

Agrani Bank Limited

Notes to the Financial Statements

as at and for the year ended December 31, 2017

1. Background Information

11.1 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 People's 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 People's Republic of Bangladesh and 09 (Nine) other shareholders nominated by the Government. The Bank has 943 branches and 05 (five) windows that are working under Islamic Banking Unit complying with the rules of Islamic Shariah.

1.2 Nature of Business

1.2.1 Conventional Banking

The principal activities of the bank 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. There are 05 (Five) Islamic Banking Windows which are located at Motijheel Branch, Gulshan Branch, Agrabad Branch, Laldighipar Branch and Maizdee Court Branch. The Islamic Banking Windows are governed under the rules and guidelines of Bangladesh Bank. The principal activities of the windows are to provide all kinds of Islamic Commercial Banking services to its customers.

1.2.3 Off-shore Banking Unit

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

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.

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

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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.

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.

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 Bangladesh Financial Reporting Standards (BFRSs) 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 Company Act-1991 (amended in 2013) and Banking Regulation & Policy Department (BRPD) circular no-14, dated 25 June 2003 of Bangladesh Bank. In case, the requirements of Bangladesh Bank differ from those of BFRSs, 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
- ii) The Companies Act 1994
- iii) Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv) Bangladesh Securities and Exchange Rules 1987
- v) Bangladesh Securities and Exchange Ordinance 1969
- vi) Bangladesh Securities and Exchange Commission Act 1993
- vii) Income Tax Ordinance 1984
- viii) Income Tax Rules 1984
- ix) Value Added Tax Act 1991
- x) Value Added Tax Rules 1991

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

Notes to the Financial Statements

(a) Investments in shares and securities

BFRS:

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

Bangladesh Bank:

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

(b) Revaluation gain/loss on Government securities

BFRS:

As per requirement of 'BAS 39- Financial Instruments: Recognition & Measurement' where securities fall under the category of Held for Trading (HFT), any change in the fair value of Held for Trading assets is recognized through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortized cost 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

BFRS:

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

Bangladesh Bank:

As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, and BRPD circular no. 05 dated 29 May 201, 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 BAS 39.

(d) Recognition of interest in suspense

BFRS:

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

Bangladesh Bank:

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

Notes to the Financial Statements

(e) Other comprehensive income

BFRS:

As per 'BAS 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 categorise, recognize, measure and present financial instruments differently from those prescribed in 'BAS 39- Financial Instruments: Recognition & Measurement'. As such full disclosures and presentation requirements of 'BFRS 7- Financial Instruments: Disclosures' and 'BAS 32- Financial Instruments: Presentation' have not been made in the financial statements.

(g) Financial guarantees

BFRS:

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

Bangladesh Bank:

As per BRPD 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

BFRS:

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

BFRS:

Cash and cash equivalent items should be reported as cash item as per 'BAS 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

BFRS:

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

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

BFRS:

AS per 'BAS 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)

BFRS:

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

Bangladesh Bank:

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

(m) Presentation of intangible asset

BFRS:

An intangible asset must be identified and recognized, and the disclosure must be given as per 'BAS 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

BFRS:

There is no term in the name of off-balance sheet items in any BFRS; 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

BFRS:

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:

Notes to the Financial Statements

- 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.

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 BFRSs and BRPD circulars requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

2.4 Foreign currency transactions

2.4.1 Functional and presentational currency

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

2.4.2 Foreign currency translation

Foreign currency transactions have been converted into equivalent Taka at the ruling exchange rates on the respective date of such transactions as per BAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign Currency conversion rates for the year 2017 are as follows:

Sl. No.	Particular	SGD	MYR	CAD	AUD
1	Assets & Liabilities	61.8410	20.4500	65.8162	56.6813
2	Income & Expenses	58.0648	19.0048	61.9731	56.8407

Here, SGD, MYR, CAD and AUD indicate Singaporean Dollar, Malaysian Ringgit, Canadian Dollar and Australian Dollar respectively.

2.4.3 Commitment

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

2.4.4 Transaction gains and losses

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

2.4.5 Foreign operations

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

2.5 Basis for Consolidation

The consolidated financial statements include the financial statements of Agrani Bank Limited and its six subsidiaries named Agrani Equity and Investment Limited, Agrani SME Financing Company Limited, Agrani Exchange House Private Limited, Singapore, Agrani Remittance House, BHD, Malaysia, Agrani Exchange Co.(Australia) Pty. Limited, Agrani Remittance House Canada, Inc. made up to the end of the financial year. The Consolidated financial statements have been prepared in accordance with Bangladesh Financial Reporting Standard-10 'Consolidated Financial Statements'. These Consolidated financial statements are prepared to a common financial year ended 31 December 2017.

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%	Majority	Bangladesh
Agrani SME Financing Com. Limited	99.99%	Majority	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 BFRSs.

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 BAS 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.

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.

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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 BAS 27 “Separate Financial Statements” and BFRS 10 “Consolidated Financial Statements”.

2.14 Loans and advances

2.14.1 Presentation of loans and advances

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

2.14.2 Interest on loans and advances

- Interest is calculated on unclassified loans and advances and recognized as income during the year;
- Interest calculated on classified loans and advances as per Bangladesh Bank Circulars is kept in interest suspense account;
- Interest is calculated on daily product basis but debited to the party’s loan account quarterly. No interest is charged on loans and advances which are classified as bad and loss;
- Total balance of loans and advances as on December 31, 2017 includes bad/loss loan Tk. 49,142,220,215 on which the Bank did not accrue any interest because of deterioration of quality of loans and advances determined by the management and on the basis of instructions contained in Bangladesh Bank Circulars as mentioned in **Note-2.14.3** of this financial statement; and
- Interest suspense and penal interest, if any, calculated on classified loans and advances are taken into income in the year of its receipt from the defaulting borrowers.

2.14.3 Provision for loans and advances

Provision for loans and advances is made on the basis of instructions contained 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.

Rate of Provision

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

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.

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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 BAS 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 BAS 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.

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

Notes to the Financial Statements

as an expense in the profit and loss statement unless the asset is carried at revalued amount in accordance with Bangladesh Accounting Standard (BAS) 16, Property, Plant and Equipment in which case 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 BAS-18 'Revenue'.

Notes to the Financial Statements

2.24 Interest paid and expenses

In terms of the provision of the Bangladesh Accounting Standard (BAS-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 Bangladesh Financial Reporting Standards (BFRS).

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

2.28.3 Dividends on Ordinary Shares

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

2.29 Retirement benefit scheme

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

a) Contributory recognized provident fund (CPF) scheme

- i) Employees' contribution 10%;
- ii) Bank's contribution 10%;
- 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 (Superannuation 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 2017, additional provision Taka 1,260,000,000 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 05%-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 @ 42.5% considering major disallowances of expenses and concessional rates on certain incomes (0% on gain on trading of govt. securities, 10% on capital gain of shares & MFs and 20% on dividend income) as per Income Tax Ordinance (ITO) 1984. Tax provision of the Group entities is made on taxable income of subsidiaries at different rates applicable as per the ITO 1984 and the tax authority of the country where it is incorporated.

Tk. 2,682,800,000 has been made for provision for the year 2017 and Tk. 2,322,989,078 in the year 2016 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 and 2012. DCT appeal under process for the year 2013 and 2014. The return has been submitted for the year 2015. The submission of tax return for the year 2016 is in process. Details statuses of Tax assessment are shown **Annexure-F**.

- ii) **Deferred tax:** Deferred tax has been calculated as per Bangladesh Accounting Standard-12 Income Taxes and BRPD Circular No# 11 Dated 12 December 2011. Calculation shows net deferred tax assets of Tk. 10,969,742,516 (Note - 9.6), where expense has been recognized amount of Tk. 238,433,187 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 BAS -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 Bangladesh 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

Notes to the Financial Statements

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:

Sl. No.	Basel Accord	Core Risk Guideline of BB	Pillar
1	Credit Risk	Credit Risk	Pillar - I & Pillar - II
2	Market Risk	Foreign Exchange Risk	
3	Operational Risk	Asset Liability Risk	
4	Residual Credit Risk	Money Laundering Risk	Pillar –II
5	Residual Risk (CRM)	Internal Control & Compliance Risk	
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 BAS 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 April 30, 2018.

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 2016. The following ratings had been awarded:

Notes to the Financial Statements

Basis of Rating	Long Term		Short Term		Outlook
	2016	2015	2016	2015	
Government Support	AAA	AAA	ST-1	AR-1	Stable
Without Government Support	A-	A-	ST-3	AR-3	Stable

2.43 Compliance of Bangladesh Financial Reporting Standards (BFRS)

Name of Bangladesh Accounting Standards (BAS)	BAS 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
Property, Plant and Equipment	16	Applied
Leases	17	N/A
Revenue	18	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	Applied*
Investment Property	40	N/A
Agriculture	41	N/A

Name of Bangladesh Financial Reporting Standards (BFRS)	BFRS No.	Status
First-time Adoption of Bangladesh 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	N/A
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	N/A
Leases	16	N/A

* Subject to departure mentioned earlier in note # 2.1 above

Notes to the Financial Statements

2.44 Audit Committee

Name	Status with Bank	Status with Committee	Address
Mr. M. Ashiqul Hoque Chowdhury	Director	Chairman	Falguni, 13/11/Ka, Shyamoli, Road No. 2, Sher-e-Bangla Nagar Dhaka-1207.
Ms. Mahmuda Begum	Director	Member	Additional Secretary (World Bank) Economic Relations Division, Ministry of Finance, Block-16, Room-4, Sher-e-Bangla Nagar, Dhaka-1207.
Mrs. Sangita Ahmed	Director	Member	Apartment A-1, House # 44, Road # 41, Gulshan-2, Dhaka-1212.
Prof. Dr. Nitai Chandra Nag	Director	Member	Professor, University of Chittagong
Mr. Md. Ansar Ali Khan	Director	Member	Gardenia-7, Eskaton Garden, Dhaka.

The detail of ABL's Audit Committee is given in the chapter "Report of the Board Audit Committee".

2.45 General:

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

2.46 Changes in Accounting Policies

As per BAS 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.

