

Agrani Bank Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2019

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 956 branches and 15 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 are to provide 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. Now, there are 15 Islamic Banking Windows operating in different locations in the country. 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 Chittagong EPZ Branch, Chittagong. 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. However, Agrani Exchange Private Limited, Singapore has not been audited for the year ended 31 December 2019.

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. However, Agrani Remittance House Canada, Inc. has not been audited for the year ended 31 December 2019.

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 to date) 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 and Supplementary Duty Act 2012
- vii) Value Added Tax and Supplementary Duty Rules 2016
- 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 falls 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 (BDT), 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 BDT and US Dollar (USD) has been rounded off to the nearby integer, except when otherwise indicated. Because of the effects of rounding off, the totals in some instances, may not match the sum of individual balances.

2.4.2 Foreign currency translation

Foreign currency transactions have been converted into equivalent BDT 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 2019 are as follows:

(Spot Rate)

Sl.	Particular	SGD	MYR	CAD	AUD	USD
1	Assets & Liabilities	63.0524	20.7529	65.0774	56.6813	84.9000
2	Income & Expenses	62.0887	20.4244	63.4093	56.8407	84.9000

Here, SGD, MYR, CAD, AUD and USD indicate Singaporean Dollar, Malaysian Ringgit, Canadian Dollar, Australian Dollar and USD 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 BDT 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 BDT 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 2019.

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

- i) 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.
- ii) 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

- i) Interest is calculated on unclassified loans and advances and recognized as income during the year;
- ii) Interest calculated on classified loans and advances as per Bangladesh Bank Circulars is kept in interest suspense account;
- iii) 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;
- iv) Total balance of loans and advances as on 31 December 2019 includes bad/loss loan BDT 59,183,281,406 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
- v) 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	1%	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 Company Act, 1991 (amendment to date) 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 2019, additional provision BDT 1,850,000,000 has been kept for the provision of superannuation fund (SAF). This has been named as Superannuation 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.

BDT 2,100,000,000 has been made for provision for the year 2019 and BDT 3,260,640,205 in the year 2018 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, 2014 and 2015. The return has been submitted for the year 2016, 2017 and 2018. 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 BDT 11,021,082,205 (Note - 9.4), where liability has been recognized amount of BDT 741,709,536 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	
2	Market Risk	Foreign Exchange Risk	Pillar - I & Pillar - II
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 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.

2.40 Directors' responsibilities on statement

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

2.41 Approval of financial statements

The Board of Directors approved the financial statements on 30 June 2020.

Notes to the Financial Statements

2.42 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 2018. The following ratings had been awarded:

Basis of Rating	Long Term		Short Term		Outlook
	2018	2017	2018	2017	
Government Support	AAA	AAA	ST-1	ST-1	Stable
Without Government Support	A	A	ST-2	ST-3	Stable

2.43 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

2.44 New accounting standards not yet adopted by the Bank

2.44.a Leases

A number of new standards and amendments to standards are issued but not yet effective for annual periods beginning after 1 January 2019 and earlier application is permitted. However, the Bank has not adopted the following new or amended standards in preparing these financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group and the separate financial statements of the Bank as most of the leases are cancellable and / or of short duration.

2.44.b Insurance Contracts

IFRS 17- Insurance Contracts was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

2.44.c Amendments to References to Conceptual Framework in IFRS Standards

The IASB decided to revise the Conceptual Framework because some important issues were not covered and some guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- a new chapter on measurement;
- guidance on reporting financial performance;
- improved definitions of an asset and a liability, and guidance supporting these definitions; and
- clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The Conceptual Framework does not have a stated effective date and the International Accounting Standards Board (IASB) will start using it immediately.

Notes to the Financial Statements

2.44.d Definition of a Business (Amendments to IFRS 3)

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired; remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted.

2.44.e Definition of Material (Amendments to IAS 1 and IAS 8)

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments:

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments are effective for annual reporting periods beginning on or after 1 January 2020. Earlier application is permitted.

2.45 Audit Committee

Name	Status with Bank	Status with Committee	Address
Mrs. 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. Md. Ansar Ali Khan	Director	Member	Gardenia-7, Eskaton Garden, Dhaka.
Dr. Md. Foroz Ali	Director	Member	Guest Speaker & Adjunct Faculty, University of Dhaka
Mr. Khondker Fazle Rashid	Director	Member	Advisor, Finance & Banking Affairs, Anwar Group

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 BDT.
- 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

(Amount in BDT)

	31-Dec-19	31-Dec-18
3 Cash	45,176,713,081	37,115,199,280
3.1 Cash in Hand:		
Local Currency	5,483,457,730	3,798,989,739
Foreign Currency	85,227,671	94,329,320
	5,568,685,401	3,893,319,059
3.2 Balance with Bangladesh Bank and its agent bank:		
Bangladesh Bank (Note - 3.2.1)	36,523,345,611	31,729,192,142
Sonali Bank Limited as agent of Bangladesh Bank (Note - 3.2.2)	3,084,682,069	1,492,688,079
	39,608,027,680	33,221,880,221
Total (Note 3.1+3.2)	45,176,713,081	37,115,199,280
3.2.1 Balance with Bangladesh Bank		
Local Currency	37,567,711,750	31,142,663,162
Foreign Currency- Annexure-E(2)	(1,044,366,139)	586,528,980
	36,523,345,611	31,729,192,142
3.2.2 Balance with Sonali Bank Limited		
Local Currency	3,084,682,069	1,492,688,079
Foreign Currency	-	-
	3,084,682,069	1,492,688,079
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 dated 08 April, 2018 of Bangladesh.		
As per MPD Circular No. 26 dated 19 August, 2019 of Bangladesh Bank, all scheduled banks 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 Domestic Banking Operation (DBO), Offshore Banking Unit (OBU) and Islamic Banking Unit. 13% Statutory Liquidity Ratio for both Domestic Banking Operation (DBO) and Offshore Banking Unit (OBU) 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 2019 have been on weekly average balance of October 2019. 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	33,881,770,000	30,987,137,000
Actual Reserve held	37,877,351,000	35,305,775,000
Surplus/ (Deficit)	3,995,581,000	4,318,638,000
3.3.1.a CRR of Islamic Banking Unit (Daily Basis)		
Reserve Required @ 5.0 % of total Demand and Time Liabilities	58,038,000	48,829,000
Actual Reserve held	72,581,397	68,203,000
Surplus/ (Deficit)	14,543,397	19,374,000
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	37,269,948,000	34,085,851,000
Actual Reserve held	37,877,351,000	35,305,775,000
Surplus/(Deficit)	607,403,000	1,219,924,000

Notes to the Financial Statements

		(Amount in BDT)	
		31-Dec-19	31-Dec-18
3.3.2.a	CRR of Islamic Banking Unit (Bi-Weekly Basis)		
	Required Reserve @ 5.5 % of Average Demand and Time Liabilities	63,842,000	53,712,000
	Actual Reserve held	90,228,000	68,203,000
	Surplus/(Deficit)	26,386,000	14,491,000
3.3.3	Statutory Liquidity Ratio (SLR)		
	Required Reserve @13 % of total Demand and Time Liabilities	88,092,603,000	80,566,557,000
	Actual Reserve held (Note: 3.3.3.1)	111,824,645,791	90,058,431,138
	Surplus/(Deficit)	23,732,042,791	9,491,874,138
3.3.3.1	Actual Reserve Held :		
	Cash in hand	5,568,685,401	3,893,319,059
	Excess of CRR	607,403,000	1,219,924,000
	Balance with Sonali Bank (as a agent of BB)	3,084,682,069	1,492,688,079
	Un encumbered Approved Securities (HTM)	65,132,801,350	46,769,379,000
	Un encumbered Approved Securities (HFT)	13,574,892,971	12,808,113,000
	Other eligible securities (HTM)	23,856,181,000	23,875,008,000
	Total	111,824,645,791	90,058,431,138
3.3.4	SLR of Islamic Banking Unit		
	Required Reserve @ 5.50 % of total Demand and Time Liabilities	63,842,000	53,712,000
	Actual Reserve held (Note: 3.3.4.1)	90,462,958	76,948,000
	Surplus/(Deficit)	26,620,958	23,236,000
3.3.4.1	Actual Reserve Held :		
	Cash in hand	4,076,958	2,457,000
	Excess of CRR	26,386,000	14,491,000
	Eligible Securities (Bangladesh Govt. Islami Investment Bond)	60,000,000	60,000,000
		90,462,958	76,948,000
3(a)	Consolidated Cash		
	(i) Cash in Hand:		
	Agrani Bank Limited	5,568,685,401	3,893,319,059
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	4,782	16,548
	Agrani Exchange House Private Limited, Singapore	64,759,481	12,171,924
	Agrani Remittance House SDN. BHD., Malaysia	191,259	266,772
	Agrani Remittance House Canada Inc.	(425,476)	374,460
	Agrani Exchange Company (Australia) Pty. Limited	14,694,174	14,694,174
		5,647,909,621	3,920,842,937
	(ii) Balance with Bangladesh Bank and its agent bank :		
	Agrani Bank Limited	39,608,027,680	33,221,880,221
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	7,177,920	7,174,730
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		39,615,205,600	33,229,054,951
		45,263,115,221	37,149,897,888

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
4 Balance with Other Banks & Financial Institutions		
In Bangladesh (Note - 4.1)	60,705,747,553	119,099,906,202
Outside Bangladesh (Annexure E-1)	8,641,868,292	6,543,775,383
	69,347,615,845	125,643,681,585
4.1 In Bangladesh: Local Currency		
Banks		
Al-Arafah Islami Bank Limited	1,774,800,930	4,339,151,879
Exim Bank Limited	824,881,300	4,197,573,450
Shahjalal Islami Bank Limited	79,401,175	2,094,775,176
First Security Islami Bank Limited	-	2,000,000,000
Social Islami Bank Limited	165,124,932	2,204,321,125
AB Bank Limited	2,900,000,000	4,000,000,000
Agrani Bank Islami Banking Unit	2,000,000,000	2,000,000,000
Bangladesh Development Bank Ltd.	-	2,000,000,000
Bank Asia Limited	1,000,000,000	-
BRAC Bank Limited	-	4,000,000,000
Dhaka Bank Limited	500,000,000	5,000,000,000
Karmasangsthan Bank	2,000,000,000	2,000,000,000
National Bank Limited	3,000,000,000	4,000,000,000
Ansar VDP Unnayan Bank	950,000,000	1,400,000,000
Premier Bank Limited	-	3,000,000,000
IFIC Bank Limited	1,000,000,000	4,000,000,000
Jamuna Bank Limited	1,000,000,000	4,000,000,000
Modhumoti Bank Limited	-	1,000,000,000
Meghna Bank Limited	1,000,000,000	1,000,000,000
Mercantile Bank Limited	1,700,000,000	4,000,000,000
Midland Bank Limited	900,000,000	900,000,000
Mutual Trust Bank Limited	-	4,000,000,000
Commerce Bank of Cylon	-	850,000,000
Bangladesh Commerce Bank Limited	1,300,000,000	1,300,000,000
NCC Bank Limited	700,000,000	4,000,000,000
NRB Bank Limited	-	500,000,000
NRB Commercial Bank Limited	400,000,000	400,000,000
NRB Global Bank Limited	1,000,000,000	1,400,000,000
One Bank Limited	1,500,000,000	1,800,000,000
Padma Bank Limited (former The Farmers Bank Limited)	1,500,000,000	1,700,000,000
SBAC Bank Limited	1,250,000,000	1,500,000,000
Southeast Bank Limited	500,000,000	3,500,000,000
Standard Bank Limited	2,500,000,000	3,000,000,000
Trust Bank Limited	-	3,000,000,000
Union Bank Limited	2,000,000,000	4,000,000,000
ICB Islamic Bank Limited	69,892,457	69,948,607
Basic Bank Ltd.	2,500,000,000	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	48,387,634	44,135,965
National Bank of Pakistan	100,000,000	200,000,000
	39,162,488,428	97,399,906,202
Less: Inter unit transaction	-	(2,000,000,000)
	39,162,488,428	95,399,906,202

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
Non- Bank Financial Institutions		
Bangladesh Financial Investment Company Limited	700,000,000	700,000,000
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.	1,200,000,000	1,500,000,000
FAS Finance & Investment Company Limited	369,946,250	350,000,000
First Finance & Investment Limited	330,000,000	330,000,000
GSP Finance Company Limited	300,000,000	300,000,000
Hajj Finance Limited	400,000,000	500,000,000
IDLC Finance Limited	900,000,000	900,000,000
IIDFC	200,000,000	200,000,000
ICB	10,500,000,000	10,500,000,000
International Leasing and Financial Services Limited	561,951,250	500,000,000
IPDC Finance Limited	100,000,000	600,000,000
Lanka Bangla Limited	600,000,000	750,000,000
Peoples Leasing, Finance & Investment Limited	370,000,000	370,000,000
Premier Leasing & Finance Ltd.	561,361,625	500,000,000
Prime Finance & Investment Limited	500,000,000	500,000,000
Reliance Finance Limited	450,000,000	500,000,000
Fareast Finance & Investment Company Limited	600,000,000	600,000,000
Union Capital Limited	600,000,000	600,000,000
Capm Venture Capital and Finance Limited	50,000,000	50,000,000
Islamic Finance and Investment Limited	200,000,000	300,000,000
Meridian Finance & Investment Limited	150,000,000	150,000,000
MIDAS Financing Limited	100,000,000	200,000,000
National Finance Ltd.	-	100,000,000
National Housing Finance And Investments Limited	400,000,000	600,000,000
Phoenix Finance and Investments Limited	600,000,000	600,000,000
Uttara Finance Limited	-	200,000,000
United Finance Limited	-	500,000,000
	21,543,259,125	23,700,000,000
	60,705,747,553	119,099,906,202

Bangladesh Bank has suggested to Bank, give more effort to recovery of Peoples Leasing Finance & Investment Limited, International Leasing and Financial Services Limited, Bangladesh Industrial Finance Company Limited, Premier Leasing & Finance Limited and FAS Finance & Investment Company Limited vide their letter no. DBI-2 (ubi-3)/2344/2020-881 dated 25 June 2020.

4.2 Balance with Other Banks and Financial Institutions (Account wise):

Current & Other Accounts	8,641,868,292	6,543,775,383
Fixed Deposit Receipts (FDR)	60,705,747,553	119,099,906,202
	69,347,615,845	125,643,681,585

4.3 Maturity grouping of balances:

On demand	8,641,868,292	6,543,775,383
Within 1 to 3 months	34,150,000,000	65,260,000,000
Within 3 to 12 months	26,555,747,553	53,839,906,202
Within 1 to 5 years	-	-
More than 5 years	-	-
	69,347,615,845	125,643,681,585

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
4(a) Consolidated balance with other banks and financial institutions		
(i) In Bangladesh		
Agrani Bank Limited	60,705,747,553	119,099,906,202
Agrani Equity & Investment Limited	20,630,290	2,299,603
Agrani SME Financing Company Limited	54,175,681	276,980,217
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	60,780,553,524	119,379,186,022
Less: Inter-company transaction(s)	(54,805,970)	(126,692,320)
	60,725,747,554	119,252,493,702
(ii) Outside Bangladesh		
Agrani Bank Limited	8,641,868,292	6,543,775,383
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	208,494,173	111,398,480
Agrani Remittance House SDN. BHD., Malaysia	62,869,167	17,459,171
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	8,913,231,632	6,672,633,034
	69,638,979,186	125,925,126,736
5 Money at call and short notice		
With Bank		
NRB Commercial Bank Limited	-	-
NRB Global Bank Limited	-	-
	-	-
With Non-Bank Financial Institution		
FAS Finance & Investment Limited	70,000,000	70,000,000
Prime Finance & Investment Limited	60,000,000	90,000,000
BIFC	40,000,000	40,000,000
First Finance Ltd.	60,000,000	60,000,000
Bay Leasing & Investment Ltd.	-	70,000,000
Pepples Leasing	240,000,000	240,000,000
Premier Leasing	10,000,000	10,000,000
GSP Finance Ltd.	-	60,000,000
National Finance Limited	30,000,000	-
CAPM Venture Capital & Finance	20,000,000	50,000,000
	530,000,000	690,000,000
	530,000,000	690,000,000
6 Investments		
SLR Securities		
Government Securities (Note- 6.1)	101,993,294,351	82,881,919,024
Other Investment (Note- 6.2)	630,580,970	630,580,970
	102,623,875,321	83,512,499,994
Non SLR Securities		
Government Securities (Note- 6.1)	16,423,992,994	15,864,672,950
Other Investment (Note- 6.2)	80,628,620,097	59,853,069,967
	97,052,613,091	75,717,742,917
Total	199,676,488,412	159,230,242,911

Notes to the Financial Statements

		(Amount in BDT)	
		31-Dec-19	31-Dec-18
6.1	Government Securities:		
	SLR Securities		
	Treasury Bills (Note- 6.1.1)	20,710,370,019	21,109,151,327
	Govt. Treasury Bond/Other Govt. Bond/Other Securities (Note- 6.1.2)	81,282,924,332	61,772,767,697
	Reverse REPO	-	-
		101,993,294,351	82,881,919,024
	Non SLR Securities		
	Govt. Treasury Bond/Other Govt. Bond/Other Securities (Note- 6.1.2)	16,412,377,494	13,857,277,850
	Treasury Bills (Note- 6.1.1)	-	1,995,522,000
	Prize Bonds (at cost)	11,615,500	11,873,100
		16,423,992,994	15,864,672,950
	Total	118,417,287,345	98,746,591,974
6.1.1	Treasury Bills		
	SLR Securities		
	07 days Bangladesh Bank Bills	-	-
	14 days Bangladesh Bank Bills	-	-
	14 days Treasury Bills (Annexure-B.1)	-	1,999,623,639
	91 days Treasury Bills	4,142,931,659	-
	182 days Treasury Bills (Annexure-B.1)	9,365,809,845	7,456,093,778
	364 days Treasury Bills (Annexure-B.1)	7,201,628,515	11,653,433,910
	Sub Total	20,710,370,019	21,109,151,327
	Non SLR Securities		
	91 days Treasury Bills (Lien with BB)(Annexure-B.1)	-	1,995,522,000
		-	1,995,522,000
	Total	20,710,370,019	23,104,673,327
6.1.2	Govt. Treasury Bond/Other Govt. Bond/Other Securities		
	SLR Securities		
	2 years Bangladesh Govt. Treasury Bond	6,340,943,478	4,213,790,160
	5 years Bangladesh Govt. Treasury Bond	13,472,796,999	5,723,256,140
	10 years Bangladesh Govt. Treasury Bond	14,006,229,716	13,330,018,364
	15 years Bangladesh Govt. Treasury Bond	13,685,511,913	7,953,038,722
	20 years Bangladesh Govt. Treasury Bond	9,597,003,282	6,352,710,909
	25 years Treasury Bond (Jute Bond)	-	18,827,500
	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)	894,838,944	895,525,902
	Bangladesh Govt. Islamic Investment Bond (BGIIB)	60,000,000	60,000,000
		81,282,924,332	61,772,767,697
	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)	16,412,377,494	7,775,657,000
		16,412,377,494	13,857,277,850
	Total	97,695,301,826	75,630,045,547

