of the Honorable High Court.</p>		
12.7 General Provision for SMA Loans		
Balance at the beginning of the year	72,904,470	68,463,668
Add: Provision made during the year	95,975,704	4,440,802
Less: Provision add back for the year	-	-
Provision held at the end of the year	168,880,174	72,904,470
12.8 3% General reserve for consumer financing:		
Reserve held at the beginning of the year	72,109,787	129,158,117
Add: Additional reserve for the year	-	-
Less: Provision add back for the year	(24,758,383)	(57,048,330)
Reserve held at the end of the year	47,351,404	72,109,787
12.9 Provision for Loans & Advances: Agrani Bank Limited		
General provision		
i) Standard (including staff Loan) *	3,052,901,550	3,861,656,269
ii) Special Mention Accounts (SMA)	168,880,174	72,904,470
	3,221,781,724	3,934,560,739
Specific provision		
i) Substandard	308,022,133	423,000,904
ii) Doubtful	1,054,993,646	497,145,144
iii) Bad/Loss	28,283,759,114	26,581,336,481
	29,646,774,893	27,501,482,529
Total	32,868,556,617	31,436,043,268

* General provision is kept @ 1% on general loans and advances and 1% on house finance & loan for professionals under consumer financing and 3% on consumer financing.

The Bank was supposed to keep provision amounting to Tk. 4,741.29 crore against total loans and advances. But in response to the Bank's request, Bangladesh Bank has allowed vide letter # BRPD(P-1)/661/13/2019-3353 dated 30 April 2019 to keep 77% of total required provision for the year 2018. Bangladesh Bank has also granted approval for not adjusting the rest of the exempted provision deficiency while calculating the Minimum Capital Requirement (MCR) of the Bank for the year 2018. While calculating the provision, the Bank deducted Tk. 593.10 crore as the deferred provision in compliance with letter # BRPD(P-1)/661/13/2018-2640 dated 18 April 2018 and letter # BRPD(P-1)/661/13/2018-9082 dated 29 November 2018. As such total required provision has been derived at Tk. 4,148.19 crore (Tk. 4,741.29 crore - Tk. 593.10 crore = Tk. 4,148.19). The Bank has kept provision amounting to Tk. 3,286.86 crore against loans and advances in the year 2018. An amount of provision shortfall stood at Tk. 861.33 (Tk. 4,148.19 crore - Tk. 3,286.86 crore) at the end of providing required provision as per Bangladesh Bank approval.

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As per the request of the Bank through letter # BRPD(P-1)/661/13/2019-3353 dated 30 April 2019 Bangladesh Bank allowed to keep 77% provision on total required provision against loans & advances subject to some conditions. The conditions are i. total net profit should not be more than 5% of the paid-up capital and ii. Provision cannot be add backed if already kept. As a result, the bank kept Tk. 92.75 crore more than required provision.

In the year 2017 as per request of the Bank, Bangladesh Bank has allowed vide letter # BRPD(P-1)/661/13/2018-2640 dated 18 April 2018 to keep provision at least Tk. 2,375.17 crore against required provision of Tk. 3,264.82 against classified loans and advances and re-scheduled loans in the year 2017 and to keep the remaining amount of provision in the next 3 (three) years equally. Bank had a provision shortfall of Tk. 889.65 after providing minimal provision of Tk. 2,375.17 in 2017 as per Bangladesh Bank approval.

In line with the granted approval, the Bank has provided the first installment of the deferred provision of Tk. 296.55 crore in the accounts and the remaining provision of (Tk. 889.65 crore - Tk. 296.55 crore) = Tk. 593.10 crore will be kept in 2019 and 2020 equally.

While calculating the required provision, the bank follows the circular of Bangladesh Bank. And apply the facility given by BB through Letter No. BRPD(P-1)/661/13/2018-2640 Dated 18-04-2018. Based on the provision for the year ended 31 December 2017. Then the Bank keep the provision @77% in compliance with letter No. BRPD(P-1)/661/13/2019-3353 Dated 30-04-19 issued by BB on due basis for the provision of 2018.

12.10 Provision for off balance sheet exposure

Balance at the beginning of the year	1,233,377,406	839,022,947
Add: Provision made during the Year	-	394,354,459
Less: Provision add back during the Year	-	-
Balance at the end of the year	1,233,377,406	1,233,377,406

12.11 Provision for diminution in the value of Investment:

Balance at the beginning of the year	3,897,390,171	6,530,823,229
Add: Provision made during the Year	-	-
Less: Adjustment during the Year	-	(1,921,261,357)
Less: Provision add back during the Year	-	(712,171,701)
Balance at the end of the year	3,897,390,171	3,897,390,171

Other Investments included Tk. 3,000 million for investment in shares under buy back agreement from Beximco Group. The buy-back agreement is expired in 2012 for the second time. Agrani Bank Limited has completed all formalities to transfer of shares purchased from the above three companies. Meanwhile only the shares of GMG Airlines Limited have been transferred in favour of Agrani Bank Limited with book value of Tk. 670 million and market value nil respectively.

It is noted that, the BEXIMCO Group approached a proposal vide a letter dated 28 March, 2018 where they expressed their interest to resolve outstanding liabilities under share sale and buy back agreement. The matter has been tabled out in 554th meeting of the Board of Directors of the Bank held on 09 April, 2018 and the Board resolved the issue that the outstanding liabilities under said Buy Back Agreement might be adjusted after being repaid Tk 307.00 crore by the BEXIMCO within three months from the date the decision communicated to them and fulfillment of some terms and conditions set forth in the board resolution. Meanwhile a letter dated 11 April, 2018 has been sent to the BEXIMCO informing the decision of the Board of Directors of the Bank. Upto 31st December 2018 BDT 130.00 crore has been received from BEXIMCO Group. The repayment of the rest amount of BDT 177.00 crore is under process.

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12.12 Provision for Other Assets		
Protested bill (Note - 12.12.d)	70,820,672	72,631,505
Sundry Debtors Staff & Others	311,541,583	64,206,604
Clearing Adjustment	1,449,669	1,449,669
Suspense Accounts Army Pension Paid	1,141,819,710	1,141,819,710
Suspense Accounts Civil Pension Paid	13,981,210	13,981,210
Legal Charges	72,994	68,508
CBL Pak A/c	2	2
Receivable from Agrani SME Financing Company	55,673,000	55,673,000
Accrued Income	29,296,844	29,296,844
Stationary & Stamp	15,547,105	15,547,105
Advance Deposit & Pre-payment	37,718,565	37,718,565
Foreign Correspondent Draft Paid	910,869	910,869
Wage Earner Bond	25,632,202	25,632,202
BCCI Bank-London (Note - 12.12.e)	1	1
Bank of Ceylon	-	-
Balance with Al-Rajhi Foreign Exchange (Note - 12.12.c)	1	1
Fixed Assets	21,913,328	21,913,328
Branch Adjustment (Note - 12.12.f)	1,129,184,000	1,129,184,000
Loan Application Form	239,520	-
Exempted Loans & Interest on Exempted Loans (Note - 12.12.g)	253,839,376	253,850,402
Provision for DD Paid without Advice	24,193,460	24,193,460
Dividend receiveable from Preference Share	1,948,969,862	1,948,969,862
	5,082,803,973	4,837,046,847

As per BRPD circular no 14 dated June 25, 2001 of Bangladesh Bank, the Bank has maintained a provision of Tk. 508.28 crore for the year 2018 against other assets that are outstanding for more than one year.

12.12.a In the year 2001 Tk. 1.00 crore had been made provision to adjust agri credit exemption on river erosion. An amount of Tk. 1,176,472 of that provision was unused from 2005 which has been transferred to Retained Earnings as per the decision of the competent authority in 2017.

12.12.b Cash and Cash Equivalent at the year-end 2016 included Libyan Currency (2,612,023) equivalent to BDT 147,579,300 which was purchased by Agrani Bank Limited before the Libyan civil war also referred as to Libyan revolution of 17th February in 2011. After that war those Libyan currencies were obsolete and Tk. 100,000,000 had been made provision against those Libyan Currency. After getting reimbursement from Bangladesh Bank the provision has been adjusted in the year 2017.

12.12.c Debit balance of BDT 347,892,609 (equivalent to USD 6.04 million) with Al Rajhi Foreign Exchange was outstanding since long against which 100% provision had been made. As there was no possibility to recover the outstanding balance, the amount has been written-off as per the decision of 539th board meeting of board of directors held on 24-12-2017.

12.12.d Provision for protested bills

Balance at the beginning of the year	72,631,505	57,897,924
Adjustment during the Year	(5,640,322)	(2,267,769)
Addition during the Year	3,829,489	17,001,350
Balance at the end of the year	70,820,672	72,631,505

Protested Bills arises due to accidental loss of fraud, robbery, theft etc.

12.12.e Provision for balance with BCCI Bank- London

Balance at the beginning of the year	1	12,776,658
Provision made during the year	-	843,887
Written-off during the year	-	(13,620,544)
Balance at the end of the year	1	1

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The amount of Tk. 13,620,545 was outstanding in the year 2017 with BCCI Bank-London since long against which 100% provision was made. As there was no possibility to recover the outstanding balance due to liquidation of the company, the amount has been written-off as per the decision of 539th board meeting of board of directors held on 24-12-2017.

12.12.f Provision for Branch Adjustment

Balance at the beginning of the year	1,129,184,000	1,205,884,000
Provision add back	-	(76,700,000)
Provision made during the year	-	-
Balance at the end of the year	1,129,184,000	1,129,184,000

“Other Liabilities” include a net credit balance of Tk 6,669,380,908 as Branch Adjustment (such amount at 31 December 2017 was net credit balance of Tk 3,887,347,327). While the full reconciliation process is underway, the Bank has made provision for Tk. 112.92 crore.