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
3	Cash	38,440,817,584	35,812,986,615
3.1	Cash in Hand:		
	Local Currency	3,752,277,207	3,683,224,189
	Foreign Currencies	36,220,469	170,294,793
		3,788,497,676	3,853,518,982
3.2	Balance with Bangladesh Bank and its agent bank:		
	Bangladesh Bank (Note - 3.2.1)	33,274,111,396	30,687,340,623
	Sonali Bank Limited as agent of Bangladesh Bank (Note - 3.2.2)	1,378,208,512	1,272,127,010
		34,652,319,908	31,959,467,633
	Total (Note 3.1+3.2)	38,440,817,584	35,812,986,615
3.2.1	Balance with Bangladesh Bank		
	Local Currency	33,138,743,507	30,385,887,692
	Foreign Currencies- Annexure-E(2)	135,367,889	301,452,931
		33,274,111,396	30,687,340,623
3.2.2	Balance with Sonali Bank Limited		
	Local Currency	1,378,208,512	1,272,127,010
	Foreign Currencies	-	-
		1,378,208,512	1,272,127,010
3.3	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR):		
	Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Company Act, 1991 (Amendment upto 2013) and Monetary Policy Department (MPD) circular nos. 01 & 02, dated June 23, 2014 and December 10, 2013 & DOS circular no. 1 dated 19 January 2014 of Bangladesh.		
	As per MPD Circular No.116/2014-853 dated 23 June, 2014, of Bangladesh Bank (effective from 24 June, 2014), all scheduled banks are required to maintain a CRR minimum 6.5% on bi-weekly basis based on weekly average demand and time liabilities of two months prior to current month and minimum 6.0% on daily basis and 13% Statutory Liquidity Ratio for conventional banking and 5.50% Statutory Liquidity Ratio for Islamic banking, excluding CRR, on the same liabilities in the form of treasury bills, bonds and debentures including FC balance with Bangladesh Bank. As per the above mentioned circular, CRR & SLR of December 2017 have been on weekly average balance of October 2017. 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 @ 6.0 % of Total Demand and Time Liabilities	31,125,824,000	28,212,742,000
	Actual Reserve held	36,178,938,000	31,240,939,000
	Surplus/ (Deficit)	5,053,114,000	3,028,197,000
3.3.1.a	CRR of Islamic Banking Unit (Daily Basis)		
	Reserve Required @ 6.0 % of Total Demand and Time Liabilities	54,926,820	50,628,650
	Actual Reserve held	66,084,337	69,545,511
	Surplus/ (Deficit)	11,157,517	18,916,861

As per MPD Circular No.116/2014-853 dated 23 June, 2014, daily CRR may be kept @ 6.0% on daily basis. But bi-weekly average amount would not be below 6.5% of Total Time & Demand Liabilities.

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
3.3.2 Cash Reserve Requirement (Bi-Weekly Average)		
Required Reserve @ 6.5 % of Average Demand and Time Liabilities	33,719,643,000	30,563,803,000
Actual Reserve held	36,178,938,000	31,240,939,000
Surplus/(Deficit)	2,459,295,000	677,136,000
3.3.2.a CRR of Islamic Banking Unit (Bi-Weekly Basis)		
Required Reserve @ 6.5 % of Average Demand and Time Liabilities	59,504,060	54,847,700
Actual Reserve held	66,084,337	63,075,410
Surplus/(Deficit)	6,580,277	8,227,710
3.3.3 Statutory Liquidity Ratio (SLR)		
Required Reserve @13 % of Total Demand and Time Liabilities	67,439,286,000	61,127,607,000
Actual Reserve held (Note: 3.3.3.1)	144,539,263,872	206,542,092,633
Surplus/(Deficit)	77,099,977,872	145,414,485,633
3.3.3.1 Actual reserve held :		
Cash in hand	3,779,639,076	3,843,800,000
Excess of CRR	2,459,295,000	677,136,000
Balance with Sonali Bank (as a agent of BB)	1,378,208,512	1,272,127,010
Un encumbered Approved Securities (HTM)	51,893,141,015	63,332,513,085
Un encumbered Approved Securities (HFT)	61,111,744,269	110,595,756,568
Other eligible securities (HTM)	23,917,236,000	26,820,759,970
Total	144,539,263,872	206,542,092,633
3.3.4 SLR of Islamic Banking Unit		
Required Reserve @ 5.50 % of Total Demand and Time Liabilities	50,349,590	46,409,590
Actual Reserve held (Note: 3.3.4.1)	60,016,708	61,851,885
Surplus/(Deficit)	9,667,118	15,442,295
3.3.4.1 Actual reserve held :		
Cash in hand	3,436,431	3,624,175
Excess of CRR	6,580,277	8,227,710
Eligible Securities (Bangladesh Govt. Islami Investment Bond)	50,000,000	50,000,000
	60,016,708	61,851,885
3(a) Consolidated Cash		
(i) Cash in Hand:		
Agrani Bank Limited	3,788,497,676	3,853,518,982
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	83,375	61,698
Agrani Exchange House Private Limited, Singapore	44,471,966	17,428,378
Agrani Remittance House SDN. BHD., Malaysia	408,325	385,503
Agrani Remittance House Canada Inc.	1,117,757	2,205,510
Agrani Exchange Company (Australia) Pty. Limited	14,694,174	14,694,174
	3,849,273,273	3,888,294,245

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
(ii) Balance with Bangladesh Bank and its agent bank :		
Agrani Bank Limited	34,652,319,908	31,959,467,633
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	6,725,280	5,200,000
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	34,659,045,188	31,964,667,633
	38,508,318,461	35,852,961,878
4 Balance with Other Banks & Financial Institutions		
In Bangladesh (Note - 4.1)	73,143,717,356	25,823,211,481
Foreign currencies (Outside Bangladesh) Annexure E-1	4,652,098,874	1,923,948,561
	77,795,816,230	27,747,160,042
4.1 In Bangladesh: Local Currency Banks		
Al-Arafah Islami Bank Limited	1,144,390,700	965,249,070
Exim Bank Limited	1,626,459,250	-
Shahjalal Islami Bank Limited	1,275,525,251	-
Social Islami Bank Limited	1,762,789,000	-
AB Bank Limited	1,200,000,000	-
Bank Asia Limited	1,800,000,000	-
BRAC Bank Limited	2,500,000,000	-
Dhaka Bank Limited	2,000,000,000	-
Dutch Bangla Bank Limited	2,000,000,000	-
Eastern Bank Limited	2,000,000,000	-
Exim Bank Limited	600,000,000	-
Social Islami Bank Limited	-	1,406,050,000
National Bank Limited	2,000,000,000	1,000,000,000
Ansar VDP Unnayan Bank	400,000,000	320,000,000
Premier Bank Limited	1,500,000,000	1,000,000,000
The Farmers Bank Limited	600,000,000	600,000,000
IFIC Bank Limited	2,000,000,000	-
Jamuna Bank Limited	1,800,000,000	-
Modhumoti Bank Limited	400,000,000	-
Meghna Bank Limited	400,000,000	-
Mercantile Bank Limited	2,000,000,000	-
Midland Bank Limited	300,000,000	-
Mutual Trust Bank Limited	2,550,000,000	-
Commerce Bank of Cylon	1,350,000,000	-
Bangladesh Commerce Bank Limited	800,000,000	300,000,000
NCC Bank Limited	1,800,000,000	-
NRB Bank Limited	800,000,000	-
NRB Commercial Bank Limited	400,000,000	-
NRB Global Bank Limited	400,000,000	-
One Bank Limited	1,800,000,000	-
Pubali Bank Limited	2,000,000,000	-
SBAC Bank Limited	400,000,000	-
Shahjalal Islami Bank Limited	700,000,000	-
Social Islami Bank Ltd.	600,000,000	-
Southeast Bank Limited	2,000,000,000	-
Standard Bank Limited	1,500,000,000	-
The City Bank Limited	2,500,000,000	-
Trust Bank Limited	500,000,000	-
Union Bank Limited	600,000,000	-
ICB Islamic Bank Limited	69,948,607	69,965,797
Basic Bank Ltd.	-	1,500,000,000
ICB	8,500,000,000	8,000,000,000
Rajshahi Krishi Unnayan bank	3,000,000,000	3,500,000,000
Deposit with ABL	14,604,548	161,946,614
National Bank of Pakistan	200,000,000	400,000,000
	61,793,717,356	19,223,211,481

Notes to the Financial Statements

Amount in Taka

	31 Dec 2017	31 Dec 2016
Non- Bank Financial Institutions		
Bangladesh Financial Investment Company Limited	300,000,000	300,000,000
Bangladesh Industrial Finance Company Limited	200,000,000	200,000,000
Bay Leasing & Investment Limited	600,000,000	200,000,000
Delta Brac Housing Finance Corporation Ltd.	1,200,000,000	600,000,000
FAS Finance & Investment Company Limited	450,000,000	400,000,000
First Finance & Investment Limited	330,000,000	230,000,000
GSP Finance Company Limited	200,000,000	200,000,000
IDLC Finance Limited	1,000,000,000	400,000,000
International Leasing and Financial Services Limited	500,000,000	450,000,000
IPDC Finance Limited	600,000,000	400,000,000
Lanka Bangla Limited	600,000,000	600,000,000
Peoples Leasing, Finance & Investment Limited	370,000,000	370,000,000
Premier Leasing & Finance Ltd.	400,000,000	400,000,000
Prime Finance & Investment Limited	500,000,000	500,000,000
Reliance Finance Limited	500,000,000	500,000,000
Fareast Finance & Investment Company Limited	550,000,000	550,000,000
Union Capital Limited	500,000,000	300,000,000
Capm Venture Capital and Finance Limited	50,000,000	-
Islamic Finance and Investment Limited	200,000,000	-
Meridian Finance & Investment Limited	150,000,000	-
MIDAS Financing Limited	200,000,000	-
National Finance Ltd.	100,000,000	-
National Housing Finance And Investments Limited	600,000,000	-
Phoenix Finance and Investments Limited	350,000,000	-
United Finance Limited	900,000,000	-
	11,350,000,000	6,600,000,000
	73,143,717,356	25,823,211,481
4.2 Balance with Other Banks and Financial Institutions (Account wise):		
Current & Other Accounts	4,652,098,874	1,923,948,561
Fixed Deposit Receipts (FDR)	73,143,717,356	25,823,211,481
	77,795,816,230	27,747,160,042
4.3 Maturity grouping of balances:		
On demand	4,652,098,874	1,923,948,561
Within 1 to 3 months	60,876,500,000	18,750,000,000
Within 3 to 12 months	12,267,217,356	7,003,245,684
Within 1 to 5 years	-	69,965,797
More than 5 years	-	-
	77,795,816,230	27,747,160,042
4(a) Consolidated balance with other banks and financial institutions		
(i) In Bangladesh		
Agrani Bank Limited	73,143,717,356	25,823,211,481
Agrani Equity & Investment Limited	5,129,177	2,682,043
Agrani SME Financing Company Limited	361,002,145	587,310,559
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	73,509,848,678	26,413,204,083
Less: Inter-company transaction(s)	(366,131,322)	(457,819,372)
	73,143,717,356	25,955,384,711