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
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)	89,048,982,350	70,704,387,329
Held for Trading (HFT) (Note: 6.1.3.b)	13,574,892,971	12,808,112,664
	102,623,875,321	83,512,499,993
6.1.3.a Held to Maturity (HTM)		
Treasury Bill		
07 days Bangladesh Bank Bills	-	-
14 days Bangladesh Bank Bills	-	-
30 days Bangladesh Bank Bills	-	-
14 days Treasury Bills	-	1,999,623,638
91 days Treasury Bills	1,519,387,508	-
182 days Treasury Bills	4,769,769,877	7,456,093,778
364 days Treasury Bills	5,622,564,135	11,653,433,910
	11,911,721,520	21,109,151,326
Bond/Other Securities		
2 years Bangladesh Govt. Treasury Bond	6,340,943,478	4,013,762,560
5 years Bangladesh Govt. Treasury Bond	13,377,410,599	5,620,266,840
10 years Bangladesh Govt. Treasury Bond	11,198,993,352	3,979,264,539
15 years Bangladesh Govt. Treasury Bond	12,434,609,631	5,984,277,806
20 years Bangladesh Govt. Treasury Bond	8,974,283,856	5,167,129,886
25 years Treasury Bond (Jute Bond)	-	18,827,500
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 (BGIIIB)	60,000,000	60,000,000
10 years Bangladesh Govt. Treasury Bond (Remeasured)	894,838,944	895,525,902
ICB Share	630,580,970	630,580,970
	77,137,260,830	49,595,236,003
	89,048,982,350	70,704,387,329
6.1.3.b Held for Trading (HFT)		
Treasury Bill		
07 days Bangladesh Bank Bills	-	-
91 days Treasury Bills	2,623,544,150	-
182 days Treasury Bills	4,596,039,968	-
364 days Treasury Bills	1,579,064,381	-
Reverse Repo (Treasure Bond)	-	-
	8,798,648,499	-
Bond/Other Securities		
2 years Bangladesh Govt. Treasury Bond	-	200,027,600
5 years Bangladesh Govt. Treasury Bond	95,386,400	102,989,300
10 years Bangladesh Govt. Treasury Bond	2,807,236,364	9,350,753,825
15 years Bangladesh Govt. Treasury Bond	1,250,902,282	1,968,760,916
20 years Bangladesh Govt. Treasury Bond	622,719,426	1,185,581,023
Reverse Repo (Bangladesh Govt. Treasure Bond)	-	-
	4,776,244,472	12,808,112,664
	13,574,892,971	12,808,112,664

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
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)	62,709,995,303	43,120,000,000
Commercial Paper	270,000,000	600,000,000
Syndicative Term Loan	800,000,000	-
Shares (Note- 6.2.2)	16,848,624,777	16,133,069,950
Un-approved Debenture (Annexure-D)	17	17
	80,628,620,097	59,853,069,967
Total	81,259,201,067	60,483,650,937
6.2.1 Subordinated Bond (Annexure-B.3)		
UCBL Subordinated Bond-I	120,000,000	210,000,000
One Bank Subordinated Bond	100,000,000	200,000,000
AB Bank Subordinated Bond-I	200,000,000	300,000,000
Southeast Bank Subordinated Bond	200,000,000	300,000,000
EBL Floating Rate Dated Subordinated Bond	120,000,000	160,000,000
Bank Asia Floating Rate Dated Subordinated Bond	120,000,000	160,000,000
Prime Bank Floating Rate Dated Subordinated Bond	120,000,000	160,000,000
EXIM Bank Floating Rate Dated Subordinated Bond	300,000,000	400,000,000
UCBL Subordinated Bond-II	120,000,000	160,000,000
Al-Arafah Islami Bank Subordinated Bond	180,000,000	240,000,000
AB Bank Subordinated Bond-II	300,000,000	400,000,000
Standard Bank Subordinated Bond	120,000,000	180,000,000
Dhaka Bank Floating Rate Dated Subordinated Bond	400,000,000	500,000,000
IFIC Bank Coupon Bearing Subordinated Bond	400,000,000	500,000,000
Southeast Bank Subordinated Bond II	360,000,000	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	500,000,000
Rupali Bank Subordinated Bond	2,000,000,000	2,000,000,000
Jamuna Bank Subordinated Bond	500,000,000	500,000,000
Mercantile Bank Subordinated Bond	1,000,000,000	1,000,000,000
Southeast Bank Subordinated Bond III	1,500,000,000	1,500,000,000
Dhaka Bank Floating Rate Dated Subordinated Bond II	1,500,000,000	1,500,000,000
Prime Bank Subordinated Bond	2,000,000,000	2,000,000,000
The Padma Bank Subordinated Bond (former The Farmers Bank Ltd.)	1,000,000,000	1,000,000,000

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
Al Arafah Islami Bank Mudaraba Sub. Bond-II	1,000,000,000	1,000,000,000
ICB Subordinated Bond	7,000,000,000	7,000,000,000
City Bank Ltd. 3rd Subordinated Bond	1,000,000,000	1,000,000,000
Trust Bank Ltd. Floating Rate Dated Subordinated Bond	2,000,000,000	2,000,000,000
Shahjalal Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond	2,500,000,000	2,500,000,000
Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond	3,000,000,000	3,000,000,000
UCB 4TH Floating Rate Dated Subordinated Bond	2,500,000,000	2,500,000,000
DBBL Floating Rate Dated Subordinated Bond-II	2,000,000,000	2,000,000,000
SIBL Floating Rate Dated Subordinated Bond	2,500,000,000	2,500,000,000
FSIBL 3rd Mudaraba Subordinated Bond	300,000,000	-
Ashuganj Power Station Company Ltd. Bond	1,000,000,000	-
Floating Rate Dated Sub. Bond of EBL II	1,500,000,000	-
BEXIMCO Communications Limited Corporate Bond-2019	4,500,000,000	-
Rangpur Metal Industries Ltd. Fixed Rate Zero Coupon Bond	399,995,303	-
IPDC Finance Ltd.Tier II Subordinated Bond	300,000,000	-
Floating Rate Dated Sub. Bond of EBL III	750,000,000	-
Bank Asia Ltd Floating Rate Dated Subordinated Bond-III	2,500,000,000	-
Exim Bank Subordinated Bond-II	2,750,000,000	-
Islami Bank Mudaraba Subordinated Bond II	2,000,000,000	-
The Premier Bank Ltd. Sub. Bond-2019	500,000,000	-
Pubali Floating Rate Dated Non-convertible Sub. Bond	3,000,000,000	-
Best Holdings Ltd. 25% Convertible Secured Bond	1,250,000,000	-
	62,709,995,303	43,120,000,000
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)	5,559,281,362	5,753,725,785
Share Un-Quoted (Annexure-C 2)	11,289,343,415	10,379,344,165
	16,848,624,777	16,133,069,950
Total	17,479,205,747	16,763,650,920
6.3 Maturity grouping of Investment		
On demand	11,615,500	11,873,100
Less than 3 months	11,426,851,631	14,688,234,640
More than 3 months but less than 1 year	40,895,657,153	31,672,975,772
More than 1 year but less than 5 year	57,288,492,083	51,251,737,080
More than 5 years	90,053,872,045	61,605,422,319
	199,676,488,412	159,230,242,911
6.4 Net Investments		
Carrying amount	199,676,488,412	159,230,242,911
Less: Provision (Note - 12.11)	(2,743,092,640)	(3,897,390,171)
Net Investment	196,933,395,772	155,332,852,740

Notes to the Financial Statements

		(Amount in BDT)	
		31-Dec-19	31-Dec-18
6(a)	Consolidated investments		
	(i) Government Securities		
	Agrani Bank Limited	118,417,287,345	98,746,591,974
	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	-	-
		118,417,287,345	98,746,591,974
	(ii) Others		
	Agrani Bank Limited	81,259,201,067	60,483,650,937
	Agrani Equity & Investment Limited	9,094,717,182	8,606,633,275
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	56,032,830	52,249,080
	Agrani Remittance House Canada Inc.	-	24,696,440
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		90,409,951,079	69,167,229,732
	Total Investments (i+ii)	208,827,238,424	167,913,821,706
7	Loans and Advances		
	In Bangladesh (Note - 7.1.a)	449,283,187,647	383,949,190,516
	Outside Bangladesh (Note - 7.1.b)	11,899,552,756	9,274,244,026
	Bills Purchased & Discounted (Note - 7.1.c)	4,644,389,235	2,529,594,949
		465,827,129,638	395,753,029,491
7.1.a	In Bangladesh:		
	a) Loans		
	Rural Credits	17,798,255,386	16,220,861,826
	Weavers Credits	7,615,474	7,683,946
	Industrial Credits	120,905,429,078	98,640,758,362
	Jute Advances	11,046,544,304	9,308,473,800
	Leather Sector Advances	5,922,755,255	4,709,506,254
	Staff Loans	43,589,785,476	41,069,613,268
	Loan (Others)	101,307,608,327	87,595,031,097
	Small and Micro Credits including SME	85,290,454,055	73,175,305,734
		385,868,447,355	330,727,234,287
	b) Cash credits		
	Cash Credits	48,433,347,232	40,782,127,105
	Packing Credits	2,743,433,694	2,677,683,906
	Loan Against Imported Merchandise (LIM)	241,222,239	245,474,212
	Payment Against Documents (PAD)	1,175,423,589	962,569,762
		52,593,426,754	44,667,854,985
	c) Overdrafts	10,821,313,538	8,554,101,244
	Total (a+b+c)	449,283,187,647	383,949,190,516
7.1.b	Outside Bangladesh:	11,899,552,756	9,274,244,026
	Total Loans, Cash Credit & Over Draft etc.	461,182,740,403	393,223,434,542
7.1.c	Bills Purchased & Discounted (Note - 7.10)	4,644,389,235	2,529,594,949
	Total Loans and Advances	465,827,129,638	395,753,029,491

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
7.1.d Loan - Others		
General House Building Loan (Residence)	13,538,161,346	11,298,833,469
Loan against Trust Receipt	7,508,770,936	7,457,776,371
Segregated Loan	1,752,296,309	1,511,767,059
Transport Loan	4,896,581,592	3,888,967,492
Bridge Finance	3,557,163,061	3,603,487,618
Consumers Loan	1,195,207,310	1,578,380,126
Small Loan	19,763,981	22,057,796
Loan against DPS	959,365	830,341
Loan against APS	14,357,482	15,956,988
Loan against FDR	564,006,237	408,243,416
Loan against cash subsidy	231,281,733	217,712,744
Demand Loan	31,390,255,996	26,088,757,593
Loan against ABS	2,286,946,580	2,270,627,452
General House Building Loan (Commercial)	14,461,452,450	12,853,014,660
Loan against MDS	2,982,022	626,855
Loan against ADBS	949,976	52,142,071
Loan against MIS	-	476,612
Loan against ABBJL	38,352,881	32,254,981
Green Financing	194,784,597	196,218,632
Personal Loan	14,904,779,780	13,076,816,523
Loan for Registered Freedom Fighters	930,424,702	892,545,592
Any Purpose Loan	2,193,474,391	1,993,154,583
Loan against Pension of Retired officer/staff	196,878,646	134,382,123
Loan against Millionaire Deposit Scheme	88,892	-
Womens Credit Programme	9,248,568	-
Short Term SME Loan	1,246,709,791	-
House building Loan for Govt. Employees	171,729,703	-
	101,307,608,327	87,595,031,097
7.2 Maturity grouping of loans and advances:		
On demand	46,994,167,868	27,781,550,022
Within 1 to 3 months	70,293,743,661	49,090,939,864
Within 3 to 12 months	111,002,573,354	99,179,107,952
Within 1 to 5 years	137,892,170,805	133,754,259,139
More than 5 years	99,644,473,950	85,947,172,514
	465,827,129,638	395,753,029,491
7.3.a Disclosure for significant concentration		
Advances to allied concerns of Directors	-	-
Advances to Managing Director	-	-
Advances to Other Executives	43,589,785,476	34,353,182,615
Advances to Customers' Group	301,331,915,084	262,759,088,514
Industrial Credits	120,905,429,078	98,640,758,362
	465,827,129,638	395,753,029,491
7.3.b Disclosure for sector-wise loans and advances		
Government sector	525,642,000	1,947,799,000
Other public sector	5,895,758,000	6,128,501,000
Private sector	459,405,729,638	387,676,729,491
	465,827,129,638	395,753,029,491

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
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 BDT 4,607.77 crore as at 31 December 2019 (BDT 3,975.99 crore in 2018). Details are shown in Annexure- M.		
7.3.d Disclosure on large loan re-structuring		
No large loan has been re-structured during the year 2019 & 2018 under BRPD circular No. 04 date 29 January 2015 of Bangladesh Bank.		
7.4 Geographical Location - wise Loans and Advances:		
A. Urban		
Dhaka Region	298,953,967,861	249,770,426,580
Chattogram Region	27,891,221,640	25,006,800,101
Khulna Region	24,046,975,510	18,891,551,560
Rajshahi Region	18,338,223,674	17,178,668,931
Barishal Region	5,670,079,023	4,860,080,496
Sylhet Region	4,637,298,676	4,258,538,456
Rangpur	11,786,884,629	10,821,052,631
Mymensing Region	11,601,244,922	10,554,017,474
Cumilla Region	6,542,726,194	5,538,940,470
Faridpur Region	6,146,302,477	5,439,659,508
Sub Total	415,614,924,606	352,319,736,207
B. Rural		
Dhaka Region	7,393,746,830	6,255,463,282
Chattogram Region	1,135,132,099	1,070,249,987
Khulna Region	9,710,450,910	8,322,735,854
Rajshahi Region	7,476,020,936	6,322,409,628
Barishal Region	3,829,649,424	3,306,981,648
Sylhet Region	1,800,019,359	1,573,504,961
Rangpur	6,077,620,472	5,292,997,047
Mymensing Region	6,527,304,112	5,788,936,767
Cumilla Region	4,037,892,690	3,460,410,732
Faridpur Region	2,224,368,200	2,039,603,378
Sub Total	50,212,205,032	43,433,293,284
Total (A + B)	465,827,129,638	395,753,029,491
7.5 Sector-wise Loans and Advances		
Agriculture and Fishery	17,798,255,386	16,220,861,825
Jute & Jute Goods	11,046,544,304	9,308,473,799
Transport Storage & Communication	5,461,191,000	5,934,153,000
Ship Breakings	1,189,400,005	965,318,130
Textile & Readymade Garments	44,514,051,000	32,735,392,000
Food & Allied Industry	4,525,829,007	4,238,680,000
Construction & Engineering	16,981,926,010	13,630,760,260
Pharmaceuticals and Chemicals	3,298,297,055	2,634,006,515
Leather Sector	5,922,755,255	4,709,553,420
Power Sector	13,722,000,680	9,606,600,680
Professional and Services	7,206,800,250	3,613,520,350
Housing Service	13,538,161,346	11,298,833,469
Wholesale/Retail Trading	89,138,567,510	87,756,820,610
Personal (staff and other personal loan)	60,688,039,645	57,166,512,090
Bank & Other Non-Financial Institution	-	-
Electronics & Automobile	-	-
Cement & Ceramic	-	-
Others	170,795,311,185	135,933,543,343
	465,827,129,638	395,753,029,491

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
7.6 Loans & Advances are Classified as per Bangladesh Bank Circular		
Unclassified :		
Standard (including staff loan)	375,796,447,493	312,483,694,258
Special Mention Account	23,602,477,108	13,335,513,469
	399,398,924,601	325,819,207,727
Classified		
Sub-Standard	4,267,963,645	2,513,599,381
Doubtful	2,976,959,986	3,935,706,100
Bad & Loss	59,183,281,406	63,484,516,283
	66,428,205,037	69,933,821,764
	465,827,129,638	395,753,029,491
7.7 Loans & Advances (Category wise)		
A. Inside Bangladesh		
I. Continuous loan (CL-2)		
Small & Medium Enterprise Finance	68,752,600,406	59,037,447,826
Other Than Small & Medium Enterprise Finance	82,834,837,814	73,577,901,629
	151,587,438,220	132,615,349,455
II. Demand loan (CL-3)		
Small & Medium Enterprise	5,745,590	59,645,253
Other Than Small & Medium Enterprise	28,510,158,763	21,165,345,157
	28,515,904,353	21,224,990,410
III. Term loan (CL-4)		
Small & Medium Enterprise Finance	15,938,834,671	13,959,563,933
Consumer Finance (including staff, other than HF)	1,195,207,310	1,578,380,124
Housing Finance (HF)	27,999,613,796	24,151,848,128
Loans for Professional Set-up Business	180,666,844	250,031,415
Others	211,230,011,734	176,907,781,419
	256,544,334,355	216,847,605,019
IV. Short term agri credit and microcredit (CL-5)		
Short Term Agri Credit	15,975,443,030	14,532,768,401
Micro Credit	1,304,456,924	1,258,072,180
	17,279,899,954	15,790,840,581
B. Outside Bangladesh (Off-shore Banking Unit)	11,899,552,756	9,274,244,026
Total Loans & Advances (Inside & Outside Bangladesh) (A+B)	465,827,129,638	395,753,029,491
7.8 Movement of classified loans and advances		
Opening balance	69,933,821,764	55,695,506,495
Addition during the year	23,110,683,273	24,821,015,269
Reduction during the year	(26,616,300,000)	(10,582,700,000)
	66,428,205,037	69,933,821,764
7.9 Particulars of Loans and Advances		
Loans considered good in respect of which of the banking company is fully secured	395,759,693,832	338,954,967,960
Loans considered good against which the banking company holds no security other than the debtor's personal guarantee	42,391,834,226	44,700,950,947
Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors	27,675,601,580	12,097,110,584
Loans adversely classified, for which no provision is created	-	-
	465,827,129,638	395,753,029,491
Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons	43,589,785,476	34,353,182,615
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	-	-