12.12.g Provision for Exempted Loans & Interest on Exempted Loans

Balance at the beginning of the year	253,850,402	259,952,949
Adjustment during the Year	(11,026)	(112,070,751)
Provision add back during the Year	-	-
Provision made during the year	-	105,968,204
Balance at the end of the year	253,839,376	253,850,402

12.13 Incentive Bonus:

Balance at the beginning of the year	1,525,796,705	1,209,681,750
Amount paid during the Year	(1,182,934,713)	(1,045,919,663)
Addition during the Year	865,835	2,034,618
Provision for the Year	1,060,000,000	1,360,000,000
Balance at the end of the year	1,403,727,827	1,525,796,705

12.14 Employees Superannuation Fund

Balance at the beginning of the year	280,000,000	500,000,000
Addition during the year	1,598,011,059	1,431,261,790
Provision made during the year	1,500,000,000	1,260,000,000
Amount Transferred to SAF's SB A/C	(1,597,975,831)	(2,911,261,790)
Amount of pension paid during the year	-	-
Balance at the end of the year	1,780,035,228	280,000,000

According to the actuarial report submitted on 27 May 2018, a deficit of BDT 27,830,000,000 in the provision of Employees Superannuation Fund (SAF) as on 31 March 2018 has been shown. The said report contains, among others, phase-wise contribution to the provision for superannuation fund instead of providing the full amount of deficit in one go. Accordingly the bank is to be contributed BDT 500 crore in the first year. As the first year provision is to cover 09 (nine) months from 01 April 2018 to 31 December 2018, the amount comes to BDT 375 crore. However, the bank has provided BDT 313.98 crore (BDT 163.98 crore as 75% of Basic salary of current year and BDT 150 crore in addition to that). Thus there remains a shortfall of BDT 61.05 crore in the provision as on 31 Dec 2018.

12.15 Employees Gratuity Fund

Balance at the beginning of the year	8,486	8,486
Addition during the year	378,752,076	339,299,512
Amount Transferred to Gratuity's SB A/C	(378,752,076)	(339,299,512)
Amount of Gratuity paid during the year	-	-
Balance at the end of the year	8,486	8,486

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12.16	Death relief grant scheme		
	Balance at the beginning of the year	30,273,771	61,698,771
	Provision made during the year	70,000,000	12,500,000
	Amount paid/adjusted during the year	(45,675,000)	(43,925,000)
	Balance at the end of the year	54,598,771	30,273,771
12.17	Employees Benevolent Fund		
	Balance at the beginning of the year	24,981,238	24,783,715
	Provision made during the year	30,000,000	20,000,000
	Amount paid/adjusted during the year	(18,839,222)	(19,802,477)
	Balance at the end of the year	36,142,016	24,981,238
12.18	Branch adjustment:		
	Debit balance		
	Main Office Account (MO)	1,159,989,459,117	1,159,903,733,385
	New General Account (NG)	1,155,652,293,545	1,155,594,636,853
	Instant Financial Massaging System (IFMS)	21,258,959,698	21,258,959,698
	Inter-Branch Account for Online Transactions	952,483,696,783	704,229,083,187
	Computerized Main Office Account (CMO)	772,370,005,832	666,113,817,746
	Computerized New General Account (CNG)	1,050,667,093,339	816,580,212,885
		5,112,421,508,314	4,523,680,443,754
	Less:- Credit balance		
	Main Office Account (MO)	(1,160,786,468,639)	(1,160,575,615,059)
	New General Account (NG)	(1,155,535,467,375)	(1,155,574,476,636)
	Instant Financial Massaging System (IFMS)	(21,278,495,787)	(21,278,495,787)
	Inter-Branch Account for Online Transactions	(952,482,439,078)	(704,206,978,794)
	Computerized Main Office Account (CMO)	(779,896,451,448)	(670,925,420,663)
	Computerized New General Account (CNG)	(1,049,111,566,895)	(815,006,804,142)
		(5,119,090,889,222)	(4,527,567,791,081)
		(6,669,380,908)	(3,887,347,327)
<p>During the year net balance of branch adjustment arrived as credit has been shown under head "Other Liabilities ".The Net debit balance of Branch Adjustment account arrived due to transit in responding entries.</p>			
12(a)	Consolidated other liabilities		
	Agrani Bank Limited	102,110,537,215	88,966,229,283
	Agrani Equity & Investment Limited	1,715,684,083	1,798,635,541
	Agrani SME Financing Company Limited	265,938,566	273,130,100
	Agrani Exchange House Private Limited, Singapore	50,542,102	84,261,887
	Agrani Remittance House SDN. BHD., Malaysia	55,423,332	80,569,524
	Agrani Remittance House Canada Inc.	54,554,683	61,748,298
	Agrani Exchange Company (Australia) Pty. Limited	53,349,176	53,349,176
		104,306,029,157	91,317,923,809
	Less: Inter-company transaction(s)	(124,682,565)	(124,369,565)
		104,181,346,592	91,193,554,244

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12(a).1	Provision for Loans & Advances: Agrani SME Financing Com. Ltd.		
	General provision		
	i) Standard (including Staff Loan)	3,627,131	2,428,108
	ii) Special Mention Accounts (SMA)	3,553,596	2,547,600
		<u>7,180,727</u>	<u>4,975,708</u>
	Specific provision		
	i) Substandard	3,299,759	2,421,800
	ii) Doubtful	4,074,330	2,647,500
	iii) Bad/Loss	28,153,061	23,527,344
		<u>35,527,150</u>	<u>28,596,644</u>
	Total	<u>42,707,877</u>	<u>33,572,352</u>
12(a).2	Consolidated Provision for Loans & Advances		
	General provision		
	i) Standard (including staff Loan)	3,056,528,681	3,864,084,377
	ii) Special Mention Accounts (SMA)	172,433,770	75,452,070
		<u>3,228,962,451</u>	<u>3,939,536,447</u>
	Specific provision		
	i) Substandard	311,321,892	425,422,704
	ii) Doubtful	1,059,067,976	499,792,644
	iii) Bad/Loss	28,311,912,175	26,604,863,825
		<u>29,682,302,043</u>	<u>27,530,079,173</u>
	Total	<u>32,911,264,494</u>	<u>31,469,615,620</u>
13	Share Capital		
13.1	Authorized Capital		
	The authorized capital of the Bank is Tk.2,500.00 crore divided into 250,000,000 ordinary shares of Tk.100.00 each.		
13.2	Issued, subscribed and fully paid up capital	<u>20,722,940,400</u>	<u>20,722,940,400</u>
	The paid up capital of the Bank was Tk. 9,912,940,400 divided into 99,129,404 ordinary shares @ Tk. 100.00 up to 29 December 2013. On 26 December 2013, Bank & Financial Institutions Division, Ministry of Finance has issued a letter # 53.013.002.00.00.80.2013 giving the permission to raise paid up capital by Tk. 10,810,000,000 to reduce capital shortage of the Bank. Subsequently, the Board of Directors in it's 353rd board meeting held on 30 December 2013 approved the matter and increased the paid up capital to Tk. 20,722,940,400 by issuing 108,100,000 right shares to the Government of the People's Republic of Bangladesh represented by Secretary, Finance Division, Ministry of Finance of the Government of the People's Republic of Bangladesh. Therefore, the total number of ordinary shares reached to 207,229,404 shares.		
13.3	Earnings Per Share		
	Earnings per share (EPS) have been computed by dividing the profit after tax by the weighted average number of ordinary shares as on 31 December 2018.		
13.3.1	Weighted average number of shares		
	Number of shares before bonus share and right share issued	207,229,404	207,229,404
	Issue of bonus share & right share	-	-
	Weighted average number of shares	<u>207,229,404</u>	<u>207,229,404</u>
13.3.2	Basic Earnings Per Share		
	Profit attributable to the shareholders of ABL for the year (A)	1,035,546,785	6,759,290,210
	Weighted average number of ordinary shares outstanding (B)	207,229,404	207,229,404
	Earnings per share (A/B)	<u>5.00</u>	<u>32.62</u>
13.3(a)	Consolidated Earnings Per Share		
	Profit attributable to the shareholders of ABL & its subsidiaries for the year (A)	1,103,990,483	6,939,850,369
	Weighted average number of ordinary shares outstanding (B)	207,229,404	207,229,404
	Earnings per share (A/B)	<u>5.33</u>	<u>33.49</u>

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13.4 Solo basis Minimum Capital Requirement (MCR) under Risk Based Capital (Basel-III)		
A. Regulatory Capital:		
1. Tier-1 Capital (Going concern capital)	26,967,700,000	20,663,400,000
2. Tier-2 Capital (Gone concern capital)	12,792,200,000	13,819,200,000
3. total Regulatory Capital (1+2):	39,759,900,000	34,482,600,000
B. total Risk Weighted Assets (RWA):	394,137,600,000	336,788,100,000
C. Capital to Risk Weighted Assets Ratio (CRAR) (A3 / B) X 100	10.09%	10.24%
D. Tier-1 Capital to RWA (A1 / B) X 100	6.84%	6.14%
E. Tier-2 Capital to RWA (A2 / B) X 100	3.25%	4.10%
F. Minimum Capital Requirement (10% of RWA)	39,413,760,000	33,678,810,000
G. Capital Surplus / (Shortfall)	346,140,000	803,790,000

Capital Requirements	2018		2017	
	Required	Held	Required	Held
Tire-1	6.00%	6.84%	6.00%	6.14%
Tire-2	4.00%	3.25%	4.00%	4.10%
Total	10.00%	10.09%	10.00%	10.24%

13.4(a) Consolidated Minimum Capital Requirement (MCR) under Risk Based Capital (Basel-III)

A. Regulatory Capital:		
1. Tier-1 Capital (Going concern capital)	27,191,300,000	20,814,700,000
2. Tier-2 Capital (Gone concern capital)	12,792,200,000	13,819,400,000
3. total Regulatory Capital (1+2):	39,983,500,000	34,634,100,000
B. total Risk Weighted Assets (RWA):	398,428,100,000	341,640,000,000
C. Capital to Risk Weighted Assets Ratio (CRAR) (A3 / B) X 100	10.04%	10.14%
D. Tier-1 Capital to RWA (A1 / B) X 100	6.83%	6.09%
E. Tier-2 Capital to RWA (A2 / B) X 100	3.21%	4.05%
F. Minimum Capital Requirement (10% of RWA)	39,842,810,000	34,164,000,000
G. Capital Surplus / (Shortfall)	140,690,000	470,100,000