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
(ii) Outside Bangladesh		
Agrani Bank Limited	4,652,098,874	1,923,948,561
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	83,717,192	87,790,041
Agrani Remittance House SDN. BHD., Malaysia	61,742,436	29,921,523
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	4,797,558,502	2,041,660,125
	77,941,275,858	27,997,044,836
5 Money at call and short notice		
With Bank		
The Farmers Bank Limited	890,000,000	300,000,000
NRB Commercial Bank Limited	350,000,000	-
NRB Global Bank Limited	200,000,000	-
BCBL	140,000,000	-
	1,580,000,000	300,000,000
With Non-Bank Financial Institution		
BD Finance & Investment Limited	60,000,000	70,000,000
FAS Finance & Investment Limited	50,000,000	-
Fareast Finance & Investment Limited	50,000,000	40,000,000
Prime Finance & Investment Limited	-	60,000,000
BIFC	40,000,000	90,000,000
Lanka Bangla Finance	150,000,000	-
IPDC Finance Limited	150,000,000	-
First Finance Ltd.	60,000,000	100,000,000
International Leasing	-	50,000,000
Pepples Leasing	250,000,000	180,000,000
IIDFC	80,000,000	-
Meridian Finance Limited	50,000,000	-
National Housing & Finance Limited	100,000,000	-
National Finance Limited	30,000,000	-
CAPM Venture Capital & Finance	50,000,000	-
	1,120,000,000	590,000,000
Total	2,700,000,000	890,000,000
6 Investments		
SLR Securities		
Government Securities (Note- 6.1)	136,341,540,314	200,168,448,653
Other Investment (Note- 6.2)	630,580,970	630,580,970
	136,972,121,284	200,799,029,623
Non SLR Securities		
Government Securities (Note- 6.1)	9,283,101,408	2,307,486,244
Other Investment (Note- 6.2)	24,620,900,902	24,428,616,012
	33,904,002,310	26,736,102,256
Total	170,876,123,594	227,535,131,879

Notes to the Financial Statements

Amount in Taka

	31 Dec 2017	31 Dec 2016
6.1 Government Securities:		
SLR Securities		
Treasury Bills (Note- 6.1.1)	69,249,093,824	125,518,212,988
Govt. Treasury Bond/Other Govt. Bond/Other Securities (Note- 6.1.2)	57,778,203,773	73,361,950,925
Reverse REPO (Annexure-B 4)	9,314,242,717	1,288,284,740
	136,341,540,314	200,168,448,653
Non SLR Securities		
Govt. Treasury Bond/Other Govt. Bond/Other Securities (Note- 6.1.2)	9,274,020,708	2,298,699,544
Prize Bonds (at cost)	9,080,700	8,786,700
	9,283,101,408	2,307,486,244
Total	145,624,641,722	202,475,934,897
6.1.1 Treasury Bills		
07 days Bangladesh Bank Bills	17,495,839,939	33,988,259,468
14 days Bangladesh Bank Bills	6,496,288,548	16,990,864,134
30 days Bangladesh Bank Bills	-	-
91 days Treasury Bills	6,916,599,915	29,280,710,441
182 days Treasury Bills	13,436,723,102	23,450,783,880
364 days Treasury Bills	24,903,642,320	21,807,595,065
Sub total	69,249,093,824	125,518,212,988
6.1.2 Govt. Treasury Bond/Other Govt. Bond/Other Securities		
2 years Bangladesh Govt. Treasury Bond	306,841,807	297,296,947
5 years Bangladesh Govt. Treasury Bond	3,128,327,869	6,809,739,258
10 years Bangladesh Govt. Treasury Bond	14,652,739,616	23,695,714,766
15 years Bangladesh Govt. Treasury Bond	9,113,051,048	9,214,730,755
20 years Bangladesh Govt. Treasury Bond	6,344,434,491	6,207,562,082
25 years Treasury Bond (Jute Bond)	61,055,000	114,579,000
7-10 Yrs.(Agrani Bank-BPC) T.Bond	18,126,800,000	20,976,800,000
9-13 Yrs.(Agrani Bank-BJMC) T.Bond	5,098,800,000	5,098,800,000
10 years Bangladesh Govt. Treasury Bond (Remeasured)	896,153,942	896,728,117
Bangladesh Govt. Islamic Investment Bond (BGIIIB)	50,000,000	50,000,000
	57,778,203,773	73,361,950,925
5 & 10 years Bangladesh Govt. Treasury Bond (Lien with BB infavour of SCB)	9,274,020,708	2,298,699,544
	67,052,224,481	75,660,650,469
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)	75,860,377,015	90,203,273,055
Held for Trading (HFT) (Note: 6.1.3.b)	61,111,744,269	110,595,756,568
	136,972,121,284	200,799,029,623
6.1.3.a Held to Maturity (HTM)		
Treasury Bill		
07 days Bangladesh Bank Bills	17,495,839,939	13,994,779,468
14 days Bangladesh Bank Bills	6,496,288,548	16,990,864,134
30 days Bangladesh Bank Bills	-	-
91 days Treasury Bills	6,916,599,915	5,109,972,753
182 days Treasury Bills	4,969,453,834	3,842,785,298
364 days Treasury Bills	1,057,513,530	-
	36,935,695,766	39,938,401,653

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
Bond/Other Securities		
2 years Bangladesh Govt. Treasury Bond	107,705,407	297,296,947
5 years Bangladesh Govt. Treasury Bond	639,465,873	1,299,112,227
10 years Bangladesh Govt. Treasury Bond	2,143,639,753	10,416,983,964
15 years Bangladesh Govt. Treasury Bond	5,999,390,148	5,688,913,891
20 years Bangladesh Govt. Treasury Bond	5,171,090,156	4,795,076,286
25 years Treasury Bond (Jute Bond)	61,055,000	114,579,000
7-10 Years.(Agrani Bank-BPC) T.Bond	18,126,800,000	20,976,800,000
9-13 Years.(Agrani Bank-BJMC) T.Bond	5,098,800,000	5,098,800,000
Bangladesh Govt. Islamic Investment Bond (BGIB)	50,000,000	50,000,000
10 years Bangladesh Govt. Treasury Bond (Remeasured)	896,153,942	896,728,117
ICB Share	630,580,970	630,580,970
	38,924,681,249	50,264,871,402
	75,860,377,015	90,203,273,055
6.1.3.b Held for Trading (HFT)		
Treasury Bill		
07 days Bangladesh Bank Bills	-	19,993,480,000
91 days Treasury Bills	-	24,170,737,688
182 days Treasury Bills	8,467,269,268	19,607,998,583
364 days Treasury Bills	23,846,128,790	21,807,595,065
Reverse Repo (Treasure Bond)	1,965,000,000	495,834,000
	34,278,398,058	86,075,645,336
Bond/Other Securities		
2 years Bangladesh Govt. Treasury Bond	199,136,400	-
5 years Bangladesh Govt. Treasury Bond	2,488,861,996	5,510,627,030
10 years Bangladesh Govt. Treasury Bond	12,509,099,863	13,278,730,802
15 years Bangladesh Govt. Treasury Bond	3,113,660,900	3,525,816,864
20 years Bangladesh Govt. Treasury Bond	1,173,344,335	1,412,485,796
Reverse Repo (Bangladesh Govt. Treasure Bond)	7,349,242,717	792,450,740
	26,833,346,211	24,520,111,232
	61,111,744,269	110,595,756,568
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)	10,490,000,000	5,871,920,000
Commercial Paper	200,000,000	-
Shares (Note- 6.2.2)	13,930,900,885	18,556,695,995
Un-approved Debenture (Annexure-D)	17	17
	24,620,900,902	24,428,616,012
Total	25,251,481,872	25,059,196,982

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
6.2.1 Subordinated Bond		
Prime Bank Ltd. Subordinated Bond	-	90,000,000
Mutual Trust Bank Ltd. Subordinated Bond	-	150,000,000
NBL Subordinated Bond	-	81,920,000
UCBL Subordinated Bond-I	300,000,000	300,000,000
One Bank Subordinated Bond	300,000,000	400,000,000
AB Bank Subordinated Bond-I	400,000,000	500,000,000
Southeast Bank Subordinated Bond	400,000,000	500,000,000
EBL Floating Rate Dated Subordinated Bond	200,000,000	200,000,000
Bank Asia Floating Rate Dated Subordinated Bond	200,000,000	200,000,000
Prime Bank Floating Rate Dated Subordinated Bond	200,000,000	200,000,000
EXIM Bank Floating Rate Dated Subordinated Bond	500,000,000	500,000,000
UCBL Subordinated Bond-II	200,000,000	200,000,000
Al-Arafah Islami Bank Subordinated Bond	300,000,000	300,000,000
AB Bank Subordinated Bond-II	500,000,000	500,000,000
Standard Bank Subordinated Bond	240,000,000	300,000,000
Dhaka Bank Floating Rate Dated Subordinated Bond	500,000,000	500,000,000
IFIC Bank Coupon Bearing Subordinated Bond	500,000,000	500,000,000
Southeast Bank Subordinated Bond II	450,000,000	450,000,000
Mutual Trust Bank Ltd Subordinated Bond-II	300,000,000	-
Bank Asia Ltd. Subordinated Bond	250,000,000	-
Floating Rate Subordinated Mudaraba Bond fo Exim Bank Ltd.	500,000,000	-
DBBL Subordinated Bond	500,000,000	-
City Bank 2nd Subordinated Bond	200,000,000	-
Premier Bank Subordinated Bond	200,000,000	-
Standard Bank Subordinated Bond 2	500,000,000	-
Islami Bank Subordinated Bond	1,000,000,000	-
Pubali Bank Ltd. Floating Rate Subordinated Bond	1,000,000,000	-
National Bank 2nd Subordinated Bond	250,000,000	-
FSIBL Subordinated Bond	300,000,000	-
UCBL 3rd Subordinated Bond	300,000,000	-
	10,490,000,000	5,871,920,000
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)	5,151,556,720	9,277,351,830
Share Un-Quoted (Annexure-C 2)	8,779,344,165	9,279,344,165
	13,930,900,885	18,556,695,995
Total	14,561,481,855	19,187,276,965