Notes to the Financial Statements

	(Amount in BDT)	
	31-Dec-19	31-Dec-18
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	43,589,785,476	34,353,182,615
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	378,000,000	726,693,000
Amount realized against loan previously written off	1,061,626,027	778,235,486
Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet	25,820,961,082	28,283,759,114
Interest creditable to the Interest Suspense A/c	-	-
Cumulative amount of the written off loan	55,099,293,000	54,721,293,000
Amount written off during the current period	378,000,000	726,693,000
Amount of written off loan for which lawsuit has been filed	55,099,293,000	54,721,293,000
7.10 Bills purchased and discounted:		
In Bangladesh	1,605,027,589	766,758,763
Outside Bangladesh	3,039,361,646	1,762,836,186
	4,644,389,235	2,529,594,949
7.11 Maturity grouping of bills purchased and discounted		
Payable within 1 month	4,644,389,235	2,529,594,949
Over 1 month but less than 3 months	-	-
Over 3 months but less than 6 months	-	-
6 months or more	-	-
	4,644,389,235	2,529,594,949
7.12 Net Loans and advances:		
Carrying amount	465,827,129,638	395,753,029,491
Less: Interest suspense and penal interest	(22,718,931,996)	(19,798,688,304)
Provision for loans & advances (Note-12.9)	(38,235,468,869)	(32,868,556,617)
	(60,954,400,865)	(52,667,244,921)
	404,872,728,773	343,085,784,570
7(a).1 Consolidated loans, advances and leases/investments		
Agrani Bank Limited	465,827,129,638	395,753,029,491
Agrani Equity & Investment Limited	427,415,468	441,653,252
Agrani SME Financing Company Limited	2,000,988,905	1,588,992,597
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	468,255,534,011	397,783,675,340
Less: Inter-company transaction (s)	(3,988,469,055)	(4,392,297,067)
	464,267,064,956	393,391,378,273
7(a).2 Consolidated loans & advances are classified as per Bangladesh Bank circular		
Unclassified :		
Standard (including staff loan)	378,080,423,902	314,376,200,033
Special Mention Account	23,669,664,706	13,406,679,276
	401,750,088,608	327,782,879,309
Classified:		
Sub-Standard	4,290,080,165	2,531,345,686
Doubtful	2,991,983,698	3,945,755,109
Bad & Loss	59,223,381,540	63,523,695,236
	66,505,445,403	70,000,796,031
	468,255,534,011	397,783,675,340
Less: Inter-company transaction (s)	(3,988,469,055)	(4,392,297,067)
	464,267,064,956	393,391,378,273

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
7(a).3 Loans & Advances are Classified as per Bangladesh Bank Circular: Agrani SME Financing Company Limited		
Unclassified :		
Standard (including staff loan)	1,856,560,941	1,450,852,523
Special Mention Account	67,187,598	71,165,807
	<u>1,923,748,539</u>	<u>1,522,018,330</u>
Classified:		
Sub-Standard	22,116,520	17,746,305
Doubtful	15,023,712	10,049,009
Bad & Loss	40,100,134	39,178,953
	<u>77,240,366</u>	<u>66,974,267</u>
	<u>2,000,988,905</u>	<u>1,588,992,597</u>
8 Fixed assets including land, buildings, furniture and fixtures (Annexure G)		
Cost/ Valuation:		
Balance at the beginning of the year	18,804,093,183	18,979,895,753
Addition during the year	315,363,679	255,364,887
Revaluation during the year	-	-
Transfer to non-banking assets	-	(400,252,668)
Disposal during the year	(36,179,441)	(30,914,789)
Balance at the end of the year	<u>19,083,277,421</u>	<u>18,804,093,183</u>
Less: Accumulated Depreciation		
Balance at the beginning of the year	4,020,513,703	3,419,159,308
Charge for the year	491,616,908	629,217,189
Disposal during the year	(26,764,231)	(27,862,794)
Balance at the end of the year	<u>4,485,366,380</u>	<u>4,020,513,703</u>
Written Down Value (WDV)	<u>14,597,911,041</u>	<u>14,783,579,480</u>
8(a) Consolidated Fixed assets including land, buildings, furniture and fixtures		
Written Down Value (WDV)		
Agrani Bank Limited	14,597,911,041	14,783,579,480
Agrani Equity & Investment Limited	1,722,756	2,515,129
Agrani SME Financing Company Limited	4,482,850	7,886,130
Agrani Exchange House Private Limited, Singapore	4,463,290	5,507,170
Agrani Remittance House SDN. BHD., Malaysia	16,965,371	16,629,355
Agrani Remittance House Canada Inc.	49,329	46,800
Agrani Exchange Company (Australia) Pty. Limited	178,546	178,546
	<u>14,625,773,183</u>	<u>14,816,342,610</u>
9 Other Assets		
Income generating Other Assets		
Investment in shares of subsidiary companies (Note - 9.1)	5,619,433,350	4,619,433,350
	<u>5,619,433,350</u>	<u>4,619,433,350</u>
Non-income generating Other Assets		
Stationery, stamps, printing materials etc.	124,415,232	109,258,302
Accrued Income (Note - 9.3)	5,100,703,034	4,881,732,576
Receivable From Govt.	6,085,308	4,602,852
Advance Deposits & prepayments	3,043,174	3,281,280
Advance Tax Paid (Annexure-F)	19,288,698,546	17,692,273,401
Advance Rent	157,878,197	126,567,443
Suspense Account (Note - 9.2)	1,526,847,980	926,397,079
Demonetized Notes	185	185

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
Debit balance of Al-Rajhi Foreign Exchange	1	1
Army pension (Note - 9.2(ii))	3,341,664,488	3,703,760,763
Civil pension	88,469,604	121,449,446
Purchase of WES Bond	202,424,025	42,728,368
Payment against sanchaya patra	4,856,218,905	4,206,026,446
Pension paid- Staff	122,953,107	9,423,733
D.D paid without advice	191,317,053	155,897,000
Protested Bills	70,748,671	70,820,672
Exempted Loans	47,423,871	47,492,217
Interest on Exempted Loans	420,231,841	421,633,595
Deferred Tax Assets (Note - 9.4)	11,021,082,205	11,762,791,741
Foreign Correspondent draft paid	15,855,673	17,081,105
Balance with Indian Bank	23,505	23,505
Balance with Pakistani Bank	1	1
Software Purchase (Note - 9.8)	1,804,497,983	987,823,944
Dividend Receivable from Preference Share	2,544,892,565	4,426,132,522
Work in Progress for Consulting of Bank building	1,467,319,856	1,070,740,536
Receivable from Agrani SME Financing Company Limited	48,350,536	55,672,663
Receivable/(Payable) against Sale/Buy of Share of ICB	3,622,240	52,909
Receivable from Agrani Remittance House Canada Inc.	29,197,654	29,197,654
Receivable from Agrani Exchange Company (Australia) Pty. Limited	32,490,122	32,490,122
Branch adjustment (Note- 12.20)	226,795,947	-
	52,743,251,509	50,905,352,061
Total	58,362,684,859	55,524,785,411
9.1 Investment in shares of subsidiary companies		
Agrani Equity & Investment Limited	5,000,000,000	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
	5,619,433,350	4,619,433,350

9.1.i 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.

9.1.ii 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 August 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 finally approved Bank's request for continuing the operation of the Remittance House vide letter no BRPD(M)204/08/2019-4113 dated 09 June 2019.

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
9.2 Suspense Account		
Sundry debtors -staff (Note - 9.2(i))	3,250,501	21,325,705
Sundry debtors -other (Note - 9.2(i))	1,429,771,328	858,680,089
Legal charges	522,702	118,529
Clearing adjustment	810,433	2,488,980
Advance against petty cash	31,376	9,435
Loan application form	1,431,546	1,371,094
Defective/Mutilated/Burnt Notes	3,484,195	-
Clearing Suspense	331,463	58,379
Remittance only point	84,889,090	-
Clearing Suspense A/C for T-24 Branch	1,243,040	5,692,002
Debit Card Off-us transactions	-	31,501,500
Premium paid XPB	1,082,306	5,151,366
	1,526,847,980	926,397,079

9.2 (i) Sundry debtors- staff & others

An amount of BDT 32,112,406 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 BDT 3,341,664,488 as per Government decision which is reimbursable. BDT 102,608,959 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 BDT 777,506,155 has been provided in the accounts against long outstanding.

9.3 Accrued income

Accrued interest on loans & advances	585,246,437	394,524,710
Accrued interest on investment*	3,162,056,162	2,410,787,738
Accrued interest on balance with Other Banks & Financial Institutions	756,687,612	1,880,363,441
Accrued commission, exchange & brokerage	552,275,266	151,518,187
Accrued other operating income	44,437,557	44,538,500
	5,100,703,034	4,881,732,576

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)	1,152,574,071	1,303,038,654
b. Tax base	1,031,162,053	920,357,168
c. (Taxable)/deductible temporary difference (b-a)	(121,412,018)	(382,681,486)
Applicable tax rate	40.00%	40.00%
Deferred tax asset/(liabilities)	(48,564,807)	(153,072,594)

Notes to the Financial Statements

		(Amount in BDT)	
		31-Dec-19	31-Dec-18
ii)	Provision for Bad & Loss Loans and Advances *		
	a. Carrying amount	(25,820,961,082)	(28,283,759,114)
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	25,820,961,082	28,283,759,114
	Applicable tax rate	40.00%	40.00%
	Deferred tax asset/(liabilities)	10,328,384,433	11,313,503,646
iii)	Provision for Supper Annuation Fund during the year (Note-12.14)		
	a. Carrying amount	(1,850,030,832)	(1,780,035,228)
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	1,850,030,832	1,780,035,228
	Applicable tax rate	40.00%	40.00%
	Deferred tax asset/(liabilities)	740,012,333	712,014,091
iv)	Provision for Death Relief Grant Scheme during the year (Note-12.16)		
	a. Carrying amount	(78,498,771)	(54,598,771)
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	78,498,771	54,598,771
	Applicable tax rate	40.00%	40.00%
	Deferred tax asset/(liabilities)	31,399,508	21,839,508
v)	Loss in revaluation of share (Note-12.11)		
	a. Carrying amount	(3,623,092,640)	(3,897,390,171)
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	3,623,092,640	3,897,390,171
	Applicable tax rate	10.00%	10.00%
	Deferred tax asset/(liabilities)	362,309,264	389,739,017
vi)	Carry forward of loss on sale of share in current year		
	a. Carrying amount	(1,600,662,225)	(1,711,265,740)
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	1,600,662,225	1,711,265,740
	Applicable tax rate	10.00%	10.00%
	Deferred tax asset/(liabilities)	160,066,223	171,126,574
vii.a)	Revaluation reserve on Land		
	a. Carrying amount	8,981,186,483	8,989,074,835
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	(8,981,186,483)	(8,989,074,835)
	Applicable tax rate *	4.00%	4.00%
	Deferred tax asset/(liabilities)	(359,247,459)	(359,562,993)
vii.b)	Revaluation reserve on Land		
	a. Carrying amount	3,969,544,030	4,304,467,512
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	(3,969,544,030)	(4,304,467,512)
	Applicable tax rate *	3.00%	3.00%
	Deferred tax asset/(liabilities)	(119,086,321)	(129,134,025)

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
viii) Revaluation reserve on Building		
a. Carrying amount	494,606,457	509,153,705
b. Tax base	-	-
c. (Taxable)/deductible temporary difference (b-a)	(494,606,457)	(509,153,705)
Applicable tax rate	15.00%	40.00%
Deferred tax asset/(liabilities)	(74,190,969)	(203,661,482)
Total deferred tax assets/(liabilities)-A	11,021,082,205	11,762,791,741

* 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
2011	2,796,355,659
2012	4,398,529,766
2013	6,554,559,973
2014	6,961,853,368
2015	8,344,803,824
2016	11,208,175,703
2017	10,969,742,516
2018	11,762,791,741

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, 2019 has decreased by the amount of BDT 741,709,536 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 BDT 25,820,961,082.

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 BDT 412,754,628 is reported in the financial statements as Non-Banking assets.

9.6 Software (Annexure G)

Cost

Balance at the beginning of the year	1,253,239,281	1,249,994,906
Addition during the year	939,287,258	3,365,147
Disposal / Transfer during the year	(51,900)	(120,772)
Balance at the end of the year	2,192,474,639	1,253,239,281

Less: Accumulated Amortization

Balance at the beginning of the year	(265,415,337)	(142,662,360)
Charge for the year	(122,519,489)	(122,873,749)
Disposal / Transfer during the year	(41,830)	120,772
Balance at the end of the year	(387,976,656)	(265,415,337)
Net Value	1,804,497,983	987,823,944

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
9.7 Dividend Receivable from Preference Share		
The Bank has accrued BDT 254.48 crore from the interest on preference shares out of which BDT 242.61 crore receivable from investment in preference shares of Orion Infrastructure Limited. In 655th BoD meeting held on 18 February 2020; the Board has advised to adjust their income from the preference share of Orion Infrastructure Limited amounting BDT 205.59 crore for next 10 years equally upon the approval of Finance Division, Ministry of Finance and requested to permit adjustment for next 10 years vide their letter no. MD:PM:/01:84/4 dated 17 June 2020. However, upon the request of the Bank, Bangladesh Bank has issued a letter regarding the finalization of Financial Statements of 2019 vide letter no. DBI-2 (ubi-3)/2344/2020-881 dated 25 June 2020 in "Attachment-Ga" advised to keep provision for Dividend Receivable from Preference Share BDT 147.31 crore under the provision for other assets (note-12.12).		
9(a) Consolidated Other Assets		
Agrani Bank Limited	58,362,684,859	55,524,785,411
Agrani Equity & Investment Limited	147,578,731	126,500,590
Agrani SME Financing Company Limited	88,142,368	89,928,546
Agrani Exchange House Private Limited, Singapore	11,835,314	34,231,350
Agrani Remittance House SDN. BHD., Malaysia	17,947,046	20,516,043
Agrani Remittance House Canada Inc.	3,817,050	2,508,973
Agrani Exchange Company (Australia) Pty. Limited	3,055,122	3,055,122
	58,635,060,490	55,801,526,035
Less: Inter-company transaction (s)	(5,736,793,789)	(4,744,115,916)
	52,898,266,701	51,057,410,119
10 Borrowing from other banks including financial institutions & agents	11,587,700,882	16,529,390,694
10.1 Classification into the following broad categories		
In Bangladesh	1,221,491,116	8,464,852,930
Outside Bangladesh	10,366,209,766	8,064,537,764
	11,587,700,882	16,529,390,694
10.2 Segregated as:		
Secured (Secured by D.P Notes and agreements)	9,810,496,116	13,252,232,930
Unsecured borrowing	1,777,204,766	3,277,157,764
	11,587,700,882	16,529,390,694
10.3 Maturity - wise grouping		
On demand	1,777,204,766	10,677,157,764
Less than 3 months	8,070,205,000	-
More than 3 months but less than 1 year	1,018,800,000	3,984,725,000
More than 1 year but less than 5 year	-	802,655,000
More than 5 years	721,491,116	1,064,852,930
	11,587,700,882	16,529,390,694
10.4 Term grouping		
10.4.1 Short Term Borrowing		
T.T buy (With Sonali Bank Limited)	-	-
Borrowings from Local Bank	500,000,000	7,400,000,000
Borrowings from Foreign Bank	8,589,005,000	4,787,380,000
Credit Balance of NOSTRO Account (Annexure-E 1)	1,777,204,766	3,277,157,764
	10,866,209,766	15,464,537,764

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
10.4.2 Long Term Borrowing		
Rural Housing Scheme	-	94,280
Borrowing from ADB	-	112,500
Borrowing from EGBMP	199,319,114	191,399,149
IFAD Loan -194	6,502,002	5,047,001
Borrowings from B. Bank (Bakna Basur Refinance Fund)	189,520,000	200,000,000
Borrowings from B. Bank (Refinance Fund- Jute)	326,150,000	668,200,000
Agrani Bank Shilpa Unnayan Bond	721,491,116	1,064,852,930
	11,587,700,882	16,529,390,694

10.5 Agrani Bank 1st Subordinate Bond (Note-10.5.i) **7,000,000,000** **7,000,000,000**

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 BDT 7000.00 million (face value @ BDT 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	11,587,700,882	16,529,390,694
Agrani Equity & Investment Limited	3,465,673,863	3,979,991,056
Agrani SME Financing Company Limited	522,795,192	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	-	-
	15,576,169,937	20,921,687,761
Less: Inter-company transaction (s)	(3,988,469,055)	(4,392,297,067)
	11,587,700,882	16,529,390,694

11 Deposits and other accounts

692,243,331,687 **621,927,230,672**

11.1 Deposits and Other Accounts (Category wise)

Current & Other Account (Note - 11.1.1)	175,305,761,135	157,080,929,433
Bills payable (Note - 11.1.2)	9,251,661,857	8,875,779,435
Saving Bank Deposits (Note - 11.1.3)	203,618,624,785	177,292,217,218
Fixed Deposits (Note - 11.1.4)	304,067,283,910	278,678,304,586
	692,243,331,687	621,927,230,672