Capital Requirements	2018		2017	
	Required	Held	Required	Held
Tire-1	6.00%	6.83%	6.00%	6.05%
Tire-2	4.00%	3.21%	4.00%	4.09%
Total	10.00%	10.04%	10.00%	10.14%

13.5 Solo basis Regulatory Capital:

Tier-1 Capital

Fully Paid-up Capital / Capital lien with BB	20,722,900,000	20,722,900,000
Statutory Reserve	8,496,100,000	7,795,500,000
General Reserve	537,100,000	537,100,000
Retained Earnings	(683,100,000)	(1,032,100,000)
Benefit from Deferred Tax Assets	58,800,000	329,100,000
Sub-Total	29,131,800,000	28,352,500,000

Notes to the Financial Statements

	31-Dec-18	31-Dec-17
<i>Amount in Taka</i>		
Deductions from Tier-1 Capital		
Goodwill and all other intangible assets	987,800,000	1,107,300,000
Shortfall in provisions required against classified loans	-	-
Deferred Tax Assets	1,176,300,000	6,581,800,000
Sub Total	2,164,100,000	7,689,100,000
Total Regulatory Tier-1 Capital	26,967,700,000	20,663,400,000
Tier-2 Capital		
General Provision (UC + SMA + Off B/S exposure+ Consumer Finance)	4,502,600,000	5,240,000,000
Subordinated debt/instruments issued by the Bank meeting BB criteria	7,000,000,000	6,000,000,000
Revaluation Reserve (50% of Fixed Assets and Securities & 10% of Equities)	6,447,900,000	6,447,900,000
Sub Total	17,950,500,000	17,687,900,000
Deductions from Tier-2 Capital		
Revaluation Reserve for Fixed Assets, Securities and Equity Securites	5,158,300,000	3,868,700,000
Total Regulatory Tier-2 Capital	12,792,200,000	13,819,200,000
Total Regulatory Capital (Tier-1 + Tier-2)	39,759,900,000	34,482,600,000

In response to Bank request, Bangladesh Bank allowed the Bank vide letter no-BRPD(BFIS)661/14(B)P/2019/1798 dated 03 March 2019 to deduct deferred tax assets 10% in 2018 to calculate Tier-1 Capital. The Bank has complied with the above permission.

While calculating CAR, the Bank did not comply with para 3.4.9 of the guideline of Risk-Based Capital Adequacy dated 21 December 2014 issued by Bangladesh Bank. This is because para was not included in the format given by BB through letter no DOS(CAMS)1157/01(II)-2016-2851 dated 23 June 2016.

13.5(a) Consolidated Regulatory Capital:

Tier-1 Capital

Fully Paid-up Capital / Capital lien with BB	20,722,900,000	20,722,900,000
Statutory Reserve	8,544,200,000	7,834,500,000
General Reserve	591,800,000	591,800,000
Retained Earnings	(562,300,000)	(974,500,000)
Benefit from Deferred Tax Assets	58,800,000	329,100,000
Sub-Total:	29,355,400,000	28,503,800,000

Deductions from Tier-1 Capital

Goodwill and all other intangible assets	987,800,000	1,107,300,000
Shortfall in provisions required against classified loans	-	-
Deferred Tax Assets	1,176,300,000	6,581,800,000
Sub Total	2,164,100,000	7,689,100,000
Total Regulatory Tier-1 Capital	27,191,300,000	20,814,700,000

Tier-2 Capital

General Provision (UC + SMA + Off B/S exposure+ Consumer Finance)	4,502,600,000	5,240,200,000
Subordinated debt/instruments issued by the Bank meeting BB criteria	7,000,000,000	6,000,000,000
Revaluation Reserve (50% of Fixed Assets and Securities & 10% of Equities)	6,447,900,000	6,447,900,000
Sub Total	17,950,500,000	17,688,100,000
Deductions from Tier-2 Capital		
Revaluation Reserve for Fixed Assets, Securities and Equity Securites	5,158,300,000	3,868,700,000
Total Regulatory Tier-2 Capital	12,792,200,000	13,819,200,000
Total Regulatory Capital (Tier-1 + Tier-2)	39,983,500,000	34,634,100,000

Notes to the Financial Statements

Amount in Taka

	31-Dec-18	31-Dec-17
13.6 Solo basis Risk Weighted Assets (RWA)		
Risk Weighted Assets (RWA) for		
A. Credit Risk		
On - Balance sheet	321,130,200,000	270,681,600,000
Off - Balance sheet	15,512,200,000	14,179,200,000
	336,642,400,000	284,860,800,000
B. Market Risk	17,891,800,000	15,109,300,000
C. Operational Risk	39,603,400,000	36,818,000,000
Total: RWA (A+B+C)	394,137,600,000	336,788,100,000
13.6(a) Consolidated Risk Weighted Assets (RWA)		
Risk Weighted Assets (RWA) for		
A. Credit Risk		
On - Balance sheet	313,523,900,000	265,461,200,000
Off - Balance sheet	15,512,200,000	14,179,700,000
	329,036,100,000	279,640,900,000
B. Market Risk	29,045,600,000	24,260,100,000
C. Operational Risk	40,346,400,000	37,739,000,000
Total: RWA (A+B+C)	398,428,100,000	341,640,000,000
14 Statutory Reserve		
Balance at the beginning of the year	7,795,486,660	5,859,381,981
Transferred during the year	700,627,553	1,936,104,679
Closing Balance	8,496,114,213	7,795,486,660
This has been made in accordance with Section 24 of the Bank Companies Act, 1991 and shall be maintained until it equals to the Paid-up Capital.		
14(a) Consolidated Statutory Reserve		
Agrani Bank Limited	8,496,114,213	7,795,486,660.00
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	48,047,388	38,978,313
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	8,544,161,601	7,834,464,973.00
Minority interest	-	-
Total	8,544,161,601	7,834,464,973.00
15 General Reserve		
Balance at the beginning of the year	537,060,150	536,983,145
Transferred from other liabilities	-	-
Transferred to Risk Fund	-	-
Transferred during the year	-	77,005
Closing balance	537,060,150	537,060,150

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
15(a)	Consolidated General Reserve		
	Agrani Bank Limited	537,060,150	537,060,150
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	54,731,264	54,731,264
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		591,791,414	591,791,414
	Minority interest	-	-
	Total	591,791,414	591,791,414
15.1	Risk Fund		
	Balance at the beginning of the year	60,000,000	40,000,000
	Transferred during the year	20,000,000	20,000,000
	Closing balance	80,000,000	60,000,000
15.1(a)	Consolidated Risk Fund		
	Agrani Bank Limited	80,000,000	60,000,000
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
	Total	80,000,000	60,000,000
16	Asset Revaluation Reserve		
	Balance at the beginning of the year	10,992,091,716	11,006,638,965
	Less: Transfer to retained earnings	(14,916,489)	(14,547,249)
		10,977,175,227	10,992,091,716
16(a)	Consolidated asset revaluation reserve		
	Agrani Bank Limited	10,977,175,227	10,992,091,716
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		10,977,175,227	10,992,091,716
17	Revaluation & Amortization Reserve		
	Balance at the beginning of the year	1,659,102,598	4,280,530,068
	Add: Surplus of Amortization of Securities (HTM)	277,411,709	37,339,485
	Add: Revaluation reserve on investment in Govt. Securities (HFT)	2,969,348,477	3,171,427,341
	Less: Surplus of Amortization of Securities (HTM)	(32,806,558)	(159,356,291)
	Less: Revaluation reserve on investment in Govt. Securities (HFT)	(3,417,152,301)	(5,670,838,005)
	Closing Balance	1,455,903,925	1,659,102,598

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
17(a)	Consolidated revaluation and amortization		
	Agrani Bank Limited	1,455,903,925	1,659,102,598
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		1,455,903,925	1,659,102,598
18	Retained earnings brought forward from previous year		
	Opening Balance	(1,032,101,411)	(5,869,630,344)
	Less: Prior Year Adjustment	-	(203,847)
	Add: Transfer from loan & other provision	-	-
	Add: Transfer from asset revaluation reserve	14,102,469	14,547,249
	Less: Cash Dividend paid to Govt.	-	-
		(1,017,998,942)	(5,855,286,942)
18.1	Retained surplus/(deficit)		
	Opening Balance	(1,032,101,411)	(5,869,630,344)
	Prior Year Adjustment	-	(203,847)
	Transfer from loan & other provision	-	-
	Net profit after tax during the year	1,035,546,785	6,759,290,210
	Transfer from asset revaluation reserve	14,102,469	14,547,249
	Transfer to Statutory Reserve	(700,627,553)	(1,936,104,679)
		(683,079,710)	(1,032,101,411)
18.(a).1	Consolidated Retained earnings brought forward from previous year		
	Retained surplus/(deficit) (Opening Balance)	(974,537,032)	(5,988,291,734)
	Prior year adjustment	3,809,830	(203,847)
	Transfer from loan & other provision	-	-
	Transfer from asset revaluation reserve	14,102,469	14,547,249
	Foreign currency translation gain/(loss)	(4,546,225)	21,586,879
	Minority interest	(70)	(101)
	Foreign currency translation reserve	4,546,225	(21,586,879)
		(956,624,803)	(5,973,948,433)
18.(a).2	Consolidated Retained surplus/(deficit)		
	Opening Balance	(974,537,032)	(5,988,291,734)
	Prior year adjustment	3,809,830	(203,847)
	Transfer from asset revaluation reserve	14,102,469	14,547,249
	Foreign currency translation gain/(loss)	(4,546,225)	21,586,879
	Net profit/ (loss) after tax during the year	1,103,990,483	6,939,850,369
	Statutory reserve	(709,696,628)	(1,940,438,968)
	Minority interest	(70)	(101)
	Foreign currency translation reserve	4,546,225	(21,586,879)
		(562,330,948)	(974,537,032)