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
6.3	Maturity grouping of Investment		
	On demand	9,080,700	8,786,700
	Less than 3 months	59,489,863,426	96,434,777,103
	More than 3 months but less than 1 year	41,088,638,223	58,587,194,107
	More than 1 year but less than 5 year	36,692,061,255	34,107,995,928
	More than 5 years	33,596,479,990	38,396,378,041
		170,876,123,594	227,535,131,879
6.4	Net Investments:		
	Carrying amount	170,876,123,594	227,535,131,879
	Less: Provision (Note - 12.11)	(3,897,390,171)	(6,530,823,229)
	Net Investment	166,978,733,423	221,004,308,650
6.5	The investment in shares include Tk. 3,000,000,000 shares purchased under sale and buy back agreement. The investment in shares includes 6,250,000 shares @ Tk. 200 of Unique Hotel and Resorts Limited on 10 November 2010. 26,000,000 shares at average rate of Tk. 41.54 of Bextex Limited on 28 November 2010 & 19,875,981 shares @ Tk. 33.71 of GMG Airlines on 2 February 2011 in terms of 20% return on invested amount. Only the shares of GMG Airlines have been transferred in the name of the bank. Moreover the sale & buy back agreement has also expired on 31 July 2012 & hence the exercise period of the sale & buy back option has also expired. GMG Airlines has suspended its all flight operations from 30 March 2012.		
	The market value of above shares as on 31 December 2017 was Tk. 495,400,000 resulting in a decrease of Tk 2,504,600,000 from the acquisition cost of investment. A provision of Tk. 2,504,600,000 has been made against such diminution in value of investment of share. As the share prices had fallen, the guarantor had given 19,947,211 shares of Beximco Limited & 9,900,000 shares of Shine Pukur Ceramics Limited as pledge in favor of the bank. The total market value of those pledged shares was Tk. 706,874,697 as at 31 December 2017. Total dividend receivable of the said investment was Tk. 328.15 crore against which Tk. 107.30 crore has been received upto 31 December 2017.		
	It is noted that, the BEXIMCO Group approached a proposal vide a letter dated 18 March, 2018 where they expressed their interest to resolve outstanding liabilities under share sale and buy back agreement. The matter has been tabled out in 554th meeting of the Board of Directors of the Bank held on 09 April, 2018 and the Board resolved the issue that the outstanding liabilities under said Buy Back Agreement might be adjusted after being repaid Tk 307.00 crore by the BEXIMCO within three months from the date the decision communicated to them and fulfillment of some terms and conditions set forth in the board resolution. Meanwhile a letter dated 11 April, 2018 has been sent to the BEXIMCO informing the decision of the Board of Directors of the Bank .		
6(a)	Consolidated investments		
	(i) Government Securities		
	Agrani Bank Limited	145,624,641,722	202,475,934,897
	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	-	-
		145,624,641,722	202,475,934,897

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
(ii) Others		
Agrani Bank Limited	25,251,481,872	25,059,196,982
Agrani Equity & Investment Limited	6,778,821,411	7,028,622,996
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	51,125,000	45,654,960
Agrani Remittance House Canada Inc.	26,326,480	23,252,000
Agrani Exchange Company (Australia) Pty. Limited	-	-
	32,107,754,763	32,156,726,938
Total Investments (i+ii)	177,732,396,485	234,632,661,835
7 Loans and Advances		
In Bangladesh (Note - 7.1.a)	313,720,312,722	261,112,295,112
Outside Bangladesh (Note - 7.1.b)	2,732,515,958	1,092,408,547
Bills Purchased & Discounted (Note - 7.1.c)	2,665,769,733	3,666,419,228
	319,118,598,413	265,871,122,887
7.1.a In Bangladesh:		
a) Loans		
Rural Credits	14,801,686,679	13,310,241,195
Weavers Credits	7,877,194	7,997,270
Industrial Credits	87,478,668,530	75,668,760,790
Jute Advances	9,701,124,222	9,601,707,462
Leather Sector Advances	4,517,353,422	3,993,166,121
Staff Loans	36,972,779,729	33,769,591,964
Loan (Others)	68,914,719,225	50,896,100,616
Small and Micro Credits including SME	56,593,827,622	43,314,825,502
	278,988,036,623	208,044,708,272
b) Cash credits		
Cash Credits	28,224,153,425	24,471,334,998
Packing Credits	1,958,937,738	1,616,273,631
Loan Against Imported Merchandise (LIM)	221,885,825	265,083,523
Payment Against Documents (PAD)	683,714,603	675,760,094
	31,088,691,591	27,028,452,246
c) Overdrafts	3,643,584,508	3,521,451,946
Total (a+b+c)	313,720,312,722	261,112,295,112
7.1.b Outside Bangladesh:	2,732,515,958	1,092,408,547
Total Loans, Cash Credit & Over Draft etc.	316,452,828,680	262,204,703,659
7.1.c		
Bills Purchased & Discounted (Note - 7.10)	2,665,769,733	3,666,419,228
Total Loans and Advances	319,118,598,413	265,871,122,887

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
7.2	Maturity grouping of loans and advances:		
	On demand	15,349,823,381	6,370,220,150
	Within 1 to 3 months	39,070,120,152	77,592,763,510
	Within 3 to 12 months	45,544,033,655	42,155,820,158
	Within 1 to 5 years	102,058,302,629	114,142,898,934
	More than 5 years	117,096,318,596	25,609,420,135
		319,118,598,413	265,871,122,887
7.3.a	Disclosure for significant concentration		
	Advances to allied concerns of Directors	-	-
	Advances to Managing Director	-	-
	Advances to Other Executives	31,066,064,904	27,162,004,707
	Advances to Customers' Group	200,573,864,979	163,040,357,390
	Industrial Credits	87,478,668,530	75,668,760,790
		319,118,598,413	265,871,122,887
7.3.b	Disclosure for sector-wise loans and advances		
	Government sector	1,842,756,000	-
	Other public sector	1,870,668,210	4,144,200,000
	Private sector	315,405,174,203	261,726,922,887
		319,118,598,413	265,871,122,887
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 was Tk. 3,448.26 crore as at 31 December 2017 (TK 2,677.24 crore in 2016).		
	Amount of outstanding		
	Orion Group	7,948,100,000	9,292,000,000
	Sikder Group	6,295,800,000	6,711,000,000
	Bashundhara Group	3,907,500,000	3,996,300,000
	Bangladesh Petroleum Corporation	4,255,700,000	3,809,200,000
	Dhaka Hyde & Skins Limited	3,597,500,000	2,324,600,000
	Tanaka Group	6,267,300,000	5,909,400,000
	Joj Bhuiya Group	5,902,700,000	5,568,800,000
	Pecefic Group	3,080,100,000	2,895,400,000
	Sad Musa Fabrics Ltd Unit	-	2,237,700,000
	Beximco Group	4,785,500,000	4,595,200,000
	Magpie Group	3,779,100,000	3,627,200,000
	Prime Group	4,687,500,000	-
	Bangladesh Services	5,413,800,000	4,216,200,000
	Bangladesh Sugar & Food	5,390,000,000	-
	Sonali Group	3,061,900,000	-
	Moon Group	4,141,800,000	-
	Aristocrat Group	2,937,200,000	-
	Jakiya Cotton Textile Ltd.	5,968,100,000	5,943,700,000
		81,419,600,000	61,126,700,000
7.3.d	Disclosure on large loan re-structuring		
	No large loan has been re-structured during the year 2017 & 2016 under BRPD circular No. 04 date 29 January 2015 of Bangladesh Bank.		

Notes to the Financial Statements

Amount in Taka

7.4 Geographical Location - wise Loans and Advances:

A. Urban:

	31 Dec 2017	31 Dec 2016
Dhaka Region	194,038,087,362	160,686,120,154
Chittagong Region	21,908,677,729	19,237,720,158
Khulna Region	16,127,019,529	13,500,020,158
Rajshahi Region	14,675,919,281	11,005,720,158
Barisal Region	4,340,124,238	4,142,232,158
Sylhet Region	3,664,434,245	2,989,515,840
Rangpur	9,123,590,862	9,068,120,158
Mymensing Region	8,618,162,900	5,919,221,576
Comilla Region	5,025,248,445	5,078,202,157
Faridpur Region	5,013,597,862	4,701,102,581
Sub Total	282,534,862,453	236,327,975,098

B. Rural:

Dhaka Region	5,278,310,055	3,640,111,570
Chittagong Region	926,136,952	494,910,215
Khulna Region	6,762,116,191	5,362,730,215
Rajshahi Region	5,236,225,064	4,741,402,157
Barisal Region	2,777,083,386	2,905,703,157
Sylhet Region	1,322,588,990	964,010,158
Rangpur	4,580,368,091	3,760,211,305
Mymensing Region	4,916,202,773	4,156,502,158
Comilla Region	3,167,613,618	2,339,510,187
Faridpur Region	1,617,090,840	1,178,056,667
Sub Total	36,583,735,960	29,543,147,789
Total (A + B)	319,118,598,413	265,871,122,887

7.5 Sector-wise Loans and Advances:

Agriculture and Fishery	14,801,686,679	13,310,241,195
Jute & Jute Goods	9,701,124,222	9,601,707,462
Transport Storage & Communication	3,758,556,950	3,707,228,949
Ship Breakings	975,418,130	1,477,818,133
Textile & Readymade Garments	31,026,615,000	26,042,496,185
Food & Allied Industry	4,712,139,859	4,714,069,349
Construction & Engineering	10,878,397,260	5,522,183,262
Pharmaceuticals and Chemicals	1,438,237,515	2,147,707,516
Leather Sector	4,517,353,422	3,993,166,121
Power Sector	8,194,182,680	7,486,782,681
Professional and Services	2,028,910,915	1,024,910,915
Housing Service	9,460,436,769	8,164,683,775
Wholesale/Retail Trading	76,100,261,615	37,286,863,613
Personal (staff and other personal loan)	48,219,465,359	39,957,404,107
Bank & Other Non-Financial Institution	-	-
Electronics & Automobile	-	-
Cement & Ceramic	-	-
Others	93,305,812,038	101,433,859,624
319,118,598,413	265,871,122,887	