Notes to the Financial Statements

		(Amount in BDT)	
		31-Dec-19	31-Dec-18
11.1.1	Current & Other account		
	Current Deposits (Note - 11.1.1.i)	46,778,510,661	42,869,023,340
	Balance with ATM	824,098	878,848
	Sundry Deposits (Note - 11.1.1.ii)	10,747,746,569	9,158,000,201
	Special Time Deposits (11.1.1.iii)	117,686,737,276	104,940,665,090
	Call Deposits (Note - 11.1.1.iv)	91,942,531	112,361,954
		175,305,761,135	157,080,929,433
11.1.1.i	Current Deposits		
	Current Deposit-Government Organizations	7,369,367,624	7,535,527,393
	Current Deposit-Autonomous and Semi Autonomous Org	4,266,335,976	3,522,300,526
	Current Deposit-Non Financial Public Enterprises	3,603,765,111	5,059,250,608
	Current Deposit-Local Authority	2,317,610,274	1,926,507,891
	Current Deposit-Insurance Co.s & Pension Funds Public	98,740,875	187,937,025
	Current Deposit-Public Non-Banking Financial Org	476,943,418	199,796,246
	Current Deposit-Other Financial Public Organizations	223,583,335	143,090,692
	Current Deposit-Other Banks	811,667,340	618,131,981
	Current Deposit-Individuals and Others	26,163,897,465	22,162,754,352
	Current Deposit-Foreign Currency	1,384,022,170	1,465,834,740
	Current Deposit-Miscellaneous	62,577,073	47,891,886
		46,778,510,661	42,869,023,340
11.1.1.ii	Sundry Deposits		
	General Provident Fund	3,608,715,261	3,403,447,286
	Margin on Bills purchased	11,476,472	11,690,472
	Margin on Letters of Credit	4,533,159,810	3,382,846,190
	Margin on Letters of Guarantee	363,817,121	379,362,143
	Miscellaneous Margin	26,939,430	32,001,863
	Foreign Currency	86,522,693	213,866,111
	Key Deposit	11,954,169	10,443,323
	Staff Cash Security	23,192,183	23,524,641
	Foreign correspondence charges	1,630,862	2,136,800
	F. C Exp. Proceeds	77,879,212	85,686,484
	Commission Payable to Govt.	45,150,171	74,399,146
	Premium paid XPB	856,976	856,976
	Clearing Adjustment	3,947,267	3,862,616
	Self Employment Promotion	308,741	391,671
	Teachers Payment	756,479,731	674,933,599
	Boisko Bhata	66,806,952	3,970,128
	FSSAP	21,244,277	17,410,554
	Freedom Fighter Allowance	51,778,566	53,388,471
	Army Pension	58,268,497	71,671,159
	Small Enterprise Development	207,424	167,260
	Rural Finance Programme	5,728,226	5,008,021
	Hajj Deposit	88,757	-
	Others	941,270,225	613,863,880
	Clearing Cheque Sent for Collection T24	39,000	82,202,185
	Debit Card Remote ON-US Transactions	31,246,207	-
	Debit Card Remote ON-US Commission	17,628,958	9,459,841
	SEQAEP Pre-paid Card Fees	1,409,381	1,409,381
		10,747,746,569	9,158,000,201

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
11.1.1.iii Special Notice Deposits		
Special Notice Deposit -Government Org.	32,699,575,574	31,804,473,069
Special Notice Deposit -Autonomous and Semi Autonomous Organizations	16,551,076,115	10,412,327,805
Special Notice Deposit -Non Financial Pub Enterprise	55,490,796,311	51,328,195,172
Special Notice Deposit -Local Authority	2,381,282,073	1,610,307,885
Special Notice Deposit -Insurance Co.s & Pension Funds-Public	359,211,445	283,012,479
Special Notice Deposit -Public Non-Banking Financial Organizations	1,033,122,105	615,153,388
Special Notice Deposit -Other Deposit Accepting Public Organizations	509,304,900	581,460,924
Special Notice Deposit -Other Banks	1,417,556,405	1,294,890,484
Special Notice Deposit -Individuals and Others	7,244,812,348	7,010,843,884
	117,686,737,276	104,940,665,090
11.1.1.iv Call Deposits		
Call Deposit -Government Organizations	13,996,164	16,462,243
Call Deposit -Autonomous and Semi Autonomous Org.	580,336	871,460
Call Deposit -Non Financial Public Enterprises	841,955	979,511
Call Deposit -Local Authority	6,717,089	22,093,636
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	206,319	206,369
Call Deposit -Individuals and Others	69,599,976	71,748,043
	91,942,531	112,361,954
11.1.2 Bills payable		
Draft payable	535,137,330	649,543,559
TT's payable	2,658,277	1,409,300
MT's payable	4,350	6,050
Pay slip issued	205,357,260	209,845,363
Pay order issued	4,047,008,714	5,989,560,944
Inland Bill proceeds Awaiting for Remittance	380,372,320	4,213,667
Foreign Bill proceeds Awaiting for Remittance	3,847,184,884	1,758,253,485
Overdue DD payable	18,630,709	18,456,874
Upahar cheque sold A/C	36,732	36,732
FRMS	10,000	10,000
Foreign D.D, T.T, & TC payable	215,261,281	244,443,461
	9,251,661,857	8,875,779,435
11.1.3 Saving Bank Deposits		
Saving Deposit -Government Organizations	3,400,460,044	1,729,063,538
Saving Deposit -Autonomous and Semi Autonomous Organizations	5,471,039,264	3,778,692,319
Saving Deposit -Non Financial Public Enterprises	275,665,070	370,750,335
Saving Deposit -Local Authority	353,814,168	261,398,062
Saving Deposit -Insurance Co.s & Pension Fund	1,707,701,721	1,573,805,598
Saving Deposit -Public Non-Banking Financial Organizations	201,328,616	32,091,685
Saving Deposit -Other Financial Public Organizations	37,746,098	28,512,199
Saving Deposit -Other Banks	6,752,724	9,190,006
Saving Deposit -Individuals and Others	190,195,417,913	168,345,378,754
Female Secondary School Assistance Project	66,006,572	67,701,691
Saving Deposit -Miscellaneous	286,457,081	263,376,384
Saving Deposit -Foreign Currency	1,539,662,105	765,627,619
Saving Deposit -Student	76,573,409	66,629,028
	203,618,624,785	177,292,217,218

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
11.1.4 Fixed Deposits		
Fixed Deposits (11.1.4.1)	269,260,761,242	243,323,528,584
Deposit Pension Scheme	27,860,845	39,162,924
Agrani Bank Pension Scheme	135,446,844	168,737,768
Month wise Fixed Deposits	749,400	952,880
Non Resident Special Deposits	244,970	272,680
Agrani Bank Bishesh Shanchay	33,496,563,098	31,336,345,630
Agrani Bank Monthly Income Scheme	38,048,406	71,439,525
Agrani Bank Monthly Deposit Scheme	41,679,033	129,045,289
Agrani Bank Double Benefit Scheme	314,227,988	3,516,416,400
Agrani Bank Quarterly Income Scheme	15,351,462	16,841,900
Agrani Bank Double Benefit Scheme (New)	2,999,074	9,399,074
Agrani Bank Millionaire Deposit Scheme	73,588,585	39,788,479
Agrani Bank Lakhopoti Deposit Scheme	11,435,072	6,897,550
Agrani Bank Probashi Deposit Scheme	2,750,715	2,010,202
Agrani Bank Deposit Scheme for Woman	6,965,891	9,250,089
AGB Senior Citizen Savings Scheme	1,183,116	737,693
AGB Sanchaya Pension Scheme	7,579,801	4,790,091
AGB Wages Earner Deposit Scheme	21,927,376	2,687,828
Agrani Education Shanchay	393,000	-
Agrani Super Savings Shanchay	607,527,992	-
	304,067,283,910	278,678,304,586
11.1.4.1 Fixed Deposits		
Fixed Deposit-Government Organizations	27,540,440,747	34,528,225,444
Fixed Deposit-Autonomous and Semi Autonomous Organizations	41,500,086,245	43,595,937,510
Fixed Deposit- Non Financial Public Enterprises	119,819,102,220	95,552,820,092
Fixed Deposit -Local Authority	432,862,905	685,892,315
Fixed Deposit -Insurance Co.s & Pension Funds Public	603,632,190	1,234,109,238
Fixed Deposit -Public Non-Banking Financial Organizations	2,213,722,515	1,280,079,476
Fixed Deposit -Other Financial Public Organization	1,203,791,670	1,102,411,977
Fixed Deposit -Other Banks	7,595,826,539	7,744,175,796
Fixed Deposit -Individuals and Others	68,337,341,344	59,587,491,682
Non-Resident Foreign Currency Deposit (NFCD)	9,760,751	9,760,751
Fixed Deposit -Deceased Account	4,194,116	2,624,303
	269,260,761,242	245,323,528,584
less: Inter Unit transaction	-	(2,000,000,000)
	269,260,761,242	243,323,528,584
11.2 Maturity Grouping of Deposits and Other Accounts		
Within 1 month	56,464,690,755	51,281,684,371
Within 1 to 3 months	106,972,413,793	125,195,162,791
Within 3 to 12 months	173,087,204,449	144,986,686,376
Within 1 to 5 years	186,354,948,154	165,157,572,466
More than 5 years	169,364,074,536	135,306,124,668
	692,243,331,687	621,927,230,672

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
11.3 Geographical Location - wise Deposits		
Dhaka Region	341,284,296,145	309,248,077,706
Chattogram Region	85,840,639,310	73,617,375,099
Khulna Region	47,133,210,108	40,629,051,008
Rajshahi Region	40,584,857,269	37,588,947,304
Barishal Region	18,121,870,261	16,947,979,718
Sylhet Region	23,607,279,332	23,761,607,277
Rangpur Region	21,626,235,935	18,766,800,601
Mymensing Region	40,404,364,755	36,172,091,079
Cumilla Region	54,242,079,618	47,977,756,427
Faridpur Region	19,398,498,954	17,217,544,453
	692,243,331,687	621,927,230,672
11.4 Sector wise Deposits		
Government Organizations (President, PM's Office, Ministry & Judiciary)	71,023,840,114	75,613,749,444
Autonomous & Semi Autonomous Bodies	67,789,117,936	61,310,129,619
Deposit money bank	9,832,009,328	9,666,594,636
Other public sector	193,351,286,755	164,079,657,128
Private sector	350,247,077,554	311,257,099,845
	692,243,331,687	621,927,230,672
11.5 Inter-Bank Deposits		
Current Deposits	811,667,341	618,131,981
Savings Deposits	6,752,724	9,190,006
Fixed Deposits	7,595,826,539	7,744,175,796
Special Notice Deposits	1,417,556,405	1,294,890,484
Call Deposits	206,319	206,369
	9,832,009,328	9,666,594,636
11(a) Consolidated Deposits and other accounts		
Agrani Bank Limited	692,243,331,687	621,927,230,672
Agrani Equity & Investment Limited	6,473,302	5,487,819
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	-	-
	692,249,804,989	621,932,718,491
Less: Inter-comopany transaction(s)	(54,805,970)	(126,692,320)
	692,194,999,019	621,806,026,171
12 Other Liabilities		
Interest suspense (Note - 12.1)	22,718,931,996	19,798,688,304
Provision for expenses (Note - 12.2)	5,873,186,672	5,931,530,574
Provision for Auditors Fee (Note - 12.3)	4,000,000	4,000,000
Sundry creditors	1,302,640,423	1,268,042,144
Tax deducted at source	1,314,261,230	1,045,533,425
VAT on services	187,056,522	184,091,987

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
Excise duty	663,370,694	595,153,076
Levy on interest payment	11,381,400	10,908,099
Levy & Surcharge on interest payment (Bonds)	15,505	36,658
Provision for Taxation (Note - 12.4 & Annexure-F)	20,198,362,325	19,098,362,325
Provision for classified loans & advances (Note - 12.5)	26,778,314,224	29,646,774,893
General provision maintained against UC loan (Note - 12.6)	8,101,127,684	3,052,901,550
General provision for special mention account (Note - 12.7)	3,356,026,961	168,880,174
3 % General reserve for consumer financing (Note - 12.8)	35,856,219	47,351,404
Provision for off balance sheet exposures (Note - 12.10)	1,156,096,313	1,233,377,406
Payable to Islamic Banking Unit	217,698	217,698
Provision for investment (Note - 12.11)	2,743,092,640	3,897,390,171
Provision for Balance with Other Banks & Financial Institutions	600,000,000	600,000,000
Provision for Other Assets (Note - 12.12)	280,000,000	5,082,803,973
Provision for Incentive Bonus (Note - 12.13)	1,507,794,732	1,403,727,827
Employees superannuation fund (Note - 12.14)	1,373,671,208	1,780,035,228
Employees gratuity fund (Note - 12.15)	1,850,030,832	8,486
Death relief grant scheme (Note - 12.16)	-	54,598,771
Employees Benevolent Fund (Note - 12.17)	78,498,771	36,142,016
Reserve for unforeseen losses	36,914,468	7,278,112
Duty Draw back Imprest Fund	7,278,112	-
Doctors self employment program	1,600,000	1,600,000
Collection accounts	10,089,832	5,073,957
Cash incentive to exporters	12,764,252	13,752,902
SPL account MEDU fund	343,122,136	363,941,607
Export Development Fund	26,986,001	-
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	449,539	3,458
Service charge on CIB report	2,429,511	986,945
Provision for balance of bilateral trade	2	2
Customer Fund Adjustment Account	1,198,733	1,198,733
Vostro Account	35,385,711	35,385,711
SIDR	389,114	389,114
ADIP Project Fund	19,474,118	19,132,387
Reserve Fund for Rebate	842,690	10,868,222
Provision for arear of staff salary	4,485	4,485
Interest waived on staff house building loan	5,514,545	10,412,449
Interest rebate on good borrowers	20,000,000	20,000,000
Branch Adjustment (Note- 12.18)	-	6,669,380,908
	100,668,949,332	102,110,537,215
12.1 Interest Suspense Account		
Balance at the beginning of the year	19,798,688,304	17,059,532,213
Add: Transferred during the year	7,859,230,929	6,960,471,304
Less: Transferred to Income during the year	(3,663,485,134)	(4,006,817,422)
Less: Amount waived/ written off during the year	(1,275,502,103)	(214,497,791)
Balance at the end of the year	22,718,931,996	19,798,688,304

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
12.2 Provision for expenses		
Provision for Interest on Savings	384,105	181,234
Provision for Interest on DPS	8,118,903	8,937,775
Provision for Interest on STD	1,210,585	404,797
Provision for Interest on FDR	4,393,854,856	4,040,016,661
Provision for Interest on ABPS	3,623,662	4,997,555
Provision for Interest on Borrowings	30,016,088	29,127,273
Provision for ABS	1,181,689,070	1,119,617,207
Un-disbursed Salary and Other staff benefit	1,545,495	2,241,319
Provision for other expenses	144,397,796	132,701,189
Provision for Interest on ABMIS	4,106,737	4,484,938
Provision for Interest on ABMDS	14,985,209	32,940,855
Provision for Interest on ABDBS	74,699,071	547,141,320
Provision for Interest on Bakna Basur Refinance Fund	4,918,916	5,006,838
Provision for Interest on Agrani Bank Quarterly Income Scheme	284,025	274,100
Provision for Interest on Agrani Bank Double Benefit Scheme (New)	279,500	104,828
Provision for Interest on Agrani Bank Millionaire Deposit Scheme	6,110,541	2,551,716
Provision for Interest on Agrani Bank Lakhopoti Deposit Scheme	1,423,585	592,312
Provision for Interest on Agrani Bank Probashi Deposit Scheme	36,320	525
Provision for Interest on Agrani Bank Deposit Scheme for Woman	50	18
Provision for Interest on Agrani Bank AGB Senior Citizen Saving Scheme	5,240	1,399
Provision for Interest on Agrani Bank Sanchay Pension Scheme	1,146,540	-
Provision for Interest on Agrani Bank Wage Earner Deposit Scheme	343,069	206,715
Provision for Interest on Agrani Bank Education Scheme	465	-
Provision for Interest on Agrani Bank Supper Saving Scheme	6,844	-
Provision held at the end of the year	5,873,186,672	5,931,530,574
12.3 Provision for Auditors Fee		
Balance at the beginning of the year	4,000,000	3,600,000
Less: Paid during the year	(4,000,000)	(3,600,000)
Add: Provision made during the year	4,000,000	4,000,000
Balance at the end of the year	4,000,000	4,000,000
12.4 Provision for taxation:		
Balance at the beginning of the year	19,098,362,325	15,837,722,120
Less Adjustment	(1,000,000,000)	-
Add: Transferred to Provision for Income Tax during the year	2,100,000,000	3,260,640,205
Balance at the end of the year	20,198,362,325	19,098,362,325

The required provision for the year ended 2019 was BDT 391.98 crore as per the Income Tax Ordinance 1984 and the Management of the Bank has kept BDT 210.00 crore and therefore, the shortfall of provision BDT 181.98 crore. The management of the Bank has considered that carry forward of losses for the year 2012 BDT 1,862.06 crore which in Honorable High Court Division and the taxable income was negative. Therefore, the management of the Bank believes on reasonable grounds that the Bank would be successful in receiving outcome from these appeal process and hence will cover the shortfall of provision required during the year.

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, 2013, 2014 & 2015. The returns have been submitted for the years 2016, 2017 & 2018. The bank has kept a provision of BDT 210.00 crore for the year 2019.

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
12.5 Provision for Classified loans and advances		
Balance at the beginning of the year	29,646,774,893	27,501,482,529
Add: Recoveries of amount previously written off	1,061,626,027	778,235,486
Add: Specific provision for the year	-	2,024,729,629
Less: Provision Add back during the year	(3,656,998,948)	-
Less: Written off/ waived	(273,087,748)	(657,672,751)
Provision held at the end of the year	26,778,314,224	29,646,774,893
12.6 General Provision maintained against UC loans		
Balance at the beginning of the year	3,052,901,550	3,861,656,269
Add: Provision made during the year	5,048,226,134	-
Less: Provision add back for the year	-	(808,754,719)
Provision held at the end of the year	8,101,127,684	3,052,901,550
<p>The Bank was supposed to keep provision amounting to BDT 367.96 crore against Un-classified Loans & Advances and against SMA Loans & Advances. The bank has maintained an additional amount of BDT 777.76 crore as general provision (provision against Un-classified Loans & Advances and provision against SMA Loans & Advances) for Tier-II Capital (Risk Based Capital) consideration with the approval of Bangladesh Bank vide letter no. DBI-2 (ubi-3)/2344/2020-881 dated 25 June 2020. However, General provision including SMA of BDT 1,145.72 crore can be made for the year 2019 and can't be added back till 30 June 2021.</p>		
12.7 Provision (general) for SMA Loans & Advances		
Balance at the beginning of the year	168,880,174	72,904,470
Add: Provision made during the year	3,187,146,787	95,975,704
Provision held at the end of the year	3,356,026,961	168,880,174
12.8 Provision for Loans & Advances		
General provision	8,101,127,684	3,052,901,550
i) Standard (including staff Loan) *	3,356,026,961	168,880,174
ii) Special Mention Accounts (SMA)	11,457,154,645	3,221,781,724
Specific provision		
i) Substandard	772,452,570	308,022,133
ii) Doubtful	184,900,572	1,054,993,646
iii) Bad/Loss	25,820,961,082	28,283,759,114
	26,778,314,224	29,646,774,893
Total	38,235,468,869	32,868,556,617

As per Bangladesh Bank letter no. DBI-2 (ubi-3)/2344/2020-881 dated 25 June 2020, the Bank supposed to keep provision amounting to BDT 5,761.38 crore against total loans and advances. But upon the request of the Bank, Bangladesh Bank has permitted to keep 66.37% or BDT 3,823.55 crore of total required provision in the year 2019 vide said letter to maintain the minimum Capital to Risk Weighted Assets (CRAR) as per BASEL-III guidelines. The Bank has kept provision of BDT 3,823.55 crore against total loans and advances in the year 2019. Therefore an amount of provision shortfall stood at BDT 1,937.83 Crore (BDT 5,761.38 crore - BDT 3,823.55 crore) at the year end and Bangladesh Bank has provided an exemption of the above mentioned provision shortfall for loans and advances in their said letter.