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31-Dec-18	31-Dec-17
18.(a).3 Consolidated Retained Surplus/(deficit)		
Agrani Bank Limited	(683,079,710)	(1,032,101,411)
Agrani Equity & Investment Limited	(521,562,848)	(550,832,881)
Agrani SME Financing Company Limited	589,953,987	553,679,240
Agrani Exchange House Private Limited Singapore	88,861,687	88,770,201
Agrani Remittance House SDN. BHD. Malaysia	24,017,795	30,315,976
Agrani Remittance House Canada Inc.	(22,247,139)	(22,059,502)
Agrani Exchange Company (Australia) Pty. Limited	(38,274,720)	(38,274,720)
	(562,330,948)	(970,503,097)
Minority Interest	-	101
Foreign Currency Translation Reserve	-	(4,034,036)
	(562,330,948)	(974,537,032)
19 Consolidated Foreign Currency Translation Reserve		
Opening Balance	34,869,818	13,282,939
Foreign Currency Translation Gain/(Loss)	(4,546,225)	21,586,879
	30,323,593	34,869,818
20 Minority Interest		
Capital of Agrani Equity & Investment Limited	2,000	2,000
Capital of Agrani SME Financing Limited	720	720
Statutory reserve	58	47
General reserve	66	66
Retained earnings	448	388
	3,291	3,221
21 Acceptances and endorsements		
Letters of Guarantee (Note - 21.1)	7,649,647,785	7,557,677,293
Letters of Credit (Note - 21.2)	96,613,351,946	72,045,800,727
Bills for Collection (Note - 21.3)	48,385,188,838	21,876,462,987
Other Contingent Liabilities (Note - 21.4)	4,489,805,281	6,121,467,531
Claims against the bank not acknowledged as debt	5,316,696,000	15,736,332,000
	162,454,689,850	123,337,740,538
21.1 Letters of Guarantee		
Directors	-	-
Government	205,842,267	318,169,946
Banks and other financial institutions	414,055,338	519,220,760
Foreign Banks against government counter guarantee	337,522,332	998,384,512
Others	6,692,227,848	5,721,902,075
	7,649,647,785	7,557,677,293
21.1(a) Consolidated Letters of Guarantee		
Agrani Bank Limited	7,649,647,785	7,557,677,293
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	7,649,647,785	7,557,677,293

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
21.2	Letters of Credit		
	Government	48,408,984,798	31,700,685,703
	Others	48,204,367,148	40,345,115,024
		96,613,351,946	72,045,800,727
21.2(a)	Consolidated Letters of Credit		
	Agrani Bank Limited	96,613,351,946	72,045,800,727
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		96,613,351,946	72,045,800,727
21.3	Bills for collection		
	Payable in Bangladesh	384,025,659	373,933,600
	Payable outside Bangladesh	48,001,163,179	21,502,529,387
		48,385,188,838	21,876,462,987
21.3(a)	Consolidated Bills for collection		
	Agrani Bank Limited	48,385,188,838	21,876,462,987
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		48,385,188,838	21,876,462,987
21.4	Other Contingent Liabilities		
	Inland Travelers Cheque	41,437,000	43,897,000
	Upahar Cheque	2,352,850	2,487,100
	Shanchay Patra	4,441,915,431	5,362,183,431
	Agrani Bank Shilpa Unnayan Bond	4,100,000	712,900,000
		4,489,805,281	6,121,467,531
	Liability will be created for the Bank by the sales amount of Inland Travelers Cheque, Upahar Cheque, Shanchay Patra and Agrani Bank Shilpa Unnayan Bond. These items have been included in the Off-balance sheet exposure as per contra for keeping note only.		
21.4(a)	Consolidated Other Contingent Liabilities		
	Agrani Bank Limited	4,489,805,281	6,121,467,531
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		4,489,805,281	6,121,467,531

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
21.5	Geographical Location - wise Contingent Liabilities		
	Dhaka Region	136,427,723,700	94,295,346,691
	Chattogram Region	6,860,963,794	5,484,778,305
	Khulna Region	1,150,477,554	1,284,236,269
	Rajshahi Region	1,750,553,800	1,676,454,500
	Barishal Region	126,015,594	146,251,864
	Sylhet Region	4,234,653,334	4,342,567,351
	Rangpur Region	11,499,436,480	15,723,021,787
	Mymensingh Region	80,791,467	45,055,076
	Cumilla Region	258,557,837	265,422,250
	Faridpur Region	65,516,290	74,606,445
		162,454,689,850	123,337,740,538
22	Consolidated Contingent Liabilities		
	Agrani Bank Limited	162,454,689,850	123,337,740,538
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		162,454,689,850	123,337,740,538
23	Interest Income		
	a. Interest on Loans and Advances		
	Interest on Rural Credit	1,272,838,255	1,109,404,070
	Interest on Weavers Credit	185,983	711,954
	Interest on Industrial Credit	5,093,404,001	5,104,503,224
	Interest on Jute Advance	699,431,232	808,115,686
	Interest on Leather Credit	346,054,633	377,208,767
	Interest on Staff Loans	1,528,390,993	1,390,981,816
	Interest on Loan-Others	5,607,342,414	3,763,181,993
	Interest on Small and Micro Credit	5,120,436,808	3,982,212,292
	Interest on Overdrafts	383,588,276	243,039,779
	Interest on Cash Credit	2,193,159,148	2,231,650,830
	Interest on Packing Credit	165,017,047	130,546,211
	Interest on Loan against Impo. Merchandise	15,846,748	12,394,608
	Interest on Payment Against Document	116,964,263	104,711,593
	Interest on Foreign Bills Purchased	49,287,258	52,392,087
	Interest on Inland Bills Purchased	8,192,967	24,234,114
	Sub-Total	22,600,140,026	19,335,289,024
	b. Interest on Balance with other Banks and Financial Institution:		
	Interest on call loans to Banks	382,688,689	272,792,789
	Interest received from local banks	9,332,313,387	2,922,217,376
	Interest received from foreign banks	58,700	243,154
	Sub-Total	9,715,060,776	3,195,253,319
	c. Income From Write off Loan	-	-
	Total (a+b+c)	32,315,200,802	22,530,542,343

Notes to the Financial Statements

Amount in Taka

	31-Dec-18	31-Dec-17
23.1 Geographical Location - wise Interest income		
Dhaka Region	22,682,545,812	14,186,385,575
Chattogram Region	1,279,545,733	1,057,520,505
Khulna Region	2,015,465,622	1,740,629,538
Rajshahi Region	1,658,469,477	1,410,310,687
Barishal Region	566,396,158	509,755,725
Sylhet Region	434,033,925	358,513,955
Rangpur Region	1,121,656,602	1,023,350,273
Mymensingh Region	1,323,628,366	1,064,898,569
Cumilla Region	630,641,008	622,233,846
Faridpur Region	602,818,099	556,943,670
	32,315,200,802	22,530,542,343
23(a) Consolidated Interest Income		
Agrani Bank Limited	32,315,200,802	22,530,542,343
Agrani Equity & Investment Limited	3,690,809	3,360,320
Agrani SME Financing Company Limited	210,228,960	155,262,362
Agrani Exchange House Private Limited, Singapore	92,347	185,401
Agrani Remittance House SDN. BHD., Malaysia	2,057,010	1,600,926
Agrani Remittance House Canada Inc.	311,367	293,319
Agrani Exchange Company (Australia) Pty. Limited	-	-
	32,531,581,295	22,691,244,671
Less: Inter-company transaction(s)	(195,144,436)	(150,104,499)
	32,336,436,859	22,541,140,172
24 Interest paid on deposits & borrowings		
a. Interest paid on Deposits		
Savings Deposits	3,729,369,644	3,013,590,253
Special Time Deposits	3,623,316,091	1,835,321,826
Fixed Deposits	12,235,153,528	10,467,904,037
Deposit Pension Scheme	1,520,579	1,744,652
Interest on staff provident fund	375,183,038	344,570,914
Interest paid on NFCD	4,315,719	2,676,452
Interest paid on ABPS	12,950,018	15,081,933
Interest on month-wise fixed deposits	22,867	132,688
Interest on ABS	1,832,898,544	1,474,355,370
Interest on MDS	484,419	2,138,185
Interest on MIS	111,428,727	314,807,959
Interest on ADBS	489,474,418	350,200,668
Interest on Quarter Income Scheme	735,450	688,275
Interest on Double Income Scheme	211,427	315,681
Interest on Millionaire Income Scheme	2,541,391	177,844
Interest on Lakhpoti Income Scheme	596,271	34,392
Interest on Probashi Income Scheme	50,931	6,093
Interest on Deposit Scheme for women	86,776	4,617
Interest on AGB Senior Citizen	8,088	-
Interest on AGB Pension	248,399	-
Interest on AGB Deposit	19,924	-
Sub Total	22,420,616,249	17,823,751,839