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
7.6.a	Loans & Advances are Classified as per Bangladesh Bank Circular: Agrani Bank Limited		
	Unclassified :		
	Standard (including staff loan)	255,525,214,452	191,070,152,684
	Special Mention Account	7,897,877,466	6,756,107,102
		263,423,091,918	197,826,259,786
	Classified:		
	Sub-Standard	4,295,266,744	6,813,946,189
	Doubtful	2,258,019,536	7,725,968,554
	Bad & Loss	49,142,220,215	53,504,948,358
		55,695,506,495	68,044,863,101
		319,118,598,413	265,871,122,887
7.6.b	Loans & Advances are Classified as per Bangladesh Bank Circular: Agrani SME Financing Company Limited		
	Unclassified :		
	Standard (including staff loan)	971,243,013	688,000,209
	Special Mention Account	51,062,907	46,196,426
		1,022,305,920	734,196,635
	Classified:		
	Sub-Standard	14,663,727	13,310,006
	Doubtful	8,905,710	7,663,575
	Bad & Loss	33,443,123	32,689,066
		57,012,560	53,662,647
		1,079,318,480	787,859,282
7.7	Loans & Advances (Category wise)		
	A. Inside Bangladesh		
	I. Continuous loan (CL-2)		
	Small & Medium Enterprise Finance	46,311,312,312	33,567,699,883
	Other Than Small & Medium Enterprise Finance	54,462,207,273	43,965,420,755
		100,773,519,585	77,533,120,638
	II. Demand loan (CL-3)		
	Small & Medium Enterprise	20,240,786	584,579,602
	Other Than Small & Medium Enterprise	19,592,271,704	17,156,623,029
		19,612,512,490	17,741,202,631
	III. Term loan (CL-4)		
	Small & Medium Enterprise Finance	10,229,996,406	10,032,824,655
	Consumer Finance (including staff, other than HF)	2,403,659,562	4,305,270,563
	Housing Finance (HF)	18,495,537,900	12,917,066,560
	Loans for Professional Set-up Business	192,614,476	16,738,411
	Others	150,272,721,307	129,168,153,073
		181,594,529,651	156,440,053,262
	IV. Short term agri credit and microcredit (CL-5)		
	Short Term Agri Credit	13,184,890,637	11,833,722,094
	Micro Credit	1,220,630,091	1,230,615,715
		14,405,520,728	13,064,337,809
	B. Outside Bangladesh (Off-shore Banking Unit)	2,732,515,959	1,092,408,547
	Total Loans & Advances (Inside & Outside Bangladesh) (A+B)	319,118,598,413	265,871,122,887

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
7.8 Movement of classified loans and advances		
Opening balance	68,044,863,101	46,404,102,358
Addition during the year	6,396,643,394	31,176,560,743
Reduction during the year	(18,746,000,000)	(9,535,800,000)
	55,695,506,495	68,044,863,101
7.9 Particulars of Loans and Advances:		
Loans considered good in respect of which of the banking company is fully secured	272,162,217,005	217,695,795,302
Loans considered good against which the banking company holds no security other than the debtor's personal guarantee	36,434,276,856	41,986,163,441
Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors	10,522,104,552	6,189,164,144
Loans adversely classified, for which no provision is created	-	-
	319,118,598,413	265,871,122,887
Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons	31,066,064,904	27,162,004,707
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	-	-
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	31,066,064,904	27,162,004,707
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	107,600,000	343,200,000
Amount realized against loan previously written off	902,969,108	652,630,896
Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet	26,581,336,481	27,356,420,442
Interest creditable to the Interest Suspense A/c	-	-
Cumulative amount of the written off loan	53,994,600,000	53,887,000,000
Amount written off during the current period	107,600,000	343,200,000
Amount of written off loan for which lawsuit has been filed	53,994,600,000	53,887,000,000
7.10 Bills purchased and discounted:		
In Bangladesh	549,337,970	1,512,241,936
Outside Bangladesh	2,116,431,763	2,154,177,292
	2,665,769,733	3,666,419,228

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
7.11	Maturity grouping of bills purchased and discounted:		
	Payable within 1 month	2,665,769,733	3,666,419,228
	Over 1 month but less than 3 months	-	-
	Over 3 months but less than 6 months	-	-
	6 months or more	-	-
		2,665,769,733	3,666,419,228
7.12	Net Loans and advances:		
	Carrying amount	319,118,598,413	265,871,122,887
	Less: Interest suspense and penal interest	(17,059,532,213)	(13,343,427,150)
	Provision for loans & advances (Note-7.13a)	(31,436,043,268)	(35,594,205,355)
		(48,495,575,481)	(48,937,632,505)
	Net loans and advances	270,623,022,932	216,933,490,382
7.13.a	Provision for loans and advances : Agrani Bank Limited		
	Unclassified :		
	Standard (including staff loan)	3,861,656,269	4,951,279,282
	Special Mention Account	72,904,470	68,463,668
		3,934,560,739	5,019,742,950
	Classified:		
	Sub-Standard	423,000,904	785,549,770
	Doubtful	497,145,144	2,432,492,193
	Bad & Loss	26,581,336,481	27,356,420,442
		27,501,482,529	30,574,462,405
		31,436,043,268	35,594,205,355
7.13.b	Provision for loans and advances : Agrani SME Financing Company Ltd.		
	Provision against classified loan	28,596,644	51,881,749
	Provision against unclassified loan	2,428,108	1,719,471
	Provision special mention account	2,547,600	2,236,030
		33,572,352	55,837,250
7(a).1	Consolidated loans, advances and leases/investments		
	Agrani Bank Limited	319,118,598,413	265,871,122,887
	Agrani Equity & Investment Limited	581,724,147	526,197,207
	Agrani SME Financing Company Limited	1,079,318,480	787,859,282
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		320,779,641,040	267,185,179,376
	Less: Inter-company transaction (s)	(2,220,661,586)	(2,794,534,855)
		318,558,979,454	264,390,644,521
7(a).2	Consolidated loans & advances are classified as per Bangladesh Bank circular:		
	Unclassified :		
	Standard (including staff loan)	257,078,181,612	192,284,350,100
	Special Mention Account	7,948,940,373	6,802,303,528
		265,027,121,985	199,086,653,628

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
Classified:		
Sub-Standard	4,309,930,471	6,827,256,195
Doubtful	2,266,925,246	7,733,632,129
Bad & Loss	49,175,663,338	53,537,637,424
	55,752,519,055	68,098,525,748
	320,779,641,040	267,185,179,376
Less: Inter-company transaction (s)	(2,220,661,586)	(2,794,534,855)
	318,558,979,454	264,390,644,521
7(a).3 Consolidated provision for loans and advances		
Agrani Bank Limited	31,436,043,268	35,594,205,355
Agrani SME Financing Company Limited	33,572,352	55,837,250
	31,469,615,620	35,650,042,605
8 Fixed assets including land, buildings, furniture and fixtures (Annexure G)		
Cost/ Valuation:		
Balance at the beginning of the year	18,706,264,138	18,376,557,626
Addition during the year	281,208,150	353,329,003
Revaluation during the year	-	-
Disposal during the year	(7,576,535)	(23,622,491)
Balance at the end of the year	18,979,895,753	18,706,264,138
Less: Accumulated Depreciation		
Balance at the beginning of the year	2,928,960,104	2,429,116,012
Charge for the year	497,770,739	518,258,723
Disposal during the year	(7,571,535)	(18,414,631)
Balance at the end of the year	3,419,159,308	2,928,960,104
Written Down Value (WDV)	15,560,736,445	15,777,304,034
8(a) Consolidated Fixed assets including land, buildings, furniture and fixtures		
Written Down Value (WDV)		
Agrani Bank Limited	15,560,736,445	15,777,304,034
Agrani Equity & Investment Limited	3,039,958	3,874,887
Agrani SME Financing Company Limited	12,139,585	16,948,290
Agrani Exchange House Private Limited, Singapore	6,917,101	5,598,729
Agrani Remittance House SDN. BHD., Malaysia	16,764,276	12,560,487
Agrani Remittance House Canada Inc.	74,043	193,747
Agrani Exchange Company (Australia) Pty. Limited	178,546	178,546
	15,599,849,954	15,816,658,720

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
9 Other Assets		
Income generating Other Assets		
Investment in shares of subsidiary companies (Note - 9.1)	4,619,433,350	4,619,433,350
	4,619,433,350	4,619,433,350
Non-income generating Other Assets		
Stationery, stamps, printing materials etc.	100,156,850	86,793,400
Accrued Income (Note - 9.3)	3,435,137,185	2,607,701,205
Receivable From Govt.	6,730,089	6,209,780
Discount Receivable on Treasury Bills	-	289,400,000
Advance Deposits & prepayments	3,912,893	4,794,503
Advance Tax Paid (Annexure-F)	15,225,547,530	13,037,588,316
Advance Rent	131,808,669	196,026,735
Suspense Account (Note - 9.2)	1,053,369,212	742,728,398
Demonetized Notes	185	189
Debit balance of Al-Rajhi Foreign Exchange	1	347,892,609
Army pension (Note - 9.2(ii))	3,436,349,597	3,059,947,293
Civil pension	126,868,306	104,701,272
Purchase of WES Bond	151,131,524	73,145,307
Payment against sanchaya patra	3,056,731,072	2,515,111,596
D.D paid without advice	294,162,350	312,045,103
Protested Bills	72,631,505	57,897,924
Exempted Loans	47,315,217	183,910,875
Interest on Exempted Loans	422,135,913	422,385,486
Deferred Tax Assets (Note - 9.6)	10,969,742,516	11,208,175,703
Foreign Correspondent draft paid	20,904,703	17,098,998
Balance with Indian Bank	23,505	23,505
Balance with Pakistani Bank	1	1
Software Purchase (Note - 9.8)	1,107,332,546	1,180,633,375
Valuation Adjustment (Note - 9.5)	-	1,330,381,639
Dividend Receivable from Preference Share	3,977,298,044	3,632,298,044
Work in Progress for Consulting of Bank building	978,034,774	883,722,824
Receivable from Agrani SME Financing Company Limited	55,672,663	55,672,663
Receivable/(Payable) against Sale/Buy of Share of ICB	63,719,647	-
Receivable from Agrani Remittance House Canada Inc.	28,884,654	28,579,617
Receivable from Agrani Exchange Company (Australia) Pty. Limited	32,490,121	32,490,121
Branch Adjustment (Note - 9.4)	-	2,891,247,319
	44,798,091,272	45,308,603,800
Total	49,417,524,622	49,928,037,150
9.1 Investment in shares of subsidiary companies		
Agrani Equity & Investment Limited	4,000,000,000	4,000,000,000
Agrani SME Financing Limited	600,000,000	600,000,000
Agrani Exchange House Pvt. Limited, Singapore	6,457,000	6,457,000
Agrani Remittance House SDN. BHD., Malaysia	8,967,168	8,967,168
Agrani Remittance House Canada Inc.	8,217	8,217
Agrani Exchange Company (Australia) Pty. Limited	4,000,965	4,000,965
	4,619,433,350	4,619,433,350