In addition to that the Bank has to comply with the following conditions to prevail the exemption for shortfall of provision for loans and advances as per said letter of Bangladesh Bank:

- (i) Total net profit should not be more than 5.19% of the paid-up capital and
- (ii) General provision of BDT 1,145.72 crore can be made for the year 2019 and can't be added back till 30 June 2021

Apart from the exemption approval, in the year 2017 as per request of the Bank, Bangladesh Bank has allowed vide their letter no. BRPD(P-1)/661/13/2018-2640 dated 18 April 2018 to keep provision at least BDT 2,375.17 crore against required provision of BDT 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 BDT 889.65 after providing minimal provision of BDT 2,375.17 in 2017 as per Bangladesh Bank approval.

To comply with the granted approval of 2017, the Bank has provided the second installment of the deferred provision of BDT 296.55 crore in the accounts and the remaining provision of BDT 296.55 crore will be kept in 2020.

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
12.9 3% General Reserve for Consumer Financing:		
Reserve held at the beginning of the year	47,351,404	72,109,787
Add: Additional reserve for the year	-	-
Less: Reserve adjustment for the year	(11,495,185)	(24,758,383)
Balance at the end of the year	35,856,219	47,351,404
12.10 Provision for off balance sheet exposure		
Balance at the beginning of the year	1,233,377,406	1,233,377,406
Add: Provision made during the Year	-	-
Less: Provision add back during the Year	(77,281,093)	-
Balance at the end of the year	1,156,096,313	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	3,897,390,171
Add: Provision made during the Year	-	-
Less: Adjustment during the Year	-	-
Less: Provision add back during the Year	(1,154,297,531)	-
Balance at the end of the year	2,743,092,640	3,897,390,171
<p>The Bank required to maintain provision for diminution in the value of investment BDT 336.41 crore and maintained BDT 274.31 crore and therefore shortfall of provision BDT 62.11 crore. Upon the request of the Bank, Bangladesh Bank has issued a letter regarding the finalization of Financial Statements of 2019 vide letter no. DBI-2 (ubi-3)/2344/2020-881 dated 25 June 2020 in "Attachment-Gha" the required provision as per Bangladesh Bank BDT 277.85 crore and suggested to keep 97.97% provision for others except provision for loans and advances.</p>		
12.12 Provision for Other Assets		
Protested bill (Note - 12.12.a)	70,748,671	70,820,672
Sundry Debtors Staff & Others	32,112,406	311,541,583
Clearing Adjustment	771,430	1,449,669
Pension Paid (Army)	777,506,155	1,141,819,710
Pension Paid (Civil)	188,827	13,981,210
Pension Paid (Staff)	5,347,618	-
Legal Charges	132,214	72,994
Premium paid XPB	15,000	-
Defective/Mutilated/Burnt Notes	1,139,595	-
CBL Pak A/c	2	2
Receivable from Agrani SME Financing Company	-	55,673,000
Accrued Income	33,814,751	29,296,844
Stationary & Stamp	14,825,007	15,547,105
Advance Deposit & Pre-payment	20,451,948	37,718,565
Foreign Correspondent Draft Paid	696,085	910,869
Wage Earner Bond	141,236	25,632,202
BCCI Bank-London (Note - 12.12.b)	1	1
Balance with Al-Rajhi Foreign Exchange	1	1
Fixed Assets	21,913,328	21,913,328
Branch Adjustment (Note - 12.12.c)	263,113,441	1,129,184,000
Loan Application Form	315,839	239,520
Exempted Loans & Interest on Exempted Loans (Note - 12.12.d)	252,054,985	253,839,376
Provision for DD Paid without Advice	12,506,192	24,193,460
Dividend receivable from Preference Share	-	1,948,969,862
Provision held at the end of the year	1,507,794,732	5,082,803,973

As per BRPD circular no 14 dated June 25, 2001 of Bangladesh Bank, the Bank has maintained a provision of BDT 150.78 crore for the year 2019 against other assets that are outstanding for more than one year.

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
12.12.a Provision for Protested Bills		
Balance at the beginning of the year	70,820,672	72,631,505
Adjustment during the year	(71,999)	(5,640,322)
Addition during the year	(2)	3,829,489
Provision held at the end of the year	70,748,671	70,820,672
Protested Bills arises due to accidental loss of fraud, robbery, theft etc.		
12.12.b Provision for Balance with BCCI Bank- London		
Balance at the beginning of the year	1	1
Provision made during the year	-	-
Written-off during the year	-	-
Provision held at the end of the year	1	1
12.12.c Provision for Branch Adjustment		
Balance at the beginning of the year	1,129,184,000	1,129,184,000
Provision add back	(866,070,559)	-
Provision made during the year	-	-
Provision held at the end of the year	263,113,441	1,129,184,000
“Other Liabilities” include a net debit balance of BDT 226,795,947 as Branch Adjustment (such amount at 31 December 2018 was net credit balance of BDT 6,669,380,908). While the full reconciliation process is underway, the Bank has made provision for BDT 26.31 crore.		
12.12.d Provision for Exempted Loans & Interest on Exempted Loans		
Balance at the beginning of the year	253,839,376	253,850,402
Adjustment during the year	(788,063)	(11,026)
Provision add back during the year	(996,328)	-
Provision made during the year	-	-
Provision held at the end of the year	252,054,985	253,839,376
12.13 Incentive Bonus:		
Balance at the beginning of the year	1,403,727,827	1,525,796,705
Amount paid during the Year	(1,183,337,292)	(1,182,934,713)
Addition during the Year	3,280,673	865,835
Provision for the Year	1,150,000,000	1,060,000,000
Balance at the end of the year	1,373,671,208	1,403,727,827
12.14 Employees Superannuation Fund		
Balance at the beginning of the year	1,780,035,228	280,000,000
Addition during the year	1,505,437,196	1,598,011,059
Provision made during the year	1,850,000,000	1,500,000,000
Amount Transferred to SAF's SB A/C	(3,285,441,592)	(1,597,975,831)
Balance at the end of the year	1,850,030,832	1,780,035,228

According to the actuarial report submitted on 27 May 2018, a deficit of BDT 2,783.00 crore in the provision of Employees Superannuation Fund (SAF) as on 31 March 2018 has been shown. The aforesaid 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 has to be contributed BDT 500.00 crore in the first year and BDT 375.00 crore from following year. There was also recommendation in the said actuarial report to contribute 43% of the basic salary of the employees each year. Subsequently, the Board of Directors of the Bank has approved in meeting no. 462/19 dated 30 April 2019 to provide BDT 292.55 crore each year by the Bank for next 9 years. However, the Bank contributed 75% of the basic salary of the employees during the year and also made a provision of BDT 185.00 crore for Employee Super Annuation Fund which may arise the shortfall of BDT 107.50 crore and cope the deficit through addition percentage of contribution from basic salary of the employee each year.

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
12.15 Employees Gratuity Fund		
Balance at the beginning of the year	8,486	8,486
Addition during the year	(8,486)	378,752,076
Amount Transferred to Gratuity's SB A/C	429,250,667	(378,752,076)
Amount of Gratuity paid during the year	(429,250,667)	
Balance at the end of the year	-	8,486
12.16 Death relief grant scheme		
Balance at the beginning of the year	54,598,771	30,273,771
Provision made during the year	70,000,000	70,000,000
Amount paid/adjusted during the year	(46,100,000)	(45,675,000)
Balance at the end of the year	78,498,771	54,598,771
12.17 Employees Benevolent Fund		
Balance at the beginning of the year	36,142,016	24,981,238
Addition during the year	772,452	
Provision made during the year	-	30,000,000
Amount paid/adjusted during the year	-	(18,839,222)
Balance at the end of the year	36,914,468	36,142,016
12.18 Provision for Balance with Other Banks & Financial Institutions		
Balance at the beginning of the year	600,000,000	-
Add: Provision made during the year	-	600,000,000
Less: Provision add back during the year	-	-
Provision held at the end of the year	600,000,000	600,000,000

The Bank was supposed to keep provision amounting to BDT 192.00 crore against total Balance with Other Banks & Financial Institutions (note-4.1). But in response to the Bank's request, Bangladesh Bank has allowed vide letter # DBI-2 (ubi-3)/2344/2020-881 dated 25 June 2020 in "Attachment-Gha" to keep 97.97% of BDT 192.00 crore BDT i.e. BDT 188.10 crore and the Bank has maintained BDT 60.00 crore. The reason for shortfall of provision for balance with other banks & financial institutions due to maintain minimum Capital to Risk Weighted Assets (CRAR) as per Basel-III guidelines & said Bangladesh Bank letter.

12.19 Provision for Money at Call and Short Notice

Balance at the beginning of the year	-	-
Add: Provision made during the year	280,000,000	-
Less: Provision add back during the year	-	-
Provision held at the end of the year	280,000,000	-

The Bank was supposed to keep provision amounting to BDT 36.00 crore against total balance in money at call and short notice (note-5). But in response to the Bank's request, Bangladesh Bank has allowed vide letter # DBI-2 (ubi-3)/2344/2020-881 dated 25 June 2020 in "Attachment-Gha" to keep 97.97% of BDT 36.00 crore BDT i.e. BDT 35.27 crore and the Bank has maintained BDT 28 crore. The reason for shortfall of provision for balance in money at call and short notice due to maintain minimum Capital to Risk Weighted Assets (CRAR) as per Basel-III guidelines & said Bangladesh Bank letter.

Notes to the Financial Statements

		(Amount in BDT)	
		31-Dec-19	31-Dec-18
12.20	Branch adjustment:		
	Debit balance		
	Main Office Account (MO)	1,160,378,289,649	1,159,989,459,117
	New General Account (NG)	1,155,538,564,085	1,155,652,293,545
	Instant Financial Massaging System (IFMS)	21,258,959,698	21,258,959,698
	Inter-Branch Account for Online Transactions	1,267,208,958,386	952,483,696,783
	Computerized Main Office Account (CMO)	925,145,547,163	772,370,005,832
	Computerized New General Account (CNG)	1,323,116,101,605	1,050,667,093,339
		5,852,646,420,586	5,112,421,508,314
	Less:- Credit balance		
	Main Office Account (MO)	(1,160,954,327,254)	(1,160,786,468,639)
	New General Account (NG)	(1,155,553,697,655)	(1,155,535,467,375)
	Instant Financial Massaging System (IFMS)	(21,278,495,787)	(21,278,495,787)
	Inter-Branch Account for Online Transactions	(1,267,204,612,032)	(952,482,439,078)
	Computerized Main Office Account (CMO)	(929,755,713,814)	(779,896,451,448)
	Computerized New General Account (CNG)	(1,317,672,778,097)	(1,049,111,566,895)
		(5,852,419,624,639)	(5,119,090,889,222)
		226,795,947	(6,669,380,908)
	During the year net balance of Branch Adjustment arrived as debit which has been shown under head "Other Assets ". The net debit balance of Branch Adjustment account arrived due to transit in responding entries.		
12(a)	Consolidated other liabilities		
	Agrani Bank Limited	100,668,949,332	102,110,537,215
	Agrani Equity & Investment Limited	4,735,294,102	1,715,684,083
	Agrani SME Financing Company Limited	260,061,237	265,938,566
	Agrani Exchange House Private Limited, Singapore	159,764,063	50,542,102
	Agrani Remittance House SDN. BHD., Malaysia	93,859,722	55,423,332
	Agrani Remittance House Canada Inc.	32,458,069	54,554,683
	Agrani Exchange Company (Australia) Pty. Limited	53,349,177	53,349,176
		106,003,735,702	104,306,029,157
	Less: Inter-company transaction(s)	(117,360,439)	(124,682,565)
		105,886,375,263	104,181,346,592
12(a).1	Provision for Loans & Advances: Agrani SME Financing Com. Ltd.		
	General provision		
	i) Standard (including staff Loan)	4,641,402	3,627,131
	ii) Special Mention Accounts (SMA)	3,313,169	3,553,596
		7,954,571	7,180,727
	Specific provision		
	i) Substandard	4,086,295	3,299,759
	ii) Doubtful	6,668,105	4,074,330
	iii) Bad/Loss	29,433,796	28,153,061
		40,188,196	35,527,150
	Total	48,142,767	42,707,877
12(a).2	Consolidated Provision for Loans & Advances		
	General provision		
	i) Standard (including staff Loan)	8,105,769,086	3,056,528,681
	ii) Special Mention Accounts (SMA)	3,359,340,130	172,433,770
		11,465,109,216	3,228,962,451

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
Specific provision		
i) Substandard	776,538,865	311,321,892
ii) Doubtful	191,568,677	1,059,067,976
iii) Bad/Loss	25,850,394,878	28,311,912,175
	26,818,502,420	29,682,302,043
Total	38,283,611,636	32,911,264,494
12(a).3 Consolidated Provision for Diminution in the Value of Investment		
Agrani Bank Limited	2,743,092,640	3,897,390,171
Agrani Equity & Investment Limited	1,350,000,000	1,350,000,000
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	-	-
Total	4,093,092,640	5,247,390,171

Agrani Bank Limited (Group) has reported BDT 409.30 crore for provision for diminution in the value of investment. One of the subsidiaries auditors ISLAM AFTAB KAMRUL & CO. Chartered Accountants expressed a qualified opinion on 03 June 2020 for Agrani Equity & Investment Limited as follows:

“The company’s Investment in Shares & Securities are carried in the statement of financial position at BDT 9,094,717,182. After the verification and the examination of the relevant portfolio statements of the company we observed that the market value of said investment of the company as at 31st December 2019 stood at BDT 4,709,290,869 which shows the fall of the market value of the said investments of the company by BDT 4,375,426,313 as at 31st December 2019. Management has kept the provision against this fall in market value of BDT 1,350,000,000 which seems not be sufficient to cover the said decrease in the market value and the company short of BDT 3,025,426,313 than the required provision in this regard. If the required provision had been kept by the company the net profit after tax disclosed in the Statement of Profit or Loss and Other Comprehensive Income of and the Retained Earnings of the company would have been reduced by BDT 3,025,426,313 which could turn the net profit of the company into net loss for the year ended 31st December 2019. In addition, according to the Bangladesh Securities and Exchange Commission (BSEC) circular the said provision needs to be adjusted within 2022”.

Bangladesh Bank has issued a letter regarding the finalization of Financial Statements of 2019 vide letter no. DBI-2 (ubi-3)/2344/2020-881 dated 25 June 2020 the Bank required to maintain minimum Capital to Risk Weighted Assets (CRAR) minimum 10% and maximum 10.02%. In this regards the Group is unable to recognize the shortfall of provision of BDT 302.54 crore due to maintain minimum CRAR as per said letter of Bangladesh Bank.

13 Share Capital:

13.1 Authorized Capital:

The authorized capital of the Bank is BDT 2,500.00 crore divided into 250,000,000 ordinary shares of BDT100.00 each.

13.2 Issued, subscribed and fully paid up capital :

20,722,940,400

20,722,940,400

The paid up capital of the Bank was BDT 9,912,940,400 divided into 99,129,404 ordinary shares @ BDT 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 BDT 10,810,000,000 to reduce capital shortage of the Bank. Subsequently, the Board of Directors in its 353rd board meeting held on 30 December 2013 approved the matter and increased the paid up capital to BDT 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 2019.

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
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	207,229,404	207,229,404
13.3.2 Basic Earnings Per Share:		
Profit attributable to the shareholders of ABL for the year (A)	1,071,492,330	1,035,546,785
Weighted average number of ordinary shares outstanding (B)	207,229,404	207,229,404
Earnings per share (A/B)	5.17	5.00
13.3(a) Consolidated Earnings Per Share:		
Profit attributable to the shareholders of ABL & its subsidiaries for the year (A)	(1,831,012,585)	1,103,990,483
Weighted average number of ordinary shares outstanding (B)	207,229,404	207,229,404
Earnings per share (A/B)	(8.84)	5.33
13.4 Solo basis Minimum Capital Requirement (MCR) under Risk Based Capital (Basel-III):		
A. Regulatory Capital:		
1. Tier-1 Capital (Going concern capital)	26,428,617,053	26,967,700,000
2. Tier-2 Capital (Gone concern capital)	19,649,107,177	12,792,200,000
3. Total Regulatory Capital (1+2):	46,077,724,230	39,759,900,000
B. Total Risk Weighted Assets (RWA):	459,697,890,000	394,137,600,000
C. Capital to Risk Weighted Assets Ratio (CRAR) (A3 / B) X 100	10.02%	10.09%
D. Tier-1 Capital to RWA (A1 / B) X 100	5.75%	6.84%
E. Tier-2 Capital to RWA (A2 / B) X 100	4.27%	3.25%
F. Minimum Capital Requirement (10% of RWA)	45,969,789,000	39,413,760,000
G. Capital Surplus / (Shortfall)	107,935,230	346,140,000

Capital Requirements	2019		2018	
	Required	Held	Required	Held
Tire-1	6.00%	5.75%	6.00%	6.84%
Tire-2	4.00%	4.27%	4.00%	3.25%
Total	10.00%	10.02%	10.00%	10.09%

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

A. Regulatory Capital:		
1. Tier-1 Capital (Going concern capital)	23,756,985,459	27,191,300,000
2. Tier-2 Capital (Gone concern capital)	19,649,107,177	12,792,200,000
3. Total Regulatory Capital (1+2):	43,406,092,636	39,983,500,000
B. Total Risk Weighted Assets (RWA):	462,576,940,000	398,428,100,000
C. Capital to Risk Weighted Assets Ratio (CRAR) (A3 / B) X 100	9.38%	10.04%
D. Tier-1 Capital to RWA (A1 / B) X 100	5.13%	6.83%
E. Tier-2 Capital to RWA (A2 / B) X 100	4.25%	3.21%
F. Minimum Capital Requirement (10% of RWA)	46,257,694,000	39,842,810,000
G. Capital Surplus / (Shortfall)	(2,851,601,364)	140,690,000

Capital Requirements	2019		2018	
	Required	Held	Required	Held
Tire-1	6.00%	5.13%	6.00%	6.83%
Tire-2	4.00%	4.25%	4.00%	3.21%
Total	10.00%	9.38%	10.00%	10.04%

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
13.5 Solo basis Regulatory Capital:		
Tier-1 Capital		
Fully Paid-up Capital / Capital lien with BB	20,722,940,400	20,722,900,000
Statutory Reserve	9,278,754,586	8,496,100,000
General Reserve	548,555,335	537,100,000
Retained Earnings	(223,129,666)	(683,100,000)
Benefit from Deferred Tax Assets	110,210,822	58,800,000
Sub-Total:	30,437,331,477	29,131,800,000
Deductions from Tier-1 Capital		
Goodwill and all other intangible assets	1,804,497,983	987,800,000
Shortfall in provisions required against classified loans	-	-
Deferred Tax Assets	2,204,216,441	1,176,300,000
Sub Total	4,008,714,424	2,164,100,000
Total Regulatory Tier-1 Capital	26,428,617,053	26,967,700,000
Tier-2 Capital		
General Provision (UC + SMA + Off B/S exposure+ Consumer Finance)	12,649,107,177	4,502,600,000
Subordinated debt/instruments issued by the Bank meeting BB criteria	7,000,000,000	7,000,000,000
Revaluation Reserve (50% of Fixed Assets and Securities & 10% of Equities)	6,447,900,000	6,447,900,000
Sub Total	26,097,007,177	17,950,500,000
Deductions from Tier-2 Capital		
Revaluation Reserve for Fixed Assets, Securities and Equity Securities	6,447,900,000	5,158,300,000
Total Regulatory Tier-2 Capital	19,649,107,177	12,792,200,000
Total Regulatory Capital (Tier-1 + Tier-2)	46,077,724,230	39,759,900,000

In response to Bank request, Bangladesh Bank allowed the Bank vide letter no-BRPD(BFIS)661/14(B)P/2019- 6253 dated 08 August 2019 to deduct deferred tax assets 20% in 2019 to calculate Tier-1 Capital. The Bank has complied with the above permission.