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31-Dec-18	31-Dec-17
b. Interest paid to Banks		
Foreign Banks	257,482,113	104,307,697
Bangladesh Bank	653,860,256	170,177,787
Sonali Bank	-	-
Other Banks	3,897,775	1,588,303
Sub Total	915,240,144	276,073,787
c. Interest paid on Borrowings		
Call Borrowings	3,195,139	163,194
Agrani Bank Shilpa Unnayan Bond*	82,926	27,497
Discount on T.T sold	4,409,015	4,426,619
Bangladesh Bank	6,082,232	40,205,000
Other Borrowings	44,406,616	38,569,006
Sub Total	58,175,928	83,391,316
Total (a+b+c)	23,394,032,321	18,183,216,942
<i>* Interest on Agrani Bank Shilpa Unnayan Bond was understated amounting to Tk. 82,926 in the previous year which is adjusted this year without restating the same considering immaterial.</i>		
24(a) Consolidated Interest paid on deposits & borrowings		
Agrani Bank Limited	23,394,032,321	18,183,216,942
Agrani Equity & Investment Limited	176,122,460	-
Agrani SME Financing Company Limited	11,585,329	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	23,581,740,110	18,183,216,942
Less: Inter-company transaction(s)	(195,144,436)	(150,104,499)
	23,386,595,674	18,033,112,443
25 Investment income		
Dividend on Shares	957,731,611	821,040,559
Discount on 2, 5, 10,15 & 20 years Govt. Bond	-	272,882,866
Interest on 2,5,10,15 & 20 years govt. treasury bond	4,329,975,784	4,558,018,759
Interest on 25 years govt. jute bond	2,377,791	4,882,671
Discount on Bangladesh bills & treasury bills	1,625,761,942	3,543,361,360
Govt. Treasury Bond (BPC)	1,279,305,120	1,465,096,547
Govt. Treasury Bond (BJMC)	254,940,000	255,638,466
Prime Bank Bond	-	1,270,401
Mutual Trust Bank Bond	-	13,793,972
National Bank Bond	-	8,909,750
BRAC Bank Subordinated Bond	5,402,365	87,634,315
United Commercial Bank Subordinated Bond	28,376,487	34,500,000
One Bank Subordinated Bond	35,632,678	47,802,740
AB Bank Subordinated Bond	40,191,743	51,202,738
South East Bank Subordinated Bond	44,356,794	55,818,494
Floating Rate Dated Subordinated Bond of EBL	18,806,135	23,000,000
Floating Rate Dated Subordinated Bond of Bank Asia	18,806,135	23,000,000

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31-Dec-18	31-Dec-17
Floating Rate Dated Subordinated Bond of Prime Bank	18,806,135	23,000,000
Floating Rate Dated Subordinated Bond of EXIM Bank	36,881,510	41,869,863
United Commercial Bank Subordinated Bond II	17,395,331	19,112,331
Al-Arafa Islami Bank Subordinated Bond	29,666,904	31,500,000
AB Bank Subordinated Bond II	49,702,513	52,500,001
Standard Bank Subordinated Bond	26,396,485	34,500,000
Floating Rate Dated Subordinated Bond of Dhaka Bank	51,654,158	45,619,862
IFIC Bank Coupon Bearing Subordinate Bond	38,143,775	41,805,068
South East Bank Subordinated Bond II	41,981,282	35,961,781
Mutual Trust Bank Limited Subordinated Bond-II	25,401,534	20,017,151
Bank Asia Limited Subordinated Bond	25,618,484	13,435,274
Exim Bank Limited Subordinated Mudaraba Bond	45,222,523	23,250,001
DBBL Subordinated Bond	48,881,228	23,013,698
City Bank 2nd Subordinated Bond	17,710,324	8,153,507
Premier Bank Subordinated Bond	19,712,385	4,986,301
Standard Bank Subordinated Bond II	41,901,047	10,722,604
Islami Bank Mudaraba Subordinated Bond	84,998,986	20,728,768
Pubali Bank Ltd. Floating Rate Subordinated Bond	96,039,717	3,024,658
National Bank 2nd Subordinated Bond	21,240,065	527,397
FSIBL Subordinated Bond	23,822,843	328,767
UCBL Subordinated Bond III	28,331,882	246,575
NCC Bank Non-Convertible Subordinated Bond	29,951,231	-
Rupali Bank Subordinated Bond	104,231,851	-
Jamuna Bank Subordinated Bond	20,859,351	-
Mercantile Bank Subordinated Bond	40,846,151	-
Southeast Bank Subordinated Bond III	53,907,104	-
Dhaka Bank Floating Rate Dated Subordinated Bond II	53,907,104	-
Prime Bank Subordinated Bond II	71,876,137	-
The Farmers Bank Subordinated Bond	28,739,547	-
Al Arafah Islami Bank Mudaraba Subordinated Bond-II	14,601,543	-
Investment Corporation of Bangladesh Subordinated Bond	96,198,412	-
City Bank Limited 3rd Subordinated Bond	5,671,562	-
Trust Bank Ltd. Floating Rate Dated Subordinated Bond	5,671,561	-
Shahjalal Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond	7,089,452	-
Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond	5,235,288	-
UCB 4th Floating Rate Dated Subordinated Bond	3,272,055	-
DBBL Floating Rate Dated Subordinated Bond-II	2,181,370	-
SIBL Floating Rate Dated Subordinated Bond	2,726,712	-
Best Holding Ltd. Bond	25,684,932	-
Interest on Commercial Paper	43,367,580	1,816,438
Interest on Reverse REPO	167,121,190	132,329,339
Profit on Sale of Shares	197,230,028	328,631,248
Profit on Sale of Securities	1,677,360,985	2,504,274,809
Excess income shown in previous year*	(58,332,089)	-
	12,030,572,753	14,689,209,079

* Accrued Interest amounting to Tk. 58,332,089 was found for the previous year(s). However, the management was not sure about the source of that accrued interest. Management assumes that the amount was erroneously recorded as income during the previous year(s). Now the accrued interest is adjusting with the total income/accrued income without restating considering immaterial.

The above investment incomes were earned from Dhaka region only.

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
25(a)	Consolidated Investment Income		
	Agrani Bank Limited	12,030,572,753	14,689,209,079
	Agrani Equity & Investment Limited	268,086,461	514,850,686
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		12,298,659,214	15,204,059,765
26	Commission, exchange earnings & brokerage		
	Commission on bills (Foreign & Inland)	59,855,028	64,145,954
	Commission DD, TT & MT (Local)	129,301,945	123,660,748
	Commission on DD, TT, TC (Foreign)	42,578,689	29,504,397
	Commission on Letters of Guarantee (Local)	68,685,201	47,708,266
	Commission on Letters of Guarantee (Foreign)	11,404,319	4,800,098
	Commission on Letter of Credit	890,479,251	865,466,872
	CIB Service Charge	22,500,000	26,000,000
	Commission on Underwriting	5,822,495	13,130,040
	Commission on Export bill	94,195,439	89,290,000
	Commission on LIM	1,057,988	945,574
	Commission on Army Pension Paid*	50,372,515	8,685,532
	Commission on Food procurement Bills	219,823,535	89,320,934
	Foreign correspondence charges	7,694,702	2,273,336
	Exchange account foreign currency	548,329,493	1,580,712,935
	Commission on Sanchay patra	45,505,669	56,153,308
	Fees & Commission For Debit Card	2,546,840	1,625,867
	Consortium/Syndication Fee	31,648,705	45,005,291
	Loan processing fee	58,859,306	49,412,939
	Commission on Miscellaneous	242,039,854	297,726,953
	Discount on Bills	4,188	12,075
		2,532,705,162	3,395,581,119
	*Commission on Army Pension was understated by amounting to Tk. 39,965,469 from 2008-2015. Now the same is adjusting with the total income/accrued income without restating considering immaterial.		
26.1	Geographical Location - wise Commission, Exchange and brokerage		
	Dhaka Region	1,819,308,344	2,799,827,828
	Chattogram Region	106,630,389	106,458,411
	Khulna Region	147,451,165	127,570,140
	Rajshahi Region	118,983,806	79,876,732
	Barishal Region	33,513,050	32,447,556
	Sylhet Region	39,043,479	41,717,568
	Rangpur Region	137,041,087	83,711,076
	Mymensingh Region	64,118,206	46,524,220
	Cumilla Region	46,945,494	59,873,633
	Faridpur Region	19,670,142	17,573,955
		2,532,705,162	3,395,581,119

Notes to the Financial Statements

Amount in Taka

	31-Dec-18	31-Dec-17
26(a) Consolidated Commission, Exchange and Brokerage		
Agrani Bank Limited	2,532,705,162	3,395,581,119
Agrani Equity & Investment Limited	6,315,372	4,853,987
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	51,957,869	53,987,490
Agrani Remittance House SDN. BHD., Malaysia	32,745,011	29,694,962
Agrani Remittance House Canada Inc.	2,394,185	1,615,143
Agrani Exchange Company (Australia) Pty. Limited	-	-
	2,626,117,599	3,485,732,701
Less: Inter-company transaction(s)	-	-
	2,626,117,599	3,485,732,701
27 Other operating income		
Rent on Immovable Properties & Godown	616,229	1,855,852
Rent on SD Lockers	11,962,854	10,440,206
Profit on sale of Assets	2,442,458	469,236
Postage Recoveries	46,121,426	48,483,501
Telegram Recoveries	665,383	573,352
Trunk-call Recoveries	150,593	83,270
Account Maintenance Fee	817,157,311	705,766,471
Remittance	5,974,283	6,507,290
Service charge on rural credit	9,798	4,943
Service charge on Weavers/ Hosiery credit	1,125	2,182
Service charge on Industrial credit	6,686	7,913
Service charge on other credit	220,517,070	135,145,413
Sales proceeds on loan application form	1,996,108	1,997,328
Annual Charges on deposit A/C	69,570	542,667
Annual Charges on Loan A/C	23,582	137,869
Service Charges on FSS (Female Student Scholarship)	28,114,949	63,031,658
Sale of LC/Export/Schedule form and tender Schedule	13,786,510	11,536,880
Telephone, Telex & Swift charges	40,089,141	35,620,927
Account Closing Charge	96,026,353	10,106,539
Rebate received from Foreign bank	20,144,121	21,012,268
Proceeds realization certificate charges	5,242,086	5,083,719
Remuneration received from Sanchaya Patra	1,513,900	7,920,929
Service Charges on Civil Pension paid	2,488,729	2,391,032
Electronic Govt. Procure (e-GP)	1,579,915	1,079,040
Service Charges on Deposit A/C	29,204,864	27,944,045
	1,345,905,044	1,097,744,530
27(a) Consolidated Other Operating Income		
Agrani Bank Limited	1,345,905,044	1,097,744,530
Agrani Equity & Investment Limited	332,446	497,842
Agrani SME Financing Company Limited	4,644,828	3,170,435
Agrani Exchange House Private Limited, Singapore	18,082,704	9,262,671
Agrani Remittance House SDN. BHD., Malaysia	3,982,044	417,345
Agrani Remittance House Canada Inc.	1,170,975	10,659
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,374,118,041	1,111,103,482