Notes to the Financial Statements

Amount in Taka

31 Dec 2017 31 Dec 2016

9.1.i As per decision of 457 th meeting of the Board of Directors of Agrani Bank Limited held on 29 May,2016 and the consent letter BRPD(M) 204/08/2016-3995 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 contuning operation of the above Remittanceec House; and is awaiting for a response from Bangladesh Bank.

9.2 Suspense Account:

Sundry debtors -staff (Note - 9.2(i))	20,831,039	15,413,515
Sundry debtors -other (Note - 9.2(ii))	855,977,276	722,620,787
Legal charges	214,229	336,016
Clearing adjustment	171,752,250	1,819,192
Advance against petty cash	1,202,636	827,840
Loan application form	1,463,393	1,519,611
Clearing Suspense	554,897	12,795
Remittance only point	53,270	-
Premium paid XPB	1,320,222	178,642
	1,053,369,212	742,728,398

9.2 (i) Sundry debtors- staff & others

An amount of Tk. 64,206,604 remain un-recovered/unadjusted over one year and provision has been kept againgst the amount.

9.2 (ii) Army Pension

This represents pension paid to retired army personnel by the Bank of Tk. 3,436,349,597 as per Government decision which is reimbursable. Tk. 368,097,169 against the outstanding amount has already been reimbursed by the Government and kept in sundry deposit which is to be adjusted. Moreover an amount of Tk. 1,141,819,710 has been provided in the accounts against long outstanding.

9.3 Accrued income:

Accrued interest on loans & advances	303,701,536	45,510,078
Accrued interest on investment	2,246,249,788	2,238,160,767
Accrued interest on balance with Other Banks & Financial Institutions	606,713,198	214,370,957
Accrued commission, exchange & brokerage	236,877,315	69,575,505
Accrued other operating income	41,595,348	40,083,898
	3,435,137,185	2,607,701,205

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
9.4 Branch adjustment:		
Debit balance		
Main Office Account (MO)	1,159,903,733,385	1,159,988,844,486
New General Account (NG)	1,155,594,636,853	1,155,683,891,792
Instant Financial Massaging System (IFMS)	21,258,959,698	21,258,446,698
Inter-Branch Account for Online Transactions	704,229,083,187	535,037,808,491
Computerized Main Office Account (CMO)	666,113,817,746	514,121,107,039
Computerized New General Account (CNG)	816,580,212,885	652,598,650,958
	4,523,680,443,754	4,038,688,749,464
Less:- Credit balance		
Main Office Account (MO)	(1,160,575,615,059)	(1,161,164,915,899)
New General Account (NG)	(1,155,574,476,636)	(1,155,493,399,857)
Instant Financial Massaging System (IFMS)	(21,278,495,787)	(21,278,495,787)
Inter-Branch Account for Online Transactions	(704,206,978,794)	(532,117,669,894)
Computerized Main Office Account (CMO)	(670,925,420,663)	(511,557,445,257)
Computerized New General Account (CNG)	(815,006,804,142)	(654,185,575,451)
	(4,527,567,791,081)	(4,035,797,502,145)
	(3,887,347,327)	2,891,247,319

During the year net balance of branch adjustment arrived as debit has been shown under head "Other Assets". The Net debit balance of Branch Adjustment account arrived due to transit in responding entries.

9.5 Agrani Bank Limited has taken over the entire assets and liabilities of former Agrani bank through a Vendor's Agreement executed between the Government of the People's Republic of Bangladesh and the Agrani Bank Limited on November 15, 2007 with retrospective effect from July 01, 2007. As per clause 7(2) of the said agreement assets & liabilities of Agrani Bank as on 30 June 2007 have been revalued by a professional Chartered Accountants firm to determine final value of assets & liabilities of the Bank. In determining the final value, the valuation adjustment of the Bank has been calculated at Tk.13,295,881,639 (fair value of total assets Tk.162,699,217,872 less fair value of total liabilities Tk.173,510,899,511 minus paid up share capital as purchase consideration Tk.2,484,200,000). A decision has been arrived at unanimously in a meeting of representatives from the Ministry of Finance, Government of the Peoples Republic of Bangladesh, Bangladesh Bank, Security & Exchange Commission (SEC) and three state-owned commercial banks that the valuation adjustment be shown under "Other Assets" and be gradually written off within the next 10 (ten) years at the maximum. In line with the above decision, the amount has been written off and adjusted in full by the year 2017.

9.6 Deferred Tax:

Deferred tax has been computed in accordance with provision of BAS -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)	1,708,971,799	1,864,246,795
b. Tax base	1,010,810,038	1,019,446,544
c. (Taxable)/deductible temporary difference (b-a)	(698,161,761)	(844,800,251)
Applicable tax rate	42.50%	42.50%
Deferred tax asset/(liabilites)	(296,718,748)	(359,040,107)

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
ii)	Provision for Bad & Loss Loans and Advances *		
	a. Carrying amount	(26,581,336,481)	(27,356,420,442)
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	26,581,336,481	27,356,420,442
	Applicable tax rate	42.50%	42.50%
	Deferred tax asset/(liabilities)	11,297,068,004	11,626,478,688
iii)	Provision for Supper Annuation Fund during the year (Note-12.14)		
	a. Carrying amount	(280,000,000)	-
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	280,000,000	-
	Applicable tax rate	42.50%	42.50%
	Deferred tax asset/(liabilities)	119,000,000	-
iv)	Provision for Death Relief Grant Scheme during the year (Note-12.16)		
	a. Carrying amount	(30,273,771)	(12,500,000)
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	30,273,771	12,500,000
	Applicable tax rate	42.50%	42.50%
	Deferred tax asset/(liabilities)	12,866,353	5,312,500
v)	Loss in revaluation of share (Note-12.11)		
	a. Carrying amount	(3,897,390,171)	(6,530,823,229)
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	3,897,390,171	6,530,823,229
	Applicable tax rate	10.00%	10.00%
	Deferred tax asset/(liabilities)	389,739,017	653,082,323
vi)	Carry forward of loss on sale of share in current year		
	a. Carrying amount	(1,592,630,109)	-
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	1,592,630,109	-
	Applicable tax rate	10.00%	10.00%
	Deferred tax asset/(liabilities)	159,263,011	-
vii.a)	Revaluation reserve on Land		
	a. Carrying amount	8,994,204,742	8,994,204,742
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	(8,994,204,742)	(8,994,204,742)
	Applicable tax rate *	4.00%	4.00%
	Deferred tax asset/(liabilities)	(359,768,190)	(359,768,190)
vii.b)	Revaluation reserve on Land		
	a. Carrying amount	4,304,467,512	4,304,467,512
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	(4,304,467,512)	(4,304,467,512)
	Applicable tax rate *	3.00%	3.00%
	Deferred tax asset/(liabilities)	(129,134,025)	(129,134,025)

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
viii)	Revaluation reserve on Building		
	a. Carrying amount	523,700,954	538,248,203
	b. Tax base	-	-
	c. (Taxable)/deductible temporary difference (b-a)	(523,700,954)	(538,248,203)
	Applicable tax rate	42.50%	42.50%
	Deferred tax asset/(liabilities)	(222,572,905)	(228,755,486)
	Total deferred tax assets/(liabilities)	10,969,742,516	11,208,175,703

* 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

9.6.a Year wise Deferred Tax breakdown for last 7 years

Year	Amount
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

Fixed assets, revaluation reserve of land and building, provision for bad and 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, 2017 has decreased by the amount of Tk. 238,433,187 which charged to profit and loss account.

The carrying amount has been arrived at by estimating temporary differences (based on analysis of prior years' relevant figures) on account of bad/loss debts that are likely to be written off in future years out of the year-end total amount of provision for bad and loss loans and advances Tk. 26,581,336,481.

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.

9.7 Non-banking Assets

The Bank has got the possession of ownership of the mortgage properties according to the judgment of the Honorable Court in accordance with the section 33(7) of "Artha Rin Adalat-2003". An amount of Tk. 12,501,960 is reported in the financial statements as Non-Banking assets.