13.5(a) Consolidated Regulatory Capital:

Tier-1 Capital

Fully Paid-up Capital / Capital lien with BB	20,722,940,400	20,722,900,000
Statutory Reserve	9,341,213,926	8,544,200,000
General Reserve	603,286,599	591,800,000
Retained Earnings	(3,011,951,864)	(562,300,000)
Benefit from Deferred Tax Assets	110,210,822	58,800,000
Sub-Total:	27,765,699,883	29,355,400,000

Deductions from Tier-1 Capital

Goodwill and all other intangible assets	1,804,497,983	987,800,000
Shortfall in provisions required against classified loans	-	-
Deferred Tax Assets	2,204,216,441	1,176,300,000
Sub Total	4,008,714,424	2,164,100,000
Total Regulatory Tier-1 Capital	23,756,985,459	27,191,300,000

Tier-2 Capital

General Provision (UC + SMA + Off B/S exposure+ Consumer Finance)	12,649,107,177	4,502,600,000
Subordinated debt/instruments issued by the Bank meeting BB criteria	7,000,000,000	7,000,000,000
Revaluation Reserve (50% of Fixed Assets and Securities & 10% of Equities)	6,447,900,000	6,447,900,000
Sub Total	26,097,007,177	17,950,500,000
Deductions from Tier-2 Capital		
Revaluation Reserve for Fixed Assets, Securities and Equity Securities	6,447,900,000	5,158,300,000
Total Regulatory Tier-2 Capital	19,649,107,177	12,792,200,000
Total Regulatory Capital (Tier-1 + Tier-2)	43,406,092,636	39,983,500,000

Notes to the Financial Statements

		(Amount in BDT)	
		31-Dec-19	31-Dec-18
13.6	Solo basis Risk Weighted Assets (RWA):		
	Risk Weighted Assets (RWA) for		
	A. Credit Risk		
	On - Balance sheet	392,776,285,000	321,130,200,000
	Off - Balance sheet	14,390,455,000	15,512,200,000
		407,166,740,000	336,642,400,000
	B. Market Risk	10,865,900,000	17,891,800,000
	C. Operational Risk	41,665,250,000	39,603,400,000
	Total: RWA (A+B+C)	459,697,890,000	394,137,600,000
13.6(a)	Consolidated Risk Weighted Assets (RWA):		
	Risk Weighted Assets (RWA) for		
	A. Credit Risk		
	On - Balance sheet	385,393,785,000	313,523,900,000
	Off - Balance sheet	14,390,455,000	15,512,200,000
		399,784,240,000	329,036,100,000
	B. Market Risk	20,284,300,000	29,045,600,000
	C. Operational Risk	42,508,400,000	40,346,400,000
	Total: RWA (A+B+C)	462,576,940,000	398,428,100,000
14	Statutory Reserve		
	Balance at the beginning of the year	8,496,114,213	7,795,486,660
	Transferred during the year	782,640,373	700,627,553
	Closing balance	9,278,754,586	8,496,114,213
	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	9,278,754,586	8,496,114,213.00
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	62,459,340	48,047,388
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
	Closing balance	9,341,213,926	8,544,161,601
15	General Reserve		
	Balance at the beginning of the year	537,060,150	537,060,150
	Transferred during the year	11,495,185	-
	Closing balance	548,555,335	537,060,150
15(a)	Consolidated General Reserve		
	Agrani Bank Limited	548,555,335	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	-	-
	Closing balance	603,286,599	591,791,414

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
15.1 Risk Fund		
Balance at the beginning of the year	80,000,000	60,000,000
Transferred during the year	20,000,000	20,000,000
Closing balance	100,000,000	80,000,000
15.1(a) Consolidated Risk Fund		
Agrani Bank Limited	100,000,000	80,000,000
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	-	-
Closing balance	100,000,000	80,000,000
16 Asset Revaluation Reserve		
Balance at the beginning of the year	10,977,175,227	10,992,091,716
Less: Transfer to retained earnings	(255,001)	(14,916,489)
Closing balance	10,976,920,226	10,977,175,227
16(a) Consolidated Asset Revaluation Reserve		
Agrani Bank Limited	10,976,920,226	10,977,175,227
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	-	-
Closing balance	10,976,920,226	10,977,175,227
17 Revaluation & Amortization Reserve		
Balance at the beginning of the year	1,455,903,925	1,659,102,598
Add: Surplus of Amortization of Securities (HTM)	110,352,862	277,411,709
Add: Revaluation reserve on investment in Govt. Securities (HFT)	114,183,934	2,969,348,477
Less: Surplus of Amortization of Securities (HTM)	(272,524,550)	(32,806,558)
Less: Revaluation reserve on investment in Govt. Securities (HFT)	(380,641,449)	(3,417,152,301)
Closing Balance	1,027,274,722	1,455,903,925
17(a) Consolidated Revaluation and Amortization		
Agrani Bank Limited	1,027,274,722	1,455,903,925
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	-	-
Closing Balance	1,027,274,722	1,455,903,925

Notes to the Financial Statements

		(Amount in BDT)	
		31-Dec-19	31-Dec-18
18	Retained surplus/(deficit)		
	Opening Balance	(683,079,710)	(1,032,101,411)
	Prior Year Adjustment	191,098,087	-
	Transfer from loan & other provision	-	-
	Net profit after tax during the year	1,071,492,330	1,035,546,785
	Transfer from asset revaluation reserve	-	14,102,469
	Transfer to Risk Fund	(20,000,000)	-
	Transfer to Statutory Reserve	(782,640,373)	(700,627,553)
		(223,129,666)	(683,079,710)
18.(a).1	Consolidated Retained surplus/(deficit)		
	Opening Balance	(562,330,948)	(974,537,032)
	Prior year adjustment	198,443,092	3,809,830
	Transfer from asset revaluation reserve	-	14,102,469
	Foreign currency translation gain/(loss)	4,107,144	(4,546,225)
	Net profit/ (loss) after tax during the year	(1,831,012,585)	1,103,990,483
	Statutory reserve	(797,052,325)	(709,696,628)
	Transfer to Risk Fund	(20,000,000)	-
	Minority interest	902	(70)
	Foreign currency translation reserve	(4,107,144)	4,546,225
		(3,011,951,864)	(562,330,948)
18.(a).2	Consolidated Retained Surplus/(deficit)		
	Agrani Bank Limited	(223,129,666)	(683,079,710)
	Agrani Equity & Investment Limited	(3,515,377,582)	(521,562,848)
	Agrani SME Financing Company Limited	654,923,826	589,953,987
	Agrani Exchange House Private Limited Singapore	102,121,350	88,861,687
	Agrani Remittance House SDN. BHD. Malaysia	30,669,267	24,017,795
	Agrani Remittance House Canada Inc.	(22,884,339)	(22,247,139)
	Agrani Exchange Company (Australia) Pty. Limited	(38,274,720)	(38,274,720)
		(3,011,951,864)	(562,330,948)
19	Consolidated Foreign Currency Translation Reserve		
	Opening Balance	30,323,593	34,869,818
	Foreign Currency Translation Gain/(Loss)	4,107,144	(4,546,225)
	Closing Balance	34,430,737	30,323,593
20	Minority Interest		
	Capital of Agrani Equity & Investment Limited	2,500	2,000
	Capital of Agrani SME Financing Limited	720	720
	Statutory reserve	75	58
	General reserve	66	66
	Retained earnings	(972)	447
		2,389	3,291
21	Acceptances and endorsements		
	Letters of Guarantee (Note - 21.1)	7,030,854,037	7,649,647,785
	Letters of Credit (Note - 21.2)	109,006,333,447	96,613,351,946
	Bills for Collection (Note - 21.3)	48,948,846,641	48,385,188,838
	Other Contingent Liabilities (Note - 21.4)	6,853,364,381	4,489,805,281
	Claims against the bank not acknowledged as debt	-	5,316,696,000
		171,839,398,506	162,454,689,850

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
21.1 Letters of Guarantee		
Directors	-	-
Government	146,138,340	205,842,267
Banks and other financial institutions	432,143,585	414,055,338
Foreign Banks against government counter guarantee	281,417,826	337,522,332
Others	6,171,154,286	6,692,227,848
	7,030,854,037	7,649,647,785
21.1(a) Consolidated Letters of Guarantee		
Agrani Bank Limited	7,030,854,037	7,649,647,785
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	-	-
	7,030,854,037	7,649,647,785
21.2 Letters of Credit		
Government	51,062,830,025	48,408,984,798
Others	57,943,503,422	48,204,367,148
	109,006,333,447	96,613,351,946
21.2(a) Consolidated Letters of Credit		
Agrani Bank Limited	109,006,333,447	96,613,351,946
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	-	-
	109,006,333,447	96,613,351,946
21.3 Bills for collection		
Payable in Bangladesh	406,497,773	384,025,659
Payable outside Bangladesh	48,542,348,868	48,001,163,179
	48,948,846,641	48,385,188,838
21.3(a) Consolidated Bills for collection		
Agrani Bank Limited	48,948,846,641	48,385,188,838
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	-	-
	48,948,846,641	48,385,188,838

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
21.4 Other Contingent Liabilities		
Inland Travelers Cheque	36,391,000	41,437,000
Upahar Cheque	1,246,950	2,352,850
Shanchay Patra	6,812,026,431	4,441,915,431
Agrani Bank Shilpa Unnayan Bond	3,700,000	4,100,000
	6,853,364,381	4,489,805,281

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	6,853,364,381	4,489,805,281
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	-	-
	6,853,364,381	4,489,805,281

21.5 Geographical Location - wise Contingent Liabilities

Dhaka Region	149,089,926,420	136,427,723,700
Chittagong Region	5,420,565,661	6,860,963,794
Khulna Region	3,154,390,676	1,150,477,554
Rajshahi Region	1,403,860,433	1,750,553,800
Barisal Region	105,815,191	126,015,594
Sylhet Region	2,314,290,271	4,234,653,334
Rangpur Region	9,736,940,443	11,499,436,480
Mymensingh Region	69,413,021	80,791,467
Comilla Region	446,906,850	258,557,837
Faridpur Region	97,289,540	65,516,290
	171,839,398,506	162,454,689,850

22 Consolidated Contingent Liabilities

Agrani Bank Limited	171,839,398,506	162,454,689,850
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	-	-
	171,839,398,506	162,454,689,850

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
23 Interest Income		
a. Interest on Loans and Advances:		
Interest on Rural Credit	1,345,751,473	1,272,838,255
Interest on Weavers Credit	334,099	185,983
Interest on Industrial Credit	5,226,296,045	5,093,404,001
Interest on Jute Advance	718,422,270	699,431,232
Interest on Leather Credit	561,645,635	346,054,633
Interest on Staff Loans	1,631,004,710	1,528,390,993
Interest on Loan-Others	6,254,995,549	5,607,342,414
Interest on Small and Micro Credit	5,870,992,176	5,120,436,808
Interest on Overdrafts	765,390,945	383,588,276
Interest on Cash Credit	3,099,306,803	2,193,159,148
Interest on Packing Credit	166,806,260	165,017,047
Interest on Loan against Import Merchandise	9,029,031	15,846,748
Interest on Payment Against Document	313,754,977	116,964,263
Interest on Foreign Bills Purchased	80,389,482	49,287,258
Interest on Inland Bills Purchased	7,704,308	8,192,967
Sub-total	26,051,823,763	22,600,140,026
b. Interest on Balance with other Banks and Financial Institution		
Interest on call loans to Banks	138,125,345	382,688,689
Interest received from local banks	8,402,093,247	9,332,313,387
Interest received from foreign banks	455,096	58,700
Sub-total	8,540,673,688	9,715,060,776
c. Income From Write off Loan	-	-
Total (a+b+c)	34,592,497,451	32,315,200,802
23.1 Geographical Location wise Interest income		
Dhaka Region	24,442,007,819	22,682,545,812
Chittagong Region	1,250,717,725	1,279,545,733
Khulna Region	2,317,641,243	2,015,465,622
Rajshahi Region	1,718,563,004	1,658,469,477
Barisal Region	608,814,343	566,396,158
Sylhet Region	421,338,129	434,033,925
Rangpur Region	1,177,373,135	1,121,656,602
Mymensingh Region	1,369,203,926	1,323,628,366
Comilla Region	689,785,368	630,641,008
Faridpur Region	597,052,759	602,818,099
	34,592,497,451	32,315,200,802
23(a) Consolidated Interest Income		
Agrani Bank Limited	34,592,497,451	32,315,200,802
Agrani Equity & Investment Limited	994,899	3,690,809
Agrani SME Financing Company Limited	266,441,369	210,228,960
Agrani Exchange House Private Limited, Singapore	-	92,347
Agrani Remittance House SDN. BHD., Malaysia	2,243,110	2,057,010
Agrani Remittance House Canada Inc.	424,145	311,367
Agrani Exchange Company (Australia) Pty. Limited	-	-
	34,862,600,974	32,531,581,295
Less: Inter-company transaction(s)	(256,962,851)	(195,144,436)
	34,605,638,123	32,336,436,859

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
24 Interest paid on deposits & borrowings		
a. Interest paid on Deposits		
Savings Deposits	4,345,053,292	3,729,369,644
Special Time Deposits	3,856,792,260	3,623,316,091
Fixed Deposits	15,662,548,430	12,235,153,528
Deposit Pension Scheme	1,176,742	1,520,579
Interest on staff provident fund	427,320,137	375,183,038
Interest paid on NFCD	4,976,836	4,315,719
Interest paid on ABPS	11,765,473	12,950,018
Interest on month-wise fixed deposits	(193,846)	22,867
Interest on ABS	1,921,636,228	1,832,898,544
Interest on MDS	1,089,918	484,419
Interest on MIS	2,251,998	111,428,727
Interest on ADBS	340,437,361	489,474,418
Interest on Quarter Income Scheme	608,299	735,450
Interest on Double Income Scheme	209,672	211,427
Interest on Millionaire Income Scheme	5,007,928	2,541,391
Interest on Lakhpoti Income Scheme	921,140	596,271
Interest on Probashi Income Scheme	66,116	50,931
Interest on Deposit Scheme for women	105,625	86,776
Interest on AGB Senior Citizen Scheme	9,000	8,088
Interest on AGB Sanchay Pension Scheme	1,015,346	248,399
Interest on AGB Wage Earner Deposit Scheme	435,858	19,924
Interest on Agrani Education Scheme	465	-
Interest on Agrani Super Saving Scheme	2,425,335	-
Sub Total	26,585,659,613	22,420,616,249
b. Interest paid to Banks		
Foreign Banks	346,774,739	257,482,113
Bangladesh Bank	32,566,915	151,977,000
Sonali Bank	300	-
Other Banks	1,955,292	3,897,775
Sub Total	381,297,246	413,356,888
c. Interest paid on Borrowings		
Call Borrowings	88,161,805	3,195,139
Agrani Bank Shilpa Unnayan Bond	-	82,926
Discount on T.T sold	3,043,803	4,409,015
Bangladesh Bank (Repo)	453,614,068	6,082,232
Other Banks	112,091,564	-
Agrani Bank Limited Subordinated Bond	592,247,945	501,883,256
Other Borrowings	40,155,261	44,406,616
Sub Total	1,289,314,446	560,059,184
Total (a+b+c)	28,256,271,305	23,394,032,321