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31-Dec-18	31-Dec-17
28		
Salary and allowance etc.		
Salaries- officers	4,184,798,433	4,091,705,077
Salaries- staff	417,358,305	464,935,065
Dearness allowance (Officers & Staff)	91,076	192,830
Fringe Benefit (Officer & Staff)	56,336,365	87,311,539
Bonus (officers & Staff)*	712,901,949	680,362,938
Banks contribution to provident fund**	154,357,110	174,007,471
Banks contribution to employees pension fund	1,639,845,610	1,431,261,790
Banks contribution to gratuity fund	379,551,667	339,299,512
Conveyance allowances	4,395,593	5,748,854
Entertainment allowances	1,321,322	1,468,523
Children education allowances	53,722,017	56,457,958
Hill Allowances	3,271,188	3,478,913
Honorarium & Fees	53,861,210	17,853,281
Medical Expenses	2,254,990	3,811,662
Medical Expenses (Consultation Fees)	1,621,325	1,848,400
Medical allowances	225,597,871	223,483,276
Uniform and other apparels	12,298,583	10,972,524
Overtime expenses	17,048,458	16,710,111
Staff Income Tax***	(20,127,570)	-
Compensatory Allowances	147,776	4,568,598
Lunch subsidy/Iftar Coupon	566,713,017	570,088,755
Leave Encashment	1,970,929	2,224,540
Sports and cultural activities	38,785,524	29,140,700
House rent allowances (officers)	1,682,298,930	1,603,852,626
House rent allowances (staff)	191,667,135	210,494,212
Wages paid to temporary employees	199,955,409	206,440,308
Staff transport fare	34,807,059	31,515,245
Police & Ansar Expenses	418,130,211	387,960,301
Ex-Gratia	211,203	1,225,243
Evening, Night & Charge Allowance	11,859,260	10,389,465
Salary and allowance of Head of ICC	7,817,912	6,902,732
Bangla Nobobarso Allowance	68,018,267	65,521,579
	11,122,888,134	10,741,234,028

* Bonus was paid in 2010 amounting to Tk. 8000 return during this year

** Bank's contribution to Provident Fund was overstated amounting to Tk. 27,898,527 during the years 2016 and 2017. Now the same is adjusting with Banks contribution to providnt fund without restating considering immaterial.

*** Staff Income tax was overstated amounting to Tk. 20,127,570 in the year of 2013 and 2014. Now the same is adjusting with Staff Income Tax without restating considering immaterial.

28(a) Consolidated Salary and Allowance etc.

Agrani Bank Limited	11,122,888,134	10,741,234,028
Agrani Equity & Investment Limited	12,953,822	14,263,284
Agrani SME Financing Company Limited	90,142,588	89,154,974
Agrani Exchange House Private Limited, Singapore	25,179,194	32,335,416
Agrani Remittance House SDN. BHD., Malaysia	19,390,481	19,444,875
Agrani Remittance House Canada Inc.	1,939,061	1,614,275
Agrani Exchange Company (Australia) Pty. Limited	-	-
	11,272,493,280	10,898,046,852

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
29	Rent, taxes, insurance, lighting etc.		
	Rent on Premises	618,522,524	573,878,400
	Rent on Godown	4,628,986	4,174,381
	Lighting Charges	112,247,899	97,710,753
	Insurance Charges on Cash	1,201,673	-
	Insurance Charges on vehicles	2,857,352	6,173,318
	Insurance Charges on property	1,310,597	1,315,132
	Rates, Taxes, Ceases	53,079,517	48,748,980
	Taxes on Immovable Property	325,463	423,894
	Insurance Charges on Deposits	322,145,883	165,245,774
		1,116,319,894	897,670,632
29(a)	Consolidated rent, taxes, insurance, lighting etc.		
	Agrani Bank Limited	1,116,319,894	897,670,632
	Agrani Equity & Investment Limited	3,542,622	3,572,301
	Agrani SME Financing Company Limited	5,681,583	5,697,339
	Agrani Exchange House Private Limited, Singapore	22,416,271	21,437,698
	Agrani Remittance House SDN. BHD., Malaysia	11,056,515	7,288,322
	Agrani Remittance House Canada Inc.	392,238	371,839
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		1,159,409,123	936,038,131
30	Legal expenses		
	Court fees	1,414,093	1,736,178
	Lawyer's fees	9,078,945	8,091,173
	Other legal expenses	19,357,250	16,911,065
		29,850,288	26,738,416
30(a)	Consolidated Legal Expenses		
	Agrani Bank Limited	29,850,288	26,738,416
	Agrani Equity & Investment Limited	345,307	239,175
	Agrani SME Financing Company Limited	42,250	20,375
	Agrani Exchange House Private Limited, Singapore	805,366	686,152
	Agrani Remittance House SDN. BHD., Malaysia	134,409	395,395
	Agrani Remittance House Canada Inc.	728,671	997,891
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		31,906,291	29,077,404
31	Postage, stamp, telegram & telephone		
	Postages	39,893,283	39,446,330
	Telegram Charges	106,758	89,963
	Telex & Teleprinter charges	203,633,270	362,299,528
	Stamps	6,289	1,134
	Telephone Charges (Office)	13,994,371	16,043,572
	Telephone Charges (Residence)	2,464,430	2,406,252
	Trunk-call charges	6,307	6,856
		260,104,708	420,293,635
31(a)	Consolidated postage, stamp, telegram & telephone		
	Agrani Bank Limited	260,104,708	420,293,635
	Agrani Equity & Investment Limited	53,533	66,027
	Agrani SME Financing Company Limited	394,485	321,325
	Agrani Exchange House Private Limited, Singapore	1,762,718	1,621,401
	Agrani Remittance House SDN. BHD., Malaysia	844,995	963,676
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		263,160,439	423,266,064

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
32	Stationery, printing, advertisement		
	Security Stationery	39,485,958	31,859,643
	Printing Stationery	88,172,491	88,434,546
	Paper & Table Stationery	30,766,138	28,035,584
	Advertisement publicity charge (Tender)	1,981,601	1,149,274
	Advertisement publicity charge (Development)	21,939,172	15,953,705
		182,345,360	165,432,752
32(a)	Consolidated Stationery, printing, advertisement		
	Agrani Bank Limited	182,345,360	165,432,752
	Agrani Equity & Investment Limited	209,628	225,016
	Agrani SME Financing Company Limited	1,526,252	1,116,997
	Agrani Exchange House Private Limited, Singapore	860,209	516,196
	Agrani Remittance House SDN. BHD., Malaysia	423,704	514,878
	Agrani Remittance House Canada Inc.	207,280	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		185,572,433	167,805,839
33	Chief executive's salary and allowances		
	Basic Salary	3,300,000	3,300,000
	House Rent Allowance	900,000	900,000
	Festival Bonus	550,000	550,000
	Incentive Bonus	962,500	293,033
	Medical Allowance	120,000	120,000
	Utility Allowance	300,000	300,000
	House Maintenance Allowance	180,000	180,000
		6,312,500	5,643,033
33(a)	Consolidated Chief executive's salary and allowances		
	Agrani Bank Limited	6,312,500	5,643,033
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	1,800,000	1,290,000
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		8,112,500	6,933,033
34	Fees & allowances of Directors		
	Fees for attending board meetings	4,222,800	3,477,600
	Fees for attending executive committee meetings	184,000	202,400
	Fees for attending audit committee meetings	625,600	533,600
	Fees for attending risk management committee meetings	239,200	230,000
	Fees for shariah supervisory committee meetings	138,000	147,200
	Allowances	1,098,039	1,096,565
		6,507,639	5,687,365

Note: Fee of the Chairman and directors is Taka 8,000 per meeting as per BRPD Circular Letter No. 11 date 04 October 2015. No other financial benefits are extended to Board of Directors [as per section 18(1) of the Banking Companies Act (Amendment) 2013] excluding above fees.

Notes to the Financial Statements

Amount in Taka

	31-Dec-18	31-Dec-17
34(a) Consolidated Fees & allowances of Directors		
Agrani Bank Limited	6,507,639	5,687,365
Agrani Equity & Investment Limited	631,200	500,400
Agrani SME Financing Company Limited	572,000	560,000
Agrani Exchange House Private Limited, Singapore	92,225	-
Agrani Remittance House SDN. BHD., Malaysia	4,271,662	4,826,972
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	12,074,726	11,574,737
35 Auditors' Fees		
Audit Fee (Statutory Audit)	4,000,000	3,600,000
Audit Fee (Others)	40,000	36,000
	4,040,000	3,636,000
35(a) Consolidated Auditors' Fees		
Agrani Bank Limited	4,040,000	3,636,000
Agrani Equity & Investment Limited	92,000	80,350
Agrani SME Financing Company Limited	184,000	165,600
Agrani Exchange House Private Limited, Singapore	307,415	-
Agrani Remittance House SDN. BHD., Malaysia	405,458	380,096
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	5,028,873	4,262,046
36 Depreciation & repairs of bank's assets		
a. Depreciation of Banks Assets (Annexure-G):		
Buildings*	154,625,017	22,594,978
Furniture & fixtures	65,917,371	60,579,691
Motor Vehicles**	31,869,327	63,713,646
Office Equipment	44,883,664	36,630,599
Electric material	66,814,592	63,255,031
Computers	264,880,182	250,828,965
Library Books & Others	227,036	167,828
Sub Total	629,217,189	497,770,738
b. Amortization of Intangible Assets		
Amortization of Software Purchase	122,873,749	120,511,198
Sub Total	122,873,749	120,511,198
c. Repairs & Maintenance of Banks Assets		
Bank Buildings	14,876,359	8,896,976
Furniture & fixtures	4,362,734	4,058,487
Motor Vehicles	213,799,805	208,102,037
Office Equipment	7,563,652	7,188,120
Computers	453,054,955	449,770,397
Electric Equipment & Lighting Materials	21,979,818	19,276,079
Renovation & Maintenance of Branch Premises	7,587,448	8,323,596
Sub Total	723,224,771	705,615,692
Total (a+b+c)	1,475,315,709	1,323,897,628

Notes to the Financial Statements

Amount in Taka

31-Dec-18

31-Dec-17

* Depreciation on Buildings was understated by amounting to Tk. 109,436,023 in previous periods from 2014-2017 due considering the longer life of the building compares to the remaining life proposed by the valuer. On the other hand, depreciation amounting to Tk.3,698,805 was charged on the buildings considering the same as PPE instead of Non-Banking Assets from the year 2014-2018. Instead of restating the financial statements, the Bank adjusts the full amount during the year.