9.8 Software purchase (Annexure G)

Cost

Balance at the beginning of the year	1,202,855,622	904,738,712
Addition during the year	47,210,369	291,279,880
Disposal / Transfer during the year	(71,085)	6,837,030
Balance at the end of the year	<u>1,249,994,906</u>	<u>1,202,855,622</u>

Less: Accumulated Amortization

Balance at the beginning of the year	(22,222,247)	(8,437,671)
Charge for the year	(120,511,198)	(6,947,546)
Disposal / transfer during the year	71,085	(6,837,030)
Balance at the end of the year	<u>(142,662,360)</u>	<u>(22,222,247)</u>
Net Value	<u>1,107,332,546</u>	<u>1,180,633,375</u>

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
9(a)	Consolidated Other Assets		
	Agrani Bank Limited	49,417,524,622	49,928,037,150
	Agrani Equity & Investment Limited	107,947,671	122,828,341
	Agrani SME Financing Company Limited	61,250,052	65,064,083
	Agrani Exchange House Private Limited, Singapore	63,151,534	29,628,058
	Agrani Remittance House SDN. BHD., Malaysia	9,490,968	6,142,050
	Agrani Remittance House Canada Inc.	5,718,375	2,131,162
	Agrani Exchange Company (Australia) Pty. Limited	3,055,122	3,055,122
		49,668,138,344	50,156,885,966
	Less: Inter-company transaction (s)	(4,743,802,916)	(4,743,497,879)
		44,924,335,428	45,413,388,087
10	Borrowing from other banks including financial institutions & agents	13,871,567,614	4,426,571,018
10.1	Classification into the following broad categories:		
	In Bangladesh	12,420,898,985	2,259,169,065
	Outside Bangladesh	1,450,668,629	2,167,401,953
		13,871,567,614	4,426,571,018
10.2	Segregated as:		
	Secured (Secured by D.P Notes and agreements)	13,839,028,985	2,377,222,365
	Unsecured borrowing	32,538,629	2,049,348,653
		13,871,567,614	4,426,571,018
10.3	Maturity - wise grouping:		
	On demand	167,538,629	4,217,401,953
	Less than 3 months	-	-
	More than 3 months but less than 1 year	5,200,000,000	-
	More than 1 year but less than 5 year	1,418,130,000	-
	More than 5 years	7,085,898,985	209,169,065
		13,871,567,614	4,426,571,018
10.4	Term grouping:		
10.4.1	Short Term Borrowing		
	T.T buy (With Sonali Bank Limited)	135,000,000	-
	Borrowings from Local Bank	5,200,000,000	2,050,000,000
	Borrowings from Foreign Bank	1,418,130,000	118,053,300
	Credit Balance of NOSTRO Account (Annexure-E 1)	32,538,629	2,049,348,653
		6,785,668,629	4,217,401,953
10.4.2	Long Term Borrowing		
	Rural Housing Scheme	264,781	603,425
	Borrowing from ADB	112,500	337,500
	Borrowing from EGBMP	183,479,184	175,559,219
	IFAD Loan -194	4,099,000	2,681,000
	Borrowings from B. Bank (Bakna Basur Refinance Fund)	200,000,000	29,818,500
	Borrowings from B. Bank (Refinance Fund- Jute)	697,850,000	-
	Agrani Bank Shilpa Unnayan Bond	93,520	169,421
		1,085,898,985	209,169,065
	Agrani Bank 1st Subordinate Bond (Note-10.4.2.i)	6,000,000,000	-
		7,085,898,985	209,169,065
	Total Borrowing	13,871,567,614	4,426,571,018

Notes to the Financial Statements

Amount in Taka

31 Dec 2017

31 Dec 2016

10.4.2.i Agrani Bank 1st Subordinate Bond

Non-Convertible Subordinated Bond.

The Bank with due approval from Bangladesh Bank and BSEC issued a 7-year Non-convertible Fully Redeemable Floating Rate Subordinated Bond of Tk. 6000.00 million (face value @ Tk 10.00 million) in December 2017 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	200	2,000,000,000
Total	600	6,000,000,000

10(a) Consolidated borrowing from other banks, financial institutions and agents

Agrani Bank Limited	13,871,567,614	4,426,571,018
Agrani Equity & Investment Limited	2,220,661,586	2,794,534,855
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	-	-
	16,092,229,200	7,221,105,873
Less: Inter-company transaction (s)	(2,220,661,586)	(2,794,534,855)
	13,871,567,614	4,426,571,018

11 Deposits and other accounts

530,349,741,838

494,050,051,943

11.1 Deposits and Other Accounts (Category wise)

Current & Other Account (Note - 11.1.1)	120,065,565,376	107,751,562,753
Bills payable (Note - 11.1.2)	5,591,284,631	6,353,439,053
Saving Bank Deposits (Note - 11.1.3)	161,043,260,016	143,023,197,295
Fixed Deposits (Note - 11.1.4)	243,649,631,815	236,921,852,842
	530,349,741,838	494,050,051,943

11.1.1 Current & Other account

Current Deposits	39,815,994,197	34,783,746,286
Balance with ATM	1,046,848	1,084,088
Sundry Deposits (Note - 11.1.1.1)	8,533,471,529	8,909,030,981
Special Time Deposits (11.1.1.2)	71,594,213,224	63,629,974,006
Call Deposits	120,839,578	427,727,392
	120,065,565,376	107,751,562,753

Notes to the Financial Statements

Amount in Taka

	31 Dec 2017	31 Dec 2016
11.1.1.1 Sundry Deposits		
General Provident Fund	3,083,404,019	2,794,084,176
Margin on Bills purchased	18,799,852	76,332,851
Margin on Letters of Credit	2,845,837,742	2,906,226,746
Margin on Letters of Guarantee	361,574,083	350,350,466
Miscellaneous Margin	25,662,258	17,717,482
Foreign Currency	250,622,269	248,302,287
Key Deposit	8,418,432	6,621,696
Staff Cash Security	23,341,083	20,532,576
Foreign correspondence charges	2,533,848	1,364,575
F. C Exp. Proceeds	46,062,138	112,471,651
Commission Payable to Govt.	49,932,205	54,904,948
Premium paid XPB	856,976	-
Clearing Adjustment	17,769,539	4,204,020
Self Employment Promotion	163,280	134,975
Teachers Payment	456,536,673	1,350,779,028
Boisko Bhata	10,805,480	6,396,511
FSSAP	353,754,449	187,964,195
Freedom Fighter Allowance	58,735,134	63,666,280
Army Pension	290,653,631	153,325,694
Small Enterprise Development	87,825,469	91,995,382
Rural Finance Programme	5,432,476	1,459,395
Hajj Deposit	60,000	150,500
Others	507,753,417	444,567,827
Clearing Cheque Sent for Collection T24	3,883,163	2,267,804
Debit Card Remote ON-US Transactions	18,709,160	9,752,060
Debit Card Remote ON-US Commission	2,935,372	2,048,445
SEQAEP Pre-paid Card Fees	1,409,381	1,409,411
	8,533,471,529	8,909,030,981
11.1.1.2 Special Notice Deposits		
Special Notice Deposit -Government Org.	23,820,522,509	19,548,241,551
Special Notice Deposit -Autonomous and Semi Autonomous Organizations	7,915,120,448	7,597,866,962
Special Notice Deposit -Non Financial Pub Enterprise	30,771,181,134	27,320,651,174
Special Notice Deposit -Local Authority	1,136,513,719	931,492,552
Special Notice Deposit -Insurance Co.s & Pension Funds Public	183,067,493	194,400,421
Special Notice Deposit -Public Non-Banking Financial Organizations	516,210,503	729,998,254
Special Notice Deposit -Other Deposit Accepting Public Organizations	299,974,601	332,720,081
Special Notice Deposit -Other Banks	928,630,002	989,139,503
Special Notice Deposit -Individuals and Others	6,022,992,815	5,985,463,508
	71,594,213,224	63,629,974,006

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
11.1.2 Bills payable		
Draft payable	727,325,808	711,779,325
TT's payable	1,509,300	3,041,300
MT's payable	4,350	415,894
Pay slip issued	203,865,140	366,509,417
Pay order issued	3,039,863,936	3,399,174,625
Inland Bill proceeds Awaiting for Remittance	331,019	361,288
Foreign Bill proceeds Awaiting for Remittance	1,407,568,539	1,633,903,742
Overdue DD payable	20,616,806	22,980,827
Upahar cheque sold A/C	194,740	38,933
FRMS	10,000	14,566
Foreign D.D, T.T, & TC payable	189,994,993	215,219,136
	5,591,284,631	6,353,439,053
11.1.3 Saving Bank Deposits		
Saving Deposit -Government Organizations	1,175,632,210	962,447,078
Saving Deposit -Autonomous and Semi Autonomous Organizations	3,581,944,797	3,244,790,105
Saving Deposit -Non Financial Public Enterprises	334,194,514	362,268,659
Saving Deposit -Local Authority	200,424,737	223,005,842
Saving Deposit -Insurance Co.s & Pension Fund	1,628,600,476	1,384,470,864
Saving Deposit -Public Non-Banking Financial Organizations	19,516,031	39,338,729
Saving Deposit -Other Financial Public Organizations	37,822,978	27,246,218
Saving Deposit -Other Banks	2,296,550	5,819,467
Saving Deposit -Individuals and Others	153,057,244,037	136,033,456,818
Female Secondary School Assistance Project	127,010,041	116,134,719
Saving Deposit -Miscellaneous	269,209,113	256,340,986
Saving Deposit -Foreign Currency	561,801,342	331,647,417
Saving Deposit -Student	47,563,190	36,230,393
	161,043,260,016	143,023,197,295
11.1.4 Fixed Deposits		
Fixed Deposits (11.1.4.1)	210,471,056,664	207,535,233,855
Deposit Pension Scheme	39,217,698	34,546,823
Agrani Bank Pension Scheme	218,664,632	272,104,504
Month wise Fixed Deposits	1,023,224	952,880
Non Resident Special Deposits	335,159	319,279
Agrani Bank Bishesh Shanchay	27,882,107,539	22,362,195,936
Agrani Bank Monthly Income Scheme	122,430,718	315,720,696
Agrani Bank Monthly Deposit Scheme	1,663,285,731	3,410,724,918
Agrani Bank Double Benefit Scheme	3,202,254,268	2,987,601,584
Agrani Bank Quarterly Income Scheme	22,379,500	399,500
Agrani Bank Double Benefit Scheme (New)	8,550,000	2,000,000
Agrani Bank Millionaire Deposit Scheme	12,078,906	42,840
Agrani Bank Lakhopoti Deposit Scheme	1,689,389	-
Agrani Bank Probashi Deposit Scheme	1,269,818	10,027
Agrani Bank Deposit Scheme for Woman	3,288,569	-
	243,649,631,815	236,921,852,842