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
24.1 Geographical Location wise Interest Paid		
Dhaka Region	15,883,926,979	13,311,867,553
Chittagong Region	3,832,267,916	2,692,234,058
Khulna Region	1,362,000,055	1,176,496,446
Rajshahi Region	1,513,021,399	943,261,375
Barisal Region	545,224,226	526,944,834
Sylhet Region	914,789,736	872,896,713
Rangpur Region	606,710,451	564,868,554
Mymensingh Region	1,157,860,330	1,187,511,646
Comilla Region	1,841,958,422	1,568,162,639
Faridpur Region	598,511,791	549,788,503
	28,256,271,305	23,394,032,321
24(a) Consolidated Interest paid on deposits & borrowings		
Agrani Bank Limited	28,256,271,305	23,394,032,321
Agrani Equity & Investment Limited	225,026,510	176,122,460
Agrani SME Financing Company Limited	29,764,182	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	-	-
	28,511,061,997	23,581,740,110
Less: Inter-company transaction(s)	(256,962,851)	(195,144,436)
	28,254,099,146	23,386,595,674
25 Investment income		
Dividend on Shares	500,456,072	957,731,611
Discount on 2, 5, 10,15 & 20 years Govt. Bond	2,578,446	-
Interest on 2,5,10,15 & 20 years govt. treasury bond	5,650,260,611	4,329,975,784
Interest on 25 years govt. jute bond	381,710	2,377,791
Discount on Bangladesh bills & treasury bills	277,971,579	1,625,761,942
Govt. Treasury Bond (BPC)	1,254,970,508	1,279,305,120
Govt. Treasury Bond (BJMC)	254,241,534	254,940,000
BRAC Bank Subordinated Bond	-	5,402,365
United Commercial Bank Subordinated Bond	18,027,329	28,376,487
One Bank Subordinated Bond	23,769,863	35,632,678
AB Bank Subordinated Bond	29,142,464	40,191,743
South East Bank Subordinated Bond	33,553,314	44,356,794
Floating Rate Dated Subordinated Bond of EBL	15,106,302	18,806,135
Floating Rate Dated Subordinated Bond of Bank Asia	15,009,514	18,806,135
Floating Rate Dated Subordinated Bond of Prime Bank	15,009,514	18,806,135
Floating Rate Dated Subordinated Bond of EXIM Bank	32,117,808	36,881,510
United Commercial Bank Subordinated Bond II	15,916,165	17,395,331
Al-Arafa Islami Bank Subordinated Bond	23,422,191	29,666,904
AB Bank Subordinated Bond II	39,123,287	49,702,513
Standard Bank Subordinated Bond	20,113,973	26,396,485
Floating Rate Dated Subordinated Bond of Dhaka Bank	46,685,616	51,654,158
IFIC Bank Coupon Bearing Subordinate Bond	49,626,301	38,143,775
South East Bank Subordinated Bond II	44,852,054	41,981,282
Mutual Trust Bank Limited Subordinated Bond-II	29,324,302	25,401,534
Bank Asia Limited Subordinated Bond	25,283,424	25,618,484

Notes to the Financial Statements

	(Amount in BDT)	
	31-Dec-19	31-Dec-18
Exim Bank Limited Subordinated Mudaraba Bond	49,232,877	45,222,523
DBBL Subordinated Bond	50,665,205	48,881,228
City Bank 2nd Subordinated Bond	18,396,302	17,710,324
Premier Bank Subordinated Bond	20,000,000	19,712,385
Standard Bank Subordinated Bond II	47,321,917	41,901,047
Islami Bank Mudaraba Subordinated Bond	87,050,684	84,998,986
Pubali Bank Ltd. Floating Rate Subordinated Bond	98,770,959	96,039,717
National Bank 2nd Subordinated Bond	22,998,699	21,240,065
FSIBL Subordinated Bond	24,121,233	23,822,843
UCBL Subordinated Bond III	29,299,315	28,331,882
NCC Bank Non-Convertible Subordinated Bond	47,559,931	29,951,231
Rupali Bank Subordinated Bond	173,621,918	104,231,851
Jamuna Bank Subordinated Bond	47,550,000	20,859,351
Mercantile Bank Subordinated Bond	102,091,781	40,846,151
Southeast Bank Subordinated Bond III	143,279,998	53,907,104
Dhaka Bank Floating Rate Dated Subordinated Bond II	149,797,810	53,907,104
Prime Bank Subordinated Bond II	191,039,999	71,876,137
The Pakma Bank (Former The Farmers Bank) Subordinated Bond	105,484,921	28,739,547
Al Arafah Islami Bank Mudaraba Subordinated Bond-II	89,629,316	14,601,543
Investment Corporation of Bangladesh Subordinated Bond	630,000,000	96,198,412
City Bank Limited 3rd Subordinated Bond	88,212,329	5,671,562
Trust Bank Ltd. Floating Rate Dated Subordinated Bond	194,264,165	5,671,561
Shahjalal Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond	225,445,205	7,089,452
Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond	255,401,095	5,235,288
UCB 4th Floating Rate Dated Subordinated Bond	230,784,932	3,272,055
DBBL Floating Rate Dated Subordinated Bond-II	178,678,356	2,181,370
SIBL Floating Rate Dated Subordinated Bond	244,657,534	2,726,712
Best Holding Ltd. Bond	125,000,000	25,684,932
FSIBL 3rd Mudaraba Subordinated Bond	19,623,286	-
Ashuganj Power Station Company Ltd.	57,287,670	-
EBL 2nd Floating Rate Non-convertible Subordinated Bond	80,542,808	-
BEXIMCO Communications Limited Corporate Bond-2019	113,424,657	-
Rangpur Metal Industries Ltd. Fixed Rate Zero Coupon Bond	16,986,102	-
IPDC Finance Ltd.Tier II Subordinated Bond	12,024,658	-
EBL 3rd Floating Rate Non-convertible Subordinated Bond	10,218,082	-
Bank Asia Ltd Floating Rate Dated Subordinated Bond-III	25,993,151	-
EXIM Bank Ltd. Floating Rate Dated Subordinated Bond-II	24,523,973	-
Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond-III	10,849,315	-
The Premier Bank Ltd. Subordinated Bond-2019	1,232,877	-
Pubali Bank Floating Rate Dated Non-convertible Sub. Bond	7,397,260	-
Interest on Commercial Paper	54,420,201	43,367,580
Interest on Reverse REPO	35,712,538	167,121,190
Interest on Syndicative Term Loan	81,800,000	-
Profit on Sale of Shares	50,040,162	197,230,028
Profit on Sale of Securities	1,473,846,284	1,677,360,985
Excess income shown in previous year	-	(58,332,089)
	14,163,223,386	12,030,572,753

The above investment incomes were earned from Dhaka region only.

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
25(a) Consolidated Investment Income		
Agrani Bank Limited	14,163,223,386	12,030,572,753
Agrani Equity & Investment Limited	323,890,625	268,086,461
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	-	-
	14,487,114,011	12,298,659,214
26 Commission, exchange earnings & brokerage		
Commission on bills (Foreign & Inland)	67,870,045	59,855,028
Commission DD, TT & MT (Local)	99,708,443	129,301,945
Commission on DD, TT, TC (Foreign)	56,576,937	42,578,689
Commission on Letters of Guarantee (Local)	70,125,011	68,685,201
Commission on Letters of Guarantee (Foreign)	15,090,808	11,404,319
Commission on Letter of Credit	2,670,228,885	890,479,251
Commission on Export bill	127,581,353	94,195,439
Commission on LIM	1,038,636	1,057,988
Commission on Underwriting	12,666,850	5,822,495
Participation fee on F.C. Loan	4,891	-
Commission on Army Pension Paid	19,891,251	50,372,515
Commission on Food procurement Bills	197,049,155	219,823,535
Commission on Miscellaneous	267,657,204	242,039,854
CIB Service Charge	23,700,000	22,500,000
Commission on Sanchay patra	23,245,110	45,505,669
Consortium/Syndication Fee	23,864,572	31,648,705
Loan processing fee	65,620,848	58,859,306
Fees & Commission For Debit Card	2,290,201	2,546,840
Foreign Correspondence charges	1,689,666	7,694,702
Exchange Earning on Foreign Currency	(214,188,564)	548,329,493
Discount on Bills	-	4,188
	3,531,711,302	2,532,705,162
26.1 Geographical Location - wise Commission, Exchange and brokerage		
Dhaka Region	2,804,723,092	1,819,308,344
Chittagong Region	110,339,833	106,630,389
Khulna Region	148,522,350	147,451,165
Rajshahi Region	124,543,504	118,983,806
Barisal Region	28,372,225	33,513,050
Sylhet Region	43,949,204	39,043,479
Rangpur Region	108,205,985	137,041,087
Mymensingh Region	77,247,999	64,118,206
Comilla Region	67,862,658	46,945,494
Faridpur Region	17,944,452	19,670,142
	3,531,711,302	2,532,705,162

Notes to the Financial Statements

		(Amount in BDT)	
		31-Dec-19	31-Dec-18
26(a)	Consolidated Commission, Exchange and Brokerage		
	Agrani Bank Limited	3,531,711,302	2,532,705,162
	Agrani Equity & Investment Limited	2,521,985	6,315,372
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	87,632,985	51,957,869
	Agrani Remittance House SDN. BHD., Malaysia	32,682,369	32,745,011
	Agrani Remittance House Canada Inc.	2,220,847	2,394,185
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		3,656,769,488	2,626,117,599
	Less: Inter-company transaction(s)	-	-
		3,656,769,488	2,626,117,599
27	Other operating income		
	Rent on Immovable Properties & Godown	819,523	616,229
	Rent on SD Lockers	12,699,331	11,962,854
	Profit on sale of Assets	779,690	2,442,458
	Postage Recoveries	51,429,470	46,121,426
	Telegram Recoveries	626,453	665,383
	Trunk-call Recoveries	119,810	150,593
	Account Maintenance Fee	814,478,991	817,157,311
	Remittance	8,832,801	5,974,283
	Service charge on rural credit	3,249	9,798
	Service charge on Weavers/ Hosiery credit	1,350	1,125
	Service charge on Industrial credit	25,378	6,686
	Service charge on other credit	361,029,378	220,517,070
	Sales proceeds on loan application form	2,176,116	1,996,108
	Annual Charges on Deposit account	40,721	69,570
	Annual Charges on Loan account	-	23,582
	Service Charges on FSS (Female Student Scholarship)	28,936,542	28,114,949
	Sale of LC/Export/Schedule form and tender Schedule	12,549,064	13,786,510
	Telephone, Telex & Swift charges	52,482,271	40,089,141
	Account Closing Charge	161,553,012	96,026,353
	Rebate received from Foreign bank	22,212,137	20,144,121
	Proceeds realization certificate charges	7,233,374	5,242,086
	Remuneration received from Sanchaya Patra	1,952,624	1,513,900
	Service Charges on Civil Pension paid	2,571,881	2,488,729
	Electronic Govt. Procure (e-GP)	1,502,850	1,579,915
	Service Charges on Deposit account	37,001,733	29,204,864
		1,581,057,749	1,345,905,044
27(a)	Consolidated Other Operating Income		
	Agrani Bank Limited	1,581,057,749	1,345,905,044
	Agrani Equity & Investment Limited	710,672	332,446
	Agrani SME Financing Company Limited	5,044,136	4,644,828
	Agrani Exchange House Private Limited, Singapore	1,700,672	18,082,704
	Agrani Remittance House SDN. BHD., Malaysia	16,251,634	3,982,044
	Agrani Remittance House Canada Inc.	874,351	1,170,975
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		1,605,639,214	1,374,118,041
	Less: Inter-company transaction(s)	-	-
		1,605,639,214	1,374,118,041

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
28 Salary and allowance etc.		
Salaries- officers	4,247,617,032	4,184,798,433
Salaries- staff	390,967,738	417,358,305
Dearness allowance (Officers & Staff)	64,703	91,076
Fringe Benefit (Officer & Staff)	76,428,573	56,336,365
Bonus (officers & Staff)	715,657,926	712,901,949
Banks contribution to provident fund	195,024,413	154,357,110
Banks contribution to employees pension fund	1,505,437,197	1,639,845,610
Banks contribution to gratuity fund	429,250,667	379,551,667
Conveyance allowances	3,965,050	4,395,593
Entertainment allowances	1,961,896	1,321,322
Children education allowances	52,270,535	53,722,017
Hill Allowances	3,122,070	3,271,188
Honorarium & Fees	61,484,250	53,861,210
Medical Expenses	1,470,522	2,254,990
Medical Expenses (Consultation Fees)	1,422,600	1,621,325
Medical allowances	218,510,705	225,597,871
Uniform and other apparels	9,404,525	12,298,583
Overtime expenses	16,210,377	17,048,458
Staff Income Tax	-	(20,127,570)
Compensatory Allowances	863,069	147,776
Lunch subsidy/Iftar Coupon	541,280,978	566,713,017
Leave Encashment	2,051,200	1,970,929
Sports and cultural activities	25,283,001	38,785,524
House rent allowances (officers)	1,697,210,564	1,682,298,930
House rent allowances (staff)	176,193,304	191,667,135
Wages paid to temporary employees	206,211,170	199,955,409
Staff transport fare	34,480,355	34,807,059
Police & Ansar Expenses	474,686,793	418,130,211
Ex-Gratia	1,250,086	211,203
Evening, Night & Charge Allowance	10,544,767	11,859,260
Salary and allowance of Head of ICC	7,752,492	7,817,912
Bangla Nobobarso Allowance	68,186,154	68,018,267
	11,176,264,712	11,122,888,134
28(a) Consolidated Salary and Allowance etc.		
Agrani Bank Limited	11,176,264,712	11,122,888,134
Agrani Equity & Investment Limited	13,365,827	12,953,822
Agrani SME Financing Company Limited	89,639,482	90,142,588
Agrani Exchange House Private Limited, Singapore	24,855,535	25,179,194
Agrani Remittance House SDN. BHD., Malaysia	14,634,491	19,390,481
Agrani Remittance House Canada Inc.	2,310,825	1,939,061
Agrani Exchange Company (Australia) Pty. Limited	-	-
	11,321,070,872	11,272,493,280
29 Rent, taxes, insurance, lighting etc.		
Rent on Premises	676,074,026	618,522,524
Rent on Godown	4,950,674	4,628,986
Lighting Charges	116,614,831	112,247,899
Insurance Charges on Cash	-	1,201,673
Insurance Charges on vehicles	3,657,683	2,857,352
Insurance Charges on property	1,913,686	1,310,597
Rates, Taxes, Ceases	56,380,636	53,079,517
Taxes on Immovable Property	244,288	325,463
Insurance Charges on Deposits	373,263,516	322,145,883
	1,233,099,340	1,116,319,894

Notes to the Financial Statements

		(Amount in BDT)	
		31-Dec-19	31-Dec-18
29(a)	Consolidated rent, taxes, insurance, lighting etc.		
	Agrani Bank Limited	1,233,099,340	1,116,319,894
	Agrani Equity & Investment Limited	3,627,981	3,542,622
	Agrani SME Financing Company Limited	5,746,048	5,681,583
	Agrani Exchange House Private Limited, Singapore	21,010,195	22,416,271
	Agrani Remittance House SDN. BHD., Malaysia	10,851,831	11,056,515
	Agrani Remittance House Canada Inc.	456,547	392,238
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		1,274,791,942	1,159,409,123
30	Legal expenses		
	Court fees	825,482	1,414,093
	Lawyer's fees	8,238,055	9,078,945
	Other legal expenses	20,454,927	19,357,250
		29,518,464	29,850,288
30(a)	Consolidated Legal Expenses		
	Agrani Bank Limited	29,518,464	29,850,288
	Agrani Equity & Investment Limited	20,000	345,307
	Agrani SME Financing Company Limited	153,282	42,250
	Agrani Exchange House Private Limited, Singapore	538,619	805,366
	Agrani Remittance House SDN. BHD., Malaysia	135,781	134,409
	Agrani Remittance House Canada Inc.	616,465	728,671
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		30,982,611	31,906,291
31	Postage, stamp, telegram & telephone		
	Postages	42,405,383	39,893,283
	Telegram Charges	82,306	106,758
	Telex & Teleprinter charges	399,172,498	203,633,270
	Stamps	-	6,289
	Telephone Charges (Office)	13,438,441	13,994,371
	Telephone Charges (Residence)	2,828,039	2,464,430
	Trunk-call charges	10,045	6,307
		457,936,712	260,104,708
31(a)	Consolidated postage, stamp, telegram & telephone		
	Agrani Bank Limited	457,936,712	260,104,708
	Agrani Equity & Investment Limited	49,724	53,533
	Agrani SME Financing Company Limited	444,543	394,485
	Agrani Exchange House Private Limited, Singapore	1,887,993	1,762,718
	Agrani Remittance House SDN. BHD., Malaysia	971,139	844,995
	Agrani Remittance House Canada Inc.	101,328	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		461,391,439	263,160,439
32	Stationery, printing, advertisement		
	Printing Stationery	97,269,211	88,172,491
	Paper & Table Stationery	33,415,016	30,766,138
	Advertisement publicity charge (Tender)	1,978,818	1,981,601
	Advertisement publicity charge (Development)	20,560,567	21,939,172
	Security Stationery	42,302,754	39,485,958
		195,526,366	182,345,360

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
32(a) Consolidated Stationery, printing, advertisement		
Agrani Bank Limited	195,526,366	182,345,360
Agrani Equity & Investment Limited	186,729	209,628
Agrani SME Financing Company Limited	1,311,618	1,526,252
Agrani Exchange House Private Limited, Singapore	1,671,242	860,209
Agrani Remittance House SDN. BHD., Malaysia	425,563	423,704
Agrani Remittance House Canada Inc.	106,528	207,280
Agrani Exchange Company (Australia) Pty. Limited	-	-
	199,228,046	185,572,433
33 Chief executive's salary and allowances		
Basic Salary	3,291,128	3,300,000
House Rent Allowance	897,580	900,000
Festival Bonus	550,000	550,000
Incentive Bonus	893,750	962,500
Medical Allowance	119,677	120,000
Utility Allowance	299,193	300,000
House Maintenance Allowance	179,516	180,000
	6,230,844	6,312,500
33(a) Consolidated Chief executive's salary and allowances		
Agrani Bank Limited	6,230,844	6,312,500
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	1,960,000	1,800,000
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	8,190,844	8,112,500
34 Fees & allowances of Directors		
Fees for attending board meetings	2,808,800	4,222,800
Fees for attending executive committee meetings	96,800	184,000
Fees for attending audit committee meetings	291,200	625,600
Fees for attending risk management committee meetings	198,400	239,200
Fees for shariah supervisory committee meetings	182,000	138,000
Allowances	1,142,110	1,098,039
	4,719,310	6,507,639
Note: Fee of the Chairman and directors is BDT 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.		
34(a) Consolidated Fees & allowances of Directors		
Agrani Bank Limited	4,719,310	6,507,639
Agrani Equity & Investment Limited	668,000	631,200
Agrani SME Financing Company Limited	336,000	572,000
Agrani Exchange House Private Limited, Singapore	186,266	92,225
Agrani Remittance House SDN. BHD., Malaysia	4,413,733	4,271,662
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	10,323,309	12,074,726