** Depreciation on Motor Vehicles amounting to Tk. 12,375,808 was erroneously charged more than the cost value. Instead of restating the financial statements, the Bank adjusts the full amount during the year.

36(a) Consolidated Depreciation & repairs of bank's assets

Agrani Bank Limited	1,475,315,709	1,323,897,628
Agrani Equity & Investment Limited	2,063,654	2,680,216
Agrani SME Financing Company Limited	4,506,892	4,896,507
Agrani Exchange House Private Limited, Singapore	2,991,271	4,266,950
Agrani Remittance House SDN. BHD., Malaysia	2,770,251	2,163,886
Agrani Remittance House Canada Inc.	23,407	136,837
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,487,671,184	1,338,042,024

37 Other expenses

Conveyance/ Transportation Charges	28,061,502	29,995,630
Petroleum, Oil and Lubricants for vehicles	26,436,247	26,769,526
Petroleum, Oil and Lubricants for generator	61,763,987	65,633,682
Entertainment Charges	36,136,417	35,728,617
Entertainment (Excluding ceiling)	23,333,839	18,538,231
Traveling Expenses	77,402,887	66,593,518
Remittance (Through Bank Exchanges)	3,877,527	3,482,994
Remittance (Cash)	72,432,941	70,347,349
Registration Charges	980,826	631,519
Mortgages Fee of Land/Home of staff house building loan	4,273,382	3,304,515
Bankers Clearing House charges	382,567	492,810
Loss on Sale of Assets (Furniture)	48,872	-
Loss on Sale of Share & Securities	118,635,631	2,436,409
Loss on Amortization of Securities	36,302,441	25,784,207
Loss on Sale of Properties	776,242	-
Newspapers & Periodicals	10,048,366	9,687,580
Upkeep of office premises	61,062,044	55,005,198
Business Development Expenses	49,677,640	40,084,477
Training Expenses	33,669,280	28,414,049
Washing Charges	2,128,999	2,095,565
Closing expenditure	25,792,600	25,583,331
Subscription	4,991,730	2,477,000
Donation	12,600	59,700
Funeral expenses	2,400,000	2,277,000
Fees and commission	2,020,213	3,157,514
Fees and commission on bond issue	5,028,000	27,381,500
Exchange a/c Charge paid to Foreign Bank	76,791,993	71,344,724
Loss on Revaluation of Security	1,540,459,965	1,192,235,485
	2,304,928,738	1,809,542,130

Notes to the Financial Statements

Amount in Taka

	31-Dec-18	31-Dec-17
37(a) Consolidated Other Expenses		
Agrani Bank Limited	2,304,928,738	1,809,542,130
Agrani Equity & Investment Limited	1,879,417	148,841,077
Agrani SME Financing Company Limited	9,266,776	9,124,378
Agrani Exchange House Private Limited, Singapore	15,626,765	17,451,492
Agrani Remittance House SDN. BHD., Malaysia	5,784,771	6,416,553
Agrani Remittance House Canada Inc.	773,507	809,059
Agrani Exchange Company (Australia) Pty. Limited	-	-
	2,338,259,974	1,992,184,689
38 Provision for loans & advances		
Provision for Bad & Doubtful Loans & Advances	2,024,729,629	(3,899,757,179)
Unclassified loans & advances	(808,754,719)	(1,089,623,013)
Special Mention Account	95,975,704	4,440,802
3% General reserve for consumer financing (Note -12.8)	(24,758,383)	(57,048,330)
	1,287,192,231	(5,041,987,720)
Transfer to Retained Surplus	-	-
Net Charge to Profit & Loss A/C	1,287,192,231	(5,041,987,720)
38(a) Consolidated provision for loans & advances		
Agrani Bank Limited	1,287,192,231	(5,041,987,720)
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,287,192,231	(5,041,987,720)
39.1 Provision for off balance sheet exposures (Note - 12.10)	-	394,354,459
39.2 Provision for diminution in the value of Investment (Note - 12.11)	-	(712,171,701)
39.3 Provision for employees benefits (Note - 12.13)	1,060,000,000	1,360,000,000
39.4 Other provision		
Employee Benevolent Fund	30,000,000	20,000,000
Supper Annuation Fund	1,500,000,000	1,260,000,000
Death Relief Grant Scheme	70,000,000	12,500,000
Balance with Other Banks & Financial Institutions	600,000,000	-
Protested Bills (Note - 12.12.a)	3,829,489	17,001,350
Risk Fund	20,000,000	20,000,000
OPEC Fund	-	(70,508,242)
Provision for Other Assets		
Sundry Debtors Staff & Others	247,334,979	2,625,006
Clearing Adjustment	-	745,226
Army Pension Paid	-	(92,832,778)
Civil Pension Paid	-	(9,155,362)
Exempted Loans & Interest on Exempted Loans	-	105,968,204
Branch Adjustment	-	(76,700,000)

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31-Dec-18	31-Dec-17
Legal Charges	4,486	(13,985)
Accrued Income	-	2,912,567
Stationary & Stamp	-	7,131,329
Advance Deposit & Pre-payment	-	(9,809,853)
Foreign Correspondent Draft Paid	-	-
Agri credit exemption on river erosion	-	(1,176,471)
Libian Currency	-	(100,000,000)
Wage Earner Bond	-	25,532,202
DD paid W/A	-	4,765,243
Loan Application Form	239,520	-
Receivable from Agrani SME Financing Company	-	-
Sub Total	247,578,985	(140,008,672)
Net Charge to Profit & Loss A/C	2,471,408,474	1,118,984,436
39(a).1 Consolidated provision for off balance sheet exposures		
Agrani Bank Limited	-	394,354,459
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	-	394,354,459
39(a).2 Consolidated provision for diminution in the value of Investment		
Agrani Bank Limited	-	(712,171,701)
Agrani Equity & Investment Limited	10,000,000	100,000,000
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	10,000,000	(612,171,701)
39(a).3 Consolidated provision for employees benefits		
Agrani Bank Limited	1,060,000,000	1,360,000,000
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	12,000,000	8,500,000
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,072,000,000	1,368,500,000

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
39(a).4	Consolidated Other Provision		
	Agrani Bank Limited	2,471,408,474	1,118,984,436
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		2,471,408,474	1,118,984,436
40	Consolidated Current Tax Expense		
	Agrani Bank Limited	3,260,640,205	2,682,800,000
	Agrani Equity & Investment Limited	41,038,789	66,243,440
	Agrani SME Financing Company Limited	32,634,854	16,455,977
	Agrani Exchange House Private Limited, Singapore	-	390,892
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		3,334,313,848	2,765,890,309
41	Consolidated Deferred Tax Expense		
	Agrani Bank Limited	(793,049,225)	238,433,187
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	(808,595)	(807,391)
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		(793,857,820)	237,625,796
42	Interest Receipts in Cash		
	Loans & Advances	22,509,316,852	19,077,097,566
	Investment	10,908,303,192	9,389,371,935
	Balance with Other Banks & Financial Institutions	8,441,410,533	2,802,911,078
		41,859,030,577	31,269,380,579
42(a)	Consolidated Interest Receipts in Cash		
	Agrani Bank Limited	41,859,030,577	31,269,380,579
	Agrani Equity & Investment Limited	3,690,809	3,653,639
	Agrani SME Financing Company Limited	210,228,960	155,262,362
	Agrani Exchange House Private Limited, Singapore	92,347	185,401
	Agrani Remittance House SDN. BHD., Malaysia	2,057,010	1,600,926
	Agrani Remittance House Canada Inc.	311,367	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		42,075,411,070	31,430,082,907
	Less: Inter-company (Transactions)	(195,144,436)	(150,104,499)
		41,880,266,634	31,279,978,408

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31-Dec-18	31-Dec-17
43 Interest Payments in Cash		
Agrani Bank Monthly Deposit Scheme(ABMDS)	151,235,551	97,948,628
Agrani Bank Pension Scheme (ABPS)	17,459,040	30,314,815
Agrani Bank Special Deposit Scheme (ABS)	1,858,297,202	1,214,597,386
Deposit Pension Scheme (DPS)	2,466,221	1,857,163
Fixed Deposit Receipts	11,348,587,930	11,370,961,752
Interest on ABDBS	369,626,482	331,178,922
Unearned discount	-	272,756,226
Interest on ABMIS	111,524,435	317,462,834
Savings Deposit	3,729,279,810	3,013,566,515
Special Notice Deposit	3,622,940,549	1,835,330,281
Staff Provident Fund	375,183,038	344,570,914
Quarterly Income Scheme	649,625	391,796
Millionaire Deposit Scheme	149,249	18,270
Lakhpoti Deposit Scheme	34,134	4,217
Probashi Income Scheme	50,406	6,093
Bakna Basur	16,815	-
Double Benefit Scheme	319,057	-
Deposit Scheme	31,325	4,599
Borrowings	88,558,662	43,312,271
Banks & Other Financial Institutions	915,240,144	276,073,787
	22,591,649,675	19,150,356,469
43(a) Consolidated Interest Payments in Cash		
Agrani Bank Limited	22,591,649,675	19,150,356,469
Agrani Equity & Investment Limited	176,122,460	146,940,134
Agrani SME Financing Company Limited	11,585,329	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	22,779,357,464	19,297,296,603
Less: Inter-company transaction(s)	(195,144,436)	(150,104,499)
	22,584,213,028	19,147,192,104
44 Cash receipts from other operating activities		
Account Closing Charge	95,507,415	10,105,399
Account Maintenance Fee	814,622,226	705,720,481
Annual Charges on deposit A/C	27,976	532,532
Annual Charges on Loan A/C	23,582	137,869
Electronic Govt. Procure (e-GP)	1,579,915	1,079,040
Miscellaneous Earnings	-	(1,090,407)
Postage Recoveries	46,013,171	48,480,957
Proceeds realization certificate charges	5,193,916	5,082,542
Profit on sale of other assets	2,442,458	469,236
Rebate received from Foreign bank	20,144,121	21,012,268
Remittance	5,968,470	6,505,103

Notes to the Financial Statements

Amount in Taka

	31-Dec-18	31-Dec-17
Remuneration received from Sanchaya Patra	275,588	7,849,403
Rent on Immovable Properties & Godown	616,229	1,855,852
Rent on SD Lockers	11,610,764	10,440,206
Sale of LC/Export/Schedule form and tender Schedule	13,786,510	11,536,880
Sales proceeds on loan application form	1,996,108	1,997,328
Service charge on Industrial credit	6,686	7,913
Service charge on other credit	215,946,790	135,129,117
Service charge on rural credit	9,798	4,943
Service charge on Weavers/ Hosiery credit	1,125	2,182
Service Charges on Civil Pension paid	2,624,520	2,373,866
Service Charges on Deposit A/C	29,720,874	27,925,295
Service Charges on FSS (Female Student Scholarship)	34,031,369	62,799,081
Telegram Recoveries	674,676	572,387
Telephone, Telex & Swift charges	39,985,342	35,620,399
Trunk-call Recoveries	152,263	83,209
	1,342,961,892	1,096,233,080
44(a) Consolidated Cash receipts from other operating activities		
Agrani Bank Limited	1,342,961,892	1,096,233,080
Agrani Equity & Investment Limited	332,446	497,842
Agrani SME Financing Company Limited	4,644,828	3,170,435
Agrani Exchange House Private Limited, Singapore	18,082,704	9,262,671
Agrani Remittance House SDN. BHD., Malaysia	3,982,044	417,345
Agrani Remittance House Canada Inc.	1,170,975	10,659
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,371,174,889	1,109,592,032
45 Cash payment for other operating activities		
Auditors Fee	3,640,000	3,636,000
Directors' fees and allowances	6,507,639	5,687,365
Legal charges	44,072,410	42,888,653
Other expenses	727,523,377	1,897,608,775
Postage, stamps, telegrams and telephone	260,058,048	421,297,845
Rent, taxes, insurance lighting etc.	1,112,911,791	2,126,870,717
Repairs to fixed assets	722,146,602	1,915,039,687
	2,876,859,866	6,413,029,042
45(a) Consolidated Cash payment for other operating activities		
Agrani Bank Limited	2,876,859,866	6,413,029,042
Agrani Equity & Investment Limited	8,596,083	55,991,196
Agrani SME Financing Company Limited	20,629,586	(30,983,412)
Agrani Exchange House Private Limited, Singapore	43,694,616	45,463,693
Agrani Remittance House SDN. BHD., Malaysia	25,242,699	22,341,281
Agrani Remittance House Canada Inc.	1,917,823	6,632,862
Agrani Exchange Company (Australia) Pty. Limited	-	511,566
	2,976,940,673	6,512,986,228

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31-Dec-18	31-Dec-17
46	Cash & cash equivalent at the end of the period		
	Cash in hand & with Bangladesh Bank & Sonali Bank Ltd.	37,115,199,280	38,440,817,584
	Balance with Other Banks	125,643,681,585	77,795,816,230
	Money at Call & Short Notice	690,000,000	2,700,000,000
	Prize Bonds	11,873,100	9,080,700
		163,460,753,965	118,945,714,514
47	Consolidated Cash & cash equivalent at the end of the period		
	Cash in hand & with Bangladesh Bank & Sonali Bank Ltd.	37,149,897,888	38,508,318,461
	Balance with Other Banks	125,925,126,736	77,941,275,858
	Money at Call & Short Notice	690,000,000	2,700,000,000
	Prize Bonds	11,873,100	9,080,700
		163,776,897,724	119,158,675,019
48	Consolidated Shareholder's Equity		
	Paid up Capital	20,722,940,400	20,722,940,400
	Statutory Reserve	8,544,161,601	7,834,464,973
	General Reserve	591,791,414	591,791,414
	Risk Fund	80,000,000	60,000,000
	Asset Revaluation Reserve	10,977,175,227	10,992,091,716
	Revaluation & Amortization Reserve in Govt. Securities	1,455,903,925	1,659,102,598
	Retained profit/(Loss) from profit and loss account	(562,330,948)	(974,537,032)
	Foreign Currency Translation Reserve	30,323,593	34,869,818
	Minority Interest	3,291	3,221
		41,839,968,503	40,920,727,108
49	Current Ratio		
	The Bank had the following current assets and current liabilities as on 31 December 2018 & 2017 as per liquidity statement.		
	Current Assets:		
	Cash	1,219,924,000	3,788,497,676
	Balance with other banks and financial institutions	125,643,681,585	77,795,816,230
	Money at call and short notice	690,000,000	2,700,000,000
	Investment	46,373,083,512	100,587,582,349
	Loans and advances	176,051,597,838	99,963,977,188
	Other Assets	-	39,857,743,313
	total current assets	349,978,286,935	324,693,616,756
	Current liabilities:		
	Borrowing from other banks, FI and agents	14,661,882,764	5,367,538,629
	Deposits	321,463,533,538	272,128,207,058
	Provisions and other liabilities	3,103,765,389	18,877,533,139
	total Current liabilities	339,229,181,691	296,373,278,826
	Current Assets exceeding Current Liabilities	10,749,105,244	28,320,337,930
	Current Ratio:		
	Current assets	349,978,286,935	324,693,616,756
	Current liabilities	339,229,181,691	296,373,278,826
		1.03	1.10

Notes to the Financial Statements

50 Categories of financial assets and financial liabilities in accordance with Bangladesh Financial Reporting Standard (BFRS-7) Financial Instruments : Disclosures

(Figure in million Taka)

Particular	Consolidated				Bank			
	2018		2017		2018		2017	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets								
Loans and receivable	686,231	686,231	517,611	517,611	684,060	670,885	397,077	397,077
Held to maturity	70,704	85,927	75,860	84,504	70,704	85,927	90,203	91,872
Held for trading	12,808	12,808	61,112	51,798	12,808	12,808	110,596	109,307
Available for sale	6,384	4,337	5,782	4,391	6,384	4,337	9,908	5,906
Non-Financial Assets	15,229	15,229	15,612	15,612	15,196	15,196	15,783	15,784
Total Assets	791,356	804,532	675,977	673,916	789,152	789,153	623,567	619,946
Financial Liabilities								
Financial Liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost	704,316	704,316	591,354	591,354	704,438	704,438	538,463	538,463
Non-Financial Liabilities-provision	45,200	45,200	43,703	43,703	43,129	43,129	48,528	48,528
Total liabilities	749,516	749,516	635,057	635,057	747,567	747,567	586,991	586,991

Detailed Classifications of Financial Instruments in Annexure-H.

51 Reconciliation between presentation of Assets & Liabilities in fair value as mentioned in note- 50 and balance sheet:

Particular	Consolidated	Bank
Assets presented at fair value as per note # 50	804,532	789,153
Add : Fall in Market price of assets	(13,176)	(1)
Value of assets as per balance sheet	791,356	789,152

Notes to the Financial Statements

Consolidated		Bank	
2018	2017	2018	2017

52 Performance Evaluation

Average Cost of Deposits (%)	4.06 %	3.52 %	3.89 %	3.48 %
Average Cost of Borrowing (%)	0.31 %	0.91 %	0.31 %	0.91 %
Average Yield on Loans & Advances (performing loan) (%)	7.72 %	8.43 %	7.67 %	8.38 %
Average Yield on Investments (%)	7.12 %	7.37 %	7.29 %	7.37 %
Average Yield on Call loans to Bank (%)	5.04 %	4.31 %	5.04 %	4.31 %
Average Yield on Balance with other Banks (%)	8.73 %	5.52 %	8.56 %	5.54 %
Net Spread (%)	3.60 %	4.62 %	3.60 %	4.62 %
Net Interest Margin (%)	3.25 %	3.59 %	3.25 %	3.59 %
Contribution of non-interest bearing liabilities (%)	0.35 %	1.03 %	0.35 %	1.03 %

Detail of calculations is given in Annexure I.

53 Workers Participation Fund

Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) deals with the workers' participation in company's profit by way of 'Workers Participation Fund' and 'Welfare Fund'. This Act requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @5% on net profit. Since this requirement contradicts with the 'Section 11' of the Bank Company Act 1991 (as amended up to 2013), banks in Bangladesh took up the issue collectively and sought opinion from the Association of Bankers Bangladesh Limited (ABB) on the same. ABB wrote a letter to the Ministry of Finance of the Government of People's Republic of Bangladesh on 09.03.2016 to draw attention of the honorable Finance Minister regarding relevance and applicability of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) for the bank companies and to obtain a direction on the issue. The Ministry of Finance revealed their opinion that WPPF should not be relevant for bank companies, and therefore it should not be applied there. They also sought for an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logics and legal opinion collected by the ABB and expressed their consensus with them on 29.11.2016. In this backdrop, the Ministry of Finance has given their instruction, vide letter no. 53.00.0000.311.22.002.17-130 dated 14.02.2017, for not applying Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) in bank companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on December 31, 2018.


(MD. AKRAM HOSSAIN)
General Manager & CFO


(MOHAMMAD SHAMS-UL ISLAM)
Managing Director & CEO

Dated, Dhaka
30-April-2019