Notes to the Financial Statements

		(Amount in BDT)	
		31-Dec-19	31-Dec-18
35	Auditors' Fees		
	Audit Fee (Statutory Audit)	4,000,000	4,000,000
	Audit Fee (Others)	44,000	40,000
		4,044,000	4,040,000
35(a)	Consolidated Auditors' Fees		
	Agrani Bank Limited	4,044,000	4,040,000
	Agrani Equity & Investment Limited	70,150	92,000
	Agrani SME Financing Company Limited	196,766	184,000
	Agrani Exchange House Private Limited, Singapore	198,684	307,415
	Agrani Remittance House SDN. BHD., Malaysia	1,077,755	405,458
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		5,587,355	5,028,873
36	Depreciation & repairs of bank's assets		
	a. Depreciation of Banks Assets (Annexure-G):		
	Buildings	22,543,029	154,625,017
	Furniture & fixtures	65,187,417	65,917,371
	Motor Vehicles	46,410,621	31,869,327
	Office Equipment	41,938,641	44,883,664
	Computers	257,419,231	264,880,182
	Electric material	57,841,053	66,814,592
	Library Books & Others	276,916	227,036
	Sub total	491,616,908	629,217,189
	b. Amortization of Intangible Assets		
	Amortization of Software Purchase	122,519,489	122,873,749
	Sub total	122,519,489	122,873,749
	c. Repairs & Maintenance of Banks Assets:		
	Bank Buildings	22,431,633	14,876,359
	Furniture & fixtures	3,965,366	4,362,734
	Motor Vehicles	212,640,386	213,799,805
	Office Equipment	8,450,231	7,563,652
	Computers	426,525,195	453,054,955
	Electric Equipment & Lighting Materials	22,903,142	21,979,818
	Renovation & Maintenance of Branch Premises	8,620,182	7,587,448
	Sub total	705,536,135	723,224,771
	Total (a+b+c)	1,319,672,532	1,475,315,709
36(a)	Consolidated Depreciation & repairs of bank's assets		
	Agrani Bank Limited	1,319,672,532	1,475,315,709
	Agrani Equity & Investment Limited	2,091,966	2,063,654
	Agrani SME Financing Company Limited	3,878,085	4,506,892
	Agrani Exchange House Private Limited, Singapore	2,281,015	2,991,271
	Agrani Remittance House SDN. BHD., Malaysia	2,991,583	2,770,251
	Agrani Remittance House Canada Inc.	-	23,407
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		1,330,915,181	1,487,671,184

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
37 Other expenses		
Conveyance/Transportation Charges	27,704,056	28,061,502
Petroleum, Oil and Lubricants for vehicles	20,996,363	26,436,247
Petroleum, Oil and Lubricants for generator	59,833,765	61,763,987
Entertainment Charges	37,342,836	36,136,417
Entertainment (Excluding ceiling)	29,435,465	23,333,839
Traveling Expenses	67,554,390	77,402,887
Remittance (Through Bank Exchanges)	4,116,730	3,877,527
Remittance (Cash)	71,770,247	72,432,941
Registration Charges	813,134	980,826
Mortgages Fee of Land/Home of staff house building loan	3,925,200	4,273,382
Bankers Clearing House charges	413,650	382,567
Loss on Sale of Assets (Furniture)	-	48,872
Loss on Sale of Share & Securities	8,032,113	118,635,631
Loss on Amortization of Securities	54,880,431	36,302,441
Loss on Sale of Properties	-	776,242
Newspapers & Periodicals	10,160,083	10,048,366
Upkeep of office premises	59,297,901	61,062,044
Business Development Expenses	52,567,558	49,677,640
Training Expenses	13,045,371	33,669,280
Washing Charges	2,026,153	2,128,999
Closing expenditure	24,301,150	25,792,600
Subscription	5,579,135	4,991,730
Donation	48,020	12,600
Funeral expenses	3,525,000	2,400,000
Fees and commission	1,873,407	2,020,213
Fees and commission on bond issue	4,485,000	5,028,000
Exchange a/c Charge paid to Foreign Bank	56,577,361	76,791,993
Loss on Revaluation of Security	1,564,500,684	1,540,459,965
	2,184,805,203	2,304,928,738
37(a) Consolidated Other Expenses		
Agrani Bank Limited	2,184,805,203	2,304,928,738
Agrani Equity & Investment Limited	1,730,320	1,879,417
Agrani SME Financing Company Limited	8,909,844	9,266,776
Agrani Exchange House Private Limited, Singapore	23,444,445	15,626,765
Agrani Remittance House SDN. BHD., Malaysia	9,023,765	5,784,771
Agrani Remittance House Canada Inc.	564,850	773,507
Agrani Exchange Company (Australia) Pty. Limited	-	-
	2,228,478,427	2,338,259,974
Less: Inter-company Transaction(s)	-	-
	2,228,478,427	2,338,259,974
38 Provision for loans & advances		
Provision for Bad & Doubtful Loans & Advances	(3,656,998,948)	2,024,729,629
Unclassified loans & advances	5,048,226,134	(808,754,719)
Special Mention Account	3,187,146,787	95,975,704
3% General reserve for consumer financing (Note -12.9)	-	(24,758,383)
Net Charge to Profit & Loss A/C	4,578,373,973	1,287,192,231

Notes to the Financial Statements

		(Amount in BDT)	
		31-Dec-19	31-Dec-18
38(a)	Consolidated provision for loans & advances		
	Agrani Bank Limited	4,578,373,973	1,287,192,231
	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	-	-
		4,578,373,973	1,287,192,231
39	Provision for diminution in the value of Investments (Note - 12.11)	(1,154,297,531)	-
39.1	Other provision		
	Employee Benevolent Fund	-	30,000,000
	Super Annuation Fund	1,850,000,000	1,500,000,000
	Provision for off balance sheet exposures (Note - 12.10)	(77,281,093)	-
	Provision for employees benefits (Note - 12.13)	1,150,000,000	1,060,000,000
	Death Relief Grant Scheme	70,000,000	70,000,000
	Balance with Other Banks & Financial Institutions	-	600,000,000
	Money at Call and Short Notice	280,000,000	-
	Risk Fund	-	20,000,000
	Provision for Other Assets:		
	Protested Bills (Note - 12.12.a)	(2)	3,829,489
	Sundry Debtors Staff & Others	(279,429,177)	247,334,979
	Clearing Adjustment	(678,239)	-
	Pension Paid (Army)	(364,313,555)	-
	Pension Paid (Civil)	(13,792,383)	-
	Pension Paid (Staff)	5,347,618	-
	Exempted Loans & Interest on Exempted Loans	(996,328)	-
	Branch Adjustment	(866,070,559)	-
	Legal Charges	59,220	4,486
	Accrued Income	4,517,907	-
	Stationary & Stamp	7,538,977	-
	Advance Deposit & Pre-payment	(17,266,617)	-
	Foreign Correspondent Draft Paid	(214,784)	-
	Premium paid XPB	15,000	-
	Defective/Mutilated/Burnt Notes	1,139,595	-
	Wage Earner Bond	(25,490,966)	-
	DD paid W/A	(11,687,268)	-
	Loan Application Form	76,319	239,520
	Receivable from Agrani SME Financing Company	(48,350,873)	-
	Sub Total	(1,609,596,115)	251,408,474
	Net Charge to Profit & Loss A/C	1,663,122,792	3,531,408,474
39(a).1	Consolidated Provision for diminution in the value of Investments		
	Agrani Bank Limited	(1,154,297,531)	-
	Agrani Equity & Investment Limited	3,025,426,314	-
	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	-	-
		1,871,128,783	-

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
39(a).2 Consolidated Other Provision		
Agrani Bank Limited	1,663,122,792	3,531,408,474
Agrani Equity & Investment Limited	-	10,000,000
Agrani SME Financing Company Limited	10,600,000	12,000,000
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,673,722,792	3,553,408,474
40 Consolidated Current Tax Expense		
Agrani Bank Limited	2,100,000,000	3,260,640,205
Agrani Equity & Investment Limited	49,693,269	41,038,789
Agrani SME Financing Company Limited	45,522,939	32,634,854
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	2,195,216,208	3,334,313,848
41 Consolidated Deferred Tax Expense		
Agrani Bank Limited	741,709,536	(793,049,225)
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	(148,426)	(808,595)
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	741,561,110	(793,857,820)
42 Interest Receipts in Cash		
Loans & Advances	25,861,102,036	22,509,316,852
Balance with Other Banks & Financial Institutions	9,664,349,517	8,441,410,533
	35,525,451,553	30,950,727,385
42(a) Consolidated Interest Receipts in Cash		
Agrani Bank Limited	35,525,451,553	30,950,727,385
Agrani Equity & Investment Limited	994,899	3,690,809
Agrani SME Financing Company Limited	266,441,369	210,228,960
Agrani Exchange House Private Limited, Singapore	-	92,347
Agrani Remittance House SDN. BHD., Malaysia	2,243,110	2,057,010
Agrani Remittance House Canada Inc.	424,145	311,367
Agrani Exchange Company (Australia) Pty. Limited	-	-
	35,795,555,076	31,167,107,878
Less: Inter-company (Transactions)	(256,962,851)	(195,144,436)
	35,538,592,225	30,971,963,442

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
43 Interest Payments in Cash		
Agrani Bank Monthly Deposit Scheme(ABMDS)	19,045,564	151,235,551
Agrani Bank Pension Scheme (ABPS)	13,139,366	17,459,040
Agrani Bank Special Deposit Scheme (ABS)	1,859,564,365	1,858,297,202
Deposit Pension Scheme (DPS)	1,995,614	2,466,221
Fixed Deposit Receipts	15,313,493,225	11,348,587,930
Interest on ABDBS	812,879,610	369,626,482
Interest on ABMIS	2,630,199	111,524,435
Savings Deposit	4,344,850,421	3,729,279,810
Special Notice Deposit	3,855,986,472	3,622,940,549
Staff Provident Fund	427,320,137	375,183,038
Quarterly Income Scheme	598,374	649,625
Millionaire Deposit Scheme	1,449,103	149,249
Lakhopoti Deposit Scheme	89,867	34,134
Probashi Income Scheme	30,321	50,406
Bakna Basur	87,922	16,815
Double Benefit Scheme	35,000	319,057
Deposit Scheme	105,593	31,325
Senior Citizen Saving Scheme	5,159	-
Agrani Bank Sanchay Pension Scheme	168,310	-
Agrani Bank Supper Saving Scheme	2,418,491	-
Borrowings	1,288,425,631	88,558,662
Banks & Other Financial Institutions	381,297,246	915,240,144
	28,325,615,990	22,591,649,675
43(a) Consolidated Interest Payments in Cash		
Agrani Bank Limited	28,325,615,990	22,591,649,675
Agrani Equity & Investment Limited	225,026,510	176,122,460
Agrani SME Financing Company Limited	29,764,182	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	-	-
	28,580,406,682	22,779,357,464
Less: Inter-company transaction(s)	(256,962,851)	(195,144,436)
	28,323,443,831	22,584,213,028
44 Cash receipts from other operating activities		
Account Closing Charge	160,848,655	95,507,415
Account Maintenance Fee	812,535,135	814,622,226
Annual Charges on deposit A/C	118,705	27,976
Annual Charges on Loan A/C	-	23,582
Electronic Govt. Procure (e-GP)	1,500,450	1,579,915
Miscellaneous Earnings	2,284,672	-
Postage Recoveries	51,570,963	46,013,171
Proceeds realization certificate charges	7,231,374	5,193,916
Profit on sale of other assets	779,690	2,442,458
Rebate received from Foreign bank	22,212,137	20,144,121
Remittance	8,898,801	5,968,470

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
Remuneration received from Sanchaya Patra	1,751,103	275,588
Rent on Immovable Properties & Godown	819,523	616,229
Rent on SD Lockers	12,596,380	11,610,764
Sale of LC/Export/Schedule form and tender Schedule	12,549,064	13,786,510
Sales proceeds on loan application form	2,176,116	1,996,108
Service charge on Industrial credit	25,378	6,686
Service charge on other credit	360,991,805	215,946,790
Service charge on rural credit	3,249	9,798
Service charge on Weavers/ Hosiery credit	1,350	1,125
Service Charges on Civil Pension paid	2,785,601	2,624,520
Service Charges on Deposit A/C	37,001,733	29,720,874
Service Charges on FSS (Female Student Scholarship)	29,142,527	34,031,369
Telegram Recoveries	637,080	674,676
Telephone, Telex & Swift charges	52,577,391	39,985,342
Trunk-call Recoveries	119,810	152,263
	1,581,158,692	1,342,961,892
44(a) Consolidated Cash receipts from other operating activities		
Agrani Bank Limited	1,581,158,692	1,342,961,892
Agrani Equity & Investment Limited	710,672	332,446
Agrani SME Financing Company Limited	5,044,136	4,644,828
Agrani Exchange House Private Limited, Singapore	1,700,672	18,082,704
Agrani Remittance House SDN. BHD., Malaysia	16,251,634	3,982,044
Agrani Remittance House Canada Inc.	874,351	1,170,975
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,605,740,157	1,371,174,889
45 Cash payment for other operating activities		
Auditors Fee	4,044,000	3,640,000
Directors' fees and allowances	4,719,310	6,507,639
Legal charges	29,569,952	44,072,410
Other expenses	595,107,759	727,523,377
Postage, stamps, telegrams and telephone	456,807,321	260,058,048
Rent, taxes, insurance lighting etc.	1,245,570,352	1,112,911,791
Repairs to fixed assets	707,643,179	722,146,602
	3,043,461,873	2,876,859,866
45(a) Consolidated Cash payment for other operating activities		
Agrani Bank Limited	3,043,461,873	2,876,859,866
Agrani Equity & Investment Limited	8,279,991	8,596,083
Agrani SME Financing Company Limited	19,651,802	20,629,586
Agrani Exchange House Private Limited, Singapore	49,655,948	43,694,616
Agrani Remittance House SDN. BHD., Malaysia	28,793,290	25,242,699
Agrani Remittance House Canada Inc.	1,739,190	1,917,823
Agrani Exchange Company (Australia) Pty. Limited	-	-
	3,151,582,094	2,976,940,673
46 Cash & cash equivalent at the end of the period		
Cash in hand & with Bangladesh Bank & Sonali Bank Ltd.	45,176,713,081	37,115,199,280
Balance with Other Banks	69,347,615,845	125,643,681,585
Money at Call & Short Notice	530,000,000	690,000,000
Prize Bonds	11,615,500	11,873,100
	115,065,944,426	163,460,753,965

Notes to the Financial Statements

(Amount in BDT)

	31-Dec-19	31-Dec-18
47 Consolidated Cash & cash equivalent at the end of the period		
Cash in hand & with Bangladesh Bank & Sonali Bank Ltd.	45,263,115,221	37,149,897,888
Balance with Other Banks	69,638,979,186	125,925,126,736
Money at Call & Short Notice	530,000,000	690,000,000
Prize Bonds	11,615,500	11,873,100
	115,443,709,907	163,776,897,724
48 Consolidated Shareholder's Equity		
Paid up Capital	20,722,940,400	20,722,940,400
Statutory Reserve	9,341,213,926	8,544,161,601
General Reserve	603,286,599	591,791,414
Risk Fund	100,000,000	80,000,000
Asset Revaluation Reserve	10,976,920,226	10,977,175,227
Revaluation & Amortization Reserve in Govt. Securities	1,027,274,722	1,455,903,925
Retained profit/(Loss) from profit and loss account	(3,011,951,864)	(562,330,948)
Foreign Currency Translation Reserve	34,430,737	30,323,593
Minority Interest	2,389	3,291
	39,794,117,135	41,839,968,503
49 Current Ratio		
The Bank had the following current assets and current liabilities as on 31 December 2019 & 2018 as per liquidity statement.		
Current Assets:		
Cash	6,176,088,401	1,219,924,000
Balance with other banks and financial institutions	69,347,615,845	125,643,681,585
Money at call and short notice	530,000,000	690,000,000
Investment	52,334,124,284	46,373,083,512
Loans and advances	228,290,484,883	176,051,597,838
Other Assets	-	-
Total current assets	356,678,313,413	349,978,286,935
Current liabilities:		
Borrowing from other banks, FI and agents	10,866,209,766	14,661,882,764
Deposits	336,524,308,997	321,463,533,538
Provisions and other liabilities	3,478,725,774	3,103,765,389
Total Current liabilities	350,869,244,537	339,229,181,691
Current Assets exceeding Current Liabilities	5,809,068,876	10,749,105,244
Current Ratio:		
Current assets	356,678,313,413	349,978,286,935
Current liabilities	350,869,244,537	339,229,181,691
	1.02	1.03

Notes to the Financial Statements

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

(Figure in million BDT)

Particular	Consolidated				Bank			
	2019		2018		2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets								
Loans and receivable	732,611	735,846	686,231	686,231	730,107	733,342	684,060	670,885
Held to maturity	89,049	88,418	70,704	85,927	89,049	88,418	70,704	85,927
Held for trading	13,575	13,575	12,808	12,808	13,575	13,575	12,808	12,808
Available for sale	6,190	3,585	6,384	4,337	6,190	3,585	6,384	4,337
Non-Financial Assets	15,039	15,039	15,229	15,229	15,011	15,011	15,196	15,196
Total Assets	856,464	856,463	791,356	804,532	853,932	853,931	789,152	789,153
Financial Liabilities								
Financial Liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost	767,773	767,773	704,316	704,316	767,822	767,822	704,438	704,438
Non-Financial Liabilities-provision	48,896	48,896	45,200	45,200	43,678	43,678	43,129	43,129
Total liabilities	816,669	816,669	749,516	749,516	811,500	811,500	747,567	747,567

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	856,463	853,931
Add : Fall in Market price of assets	1	1
Value of assets as per balance sheet	856,464	853,932

Notes to the Financial Statements

	Consolidated		Bank	
	2019	2018	2019	2018

52 Performance Evaluation

Average Cost of Deposits (%)	4.30 %	4.06 %	4.05 %	3.89 %
Average Cost of Borrowing (%)	6.12 %	3.00 %	6.12 %	3.00 %
Average Yield on Loans & Advances (performing loan) (%)	7.23 %	7.72 %	7.18 %	7.67 %
Average Yield on Investments (%)	7.69 %	7.12 %	7.89 %	7.29 %
Average Yield on Call loans to Bank (%)	2.80 %	5.04 %	2.80 %	5.04 %
Average Yield on Balance with other Banks (%)	8.61 %	8.73 %	8.62 %	8.56 %
Net Spread (%)	3.06 %	3.60 %	3.06 %	3.60 %
Net Interest Margin (%)	3.04 %	3.25 %	3.04 %	3.25 %
Contribution of non-interest bearing liabilities (%)	0.02 %	0.35 %	0.02 %	0.35 %

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 March 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 November 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 February 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 31 December 2019.


(MD. MONOWAR HOSSAIN, FCA)
General Manager & CFO


(MOHAMMAD SHAMS-UL ISLAM)
Managing Director & CEO

Dated, Dhaka
30-June-2020