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
11.1.4.1 Fixed Deposits		
Fixed Deposit-Government Organizations	23,181,122,830	26,786,725,354
Fixed Deposit-Autonomous and Semi Autonomous Organizations	35,797,283,116	32,150,192,834
Fixed Deposit- Non Financial Public Enterprises	80,207,444,891	71,591,345,004
Fixed Deposit -Local Authority	1,093,336,179	750,973,877
Fixed Deposit -Insurance Co.s & Pension Funds Public	1,062,384,965	1,133,888,010
Fixed Deposit -Public Non-Banking Financial Organizations	2,437,677,925	1,639,816,794
Fixed Deposit -Other Financial Public Organization	786,824,693	1,728,591,045
Fixed Deposit -Other Banks	5,668,123,039	7,128,090,170
Fixed Deposit -Individuals and Others	60,223,936,609	64,609,896,631
Non-Resident Foreign Currency Deposit (NFCD)	9,685,971	12,417,990
Fixed Deposit -Deceased Account	3,236,446	3,296,146
	210,471,056,664	207,535,233,855
11.2 Maturity Grouping of Deposits and Other Accounts		
On demand	20,770,285,631	28,664,219,128
Within 1 month	34,565,402,931	71,209,702,158
Within 1 to 3 months	130,893,976,397	135,189,230,215
Within 3 to 12 months	85,898,542,099	84,617,850,126
Within 1 to 5 years	110,233,719,146	127,842,630,158
More than 5 years	147,987,815,634	46,526,420,158
	530,349,741,838	494,050,051,943
11.3 Geographical Location - wise Deposits		
Dhaka Region	253,612,738,269	255,119,182,453
Chittagong Region	57,231,242,472	42,144,395,012
Khulna Region	37,294,535,475	39,758,493,729
Rajshahi Region	34,064,434,992	31,488,034,075
Barisal Region	15,710,710,008	12,626,558,390
Sylhet Region	21,432,689,999	19,939,905,694
Rangpur Region	18,424,487,768	14,989,635,555
Mymensing Region	33,968,665,663	27,924,652,493
Comilla Region	43,533,159,322	37,180,847,185
Faridpur Region	15,077,077,870	12,878,347,357
	530,349,741,838	494,050,051,943
11.4 Sector wise Deposits		
Government Organizations (President, PM's Office, Ministry & Judiciary)	54,610,503,959	52,144,555,269
Autonomous & Semi Autonomous Bodies	50,326,993,749	45,602,971,122
Deposit money bank	7,203,121,472	8,786,104,543
Other public sector	127,604,919,576	113,996,270,612
Private sector	290,604,203,082	273,520,150,397
	530,349,741,838	494,050,051,943

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
11.5	Inter-Bank Deposits		
	Current Deposits	603,865,512	662,837,094
	Savings Deposits	2,296,550	5,819,467
	Fixed Deposits	5,668,123,039	7,128,090,170
	Special Notice Deposits	928,630,002	989,139,503
	Call Deposits	206,369	218,309
		7,203,121,472	8,786,104,543
11(a)	Consolidated Deposits and other accounts		
	Agrani Bank Limited	530,349,741,838	494,050,051,943
	Agrani Equity & Investment Limited	8,198,118	6,422,579
	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	-	-
		530,357,939,956	494,056,474,522
	Less: Inter-comopany transaction(s)	(366,131,322)	(457,819,372)
		529,991,808,634	493,598,655,150
12	Other Liabilities		
	Interest suspense (Note - 12.1)	17,059,532,213	13,343,427,150
	Provision for expenses (Note - 12.2)	5,101,394,580	6,181,615,459
	Provision for Auditors Fee (Note - 12.3)	3,600,000	3,600,000
	Sundry creditors	1,380,310,335	2,097,084,130
	Tax deducted at source	846,793,535	911,391,476
	VAT on services	152,240,967	144,988,864
	Excise duty	544,987,884	692,720,252
	Levy on interest payment	16,981,861	67,847,571
	Levy & Surcharge on interest payment (Bonds)	43,086	439,477
	Provision for Taxation (Note - 12.4 & Annexure-F)	15,837,722,120	13,154,922,120
	Provision for classified loans & advances (Note - 12.5)	27,501,482,529	30,574,462,405
	General provision maintained against UC loan (Note - 12.6)	3,861,656,269	4,951,279,282
	General provision for special mention account (Note - 12.7)	72,904,470	68,463,668
	3 % General reserve for consumer financing (Note - 12.8)	72,109,787	129,158,117
	Provision for off balance sheet exposures (Note - 12.10)	1,233,377,406	839,022,947
	Payable to Islamic Banking Unit	217,698	217,698
	Provision for investment (Note - 12.11)	3,897,390,171	6,530,823,229
	Provision for Other Assets (Note - 12.12)	4,837,046,847	5,435,099,906
	Provision for Incentive Bonus (Note - 12.13)	1,525,796,705	1,209,681,750
	Employees superannuation fund (Note - 12.14)	280,000,000	500,000,000
	Employees gratuity fund (Note - 12.15)	8,486	8,486
	Death relief grant scheme (Note - 12.16)	30,273,771	61,698,771
	Employees Benevolent Fund (Note - 12.17)	24,981,238	24,783,715
	Reserve for unforeseen losses	7,278,112	7,278,112
	Duty Draw back Imprest Fund	4,501	1,572
	Doctors self employment program	1,600,000	1,600,000
	Collection accounts	7,656,504	6,573,075
	Cash incentive to exporters	24,995,652	11,605,152
	SPL account OPEC fund	-	70,508,242

Notes to the Financial Statements

Amount in Taka

	31 Dec 2017	31 Dec 2016
SPL account MEDU fund	384,711,474	405,434,852
Export Development Fund	170,322,645	173,497,852
Govt. bond for land mortgage loan	840,897	840,897
Special block account	189	191
SPL block account (DD,TT, MT & PO)	9,730,948	9,730,948
Unclaimed deposit 10 years & above (Note - 12.17)	-	1,663,149
Service charge on CIB report	1,638,725	3,060,475
Provision for balance of bilateral trade	2	2
Customer Fund Adjustment Account	99,024,806	100,105,970
Vostro Account	35,385,711	33,692,942
SIDR	389,114	389,114
ADIP Project Fund	20,267,852	20,622,981
Refinance Jute Fund	-	714,000,000
Reserve Fund for Rebate	5,465,905	9,330,347
Provision for arear of staff salary	4,485	4,485
Interest waived on staff house building loan	8,712,476	1,324,855
Interest rebate on good borrowers	20,000,000	20,000,000
Branch Adjustment (Note- 9.4)	3,887,347,327	-
	88,966,229,283	88,514,001,686
12.1 Interest Suspense Account:		
Balance at the beginning of the year	13,343,427,150	9,744,826,387
Add: Transferred during the year	7,391,778,719	4,936,073,341
Less: Transferred to Income during the year	(3,137,227,499)	(1,141,738,943)
Less: Amount waived/ written off during the year	(538,446,157)	(195,733,635)
Balance at the end of the year	17,059,532,213	13,343,427,150
12.2 Provision for expenses:		
Provision for Interest on Savings	91,400	67,662
Provision for Interest on DPS	9,883,417	9,995,928
Provision for Interest on STD	29,255	37,710
Provision for Interest on FDR	3,149,112,477	4,049,361,052
Provision for Interest on ABPS	9,506,577	24,739,459
Provision for Interest on Borrowings	59,510,007	23,901,139
Provision for ABS	1,145,015,865	885,257,881
Un-disbursed Salary and Other staff benefit	1,744,178	1,514,278
Unearned discount	-	272,756,226
Provision for other expenses	105,444,982	218,526,334
Provision for Interest on ABMIS	4,580,646	7,235,521
Provision for Interest on ABMDS	183,691,987	279,732,331
Provision for Interest on ABDDBS	427,293,384	408,271,638
Provision for Interest on Bakna Basur Refinance Fund	4,688,478	218,300
Provision for Interest on Agrani Bank Quarterly Income Scheme	188,275	-
Provision for Interest on Agrani Bank Double Benefit Scheme (New)	423,885	-
Provision for Interest on Agrani Bank Millionaire Deposit Scheme	159,574	-
Provision for Interest on Agrani Bank Lakhopoti Deposit Scheme	30,175	-
Provision for Interest on Agrani Bank Deposit Scheme for Woman	18	-
Balance at the end of the year	5,101,394,580	6,181,615,459

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
12.3 Provision for Auditors Fee		
Balance at the beginning of the year	3,600,000	3,600,000
Less: Paid during the year	(3,600,000)	(3,600,000)
Add: Provision made during the year	3,600,000	3,600,000
Balance at the end of the year	3,600,000	3,600,000

12.4 Provision for taxation:		
Balance at the beginning of the year	13,154,922,120	10,831,933,042
Add: Transferred to Provision for Income Tax during the year	2,682,800,000	2,322,989,078
Balance at the end of the year	15,837,722,120	13,154,922,120

Income tax assessment for last few years are pending with various stages of income tax appeal process. Income Tax assessment has been finalized up to 2004 (except 2002) and reference cases are pending for the years 2002, 2005, 2006, 2008, 2009, 2010, 2011, 2012. Appeal is pending for the year 2013 & 2014. The returns have been submitted for the years 2015 & 2016. The bank has kept a provision of Tk. 268.28 crore for the year 2017 as per Income Tax Ordinance 1984.

12.5 Provision for Classified loans and advances:		
Balance at the beginning of the year	30,574,462,405	22,445,224,575
Add: Recoveries of amount previously written off	902,969,108	652,630,896
Add: Specific provision for the year	-	7,739,815,972
Less: Provision Add back during the year	(3,899,757,179)	-
Less: Written off/ waived	(76,191,805)	(263,209,038)
Provision held at the end of the year	27,501,482,529	30,574,462,405

Initially the Bank kept provision amounting to Tk. 2,375.17 Crore and Tk. 0 against classified loans and advances and re-scheduled loans respectively. However, as per Bangladesh Bank and External Auditor the Bank is supposed to keep provision amounting to Tk. 3,173.42 crore and Tk. 152.52 crore against classified loans and advances and re-scheduled loans respectively. Through letter # MD:PM:01:84/48 dated 15 April 2018, the Bank requested Bangladesh Bank to grant approval to keep provision amounting to Tk. 2,375.17 crore instead of Tk. 3,325.94 crore (Tk. 3,173.42 crore and Tk. 152.52 crore against classified loans and advances and re-scheduled loans respectively). In response to Bank's request, Bangladesh Bank has allowed the Bank through letter # BRPD(P-1)/661/13/2018-2640 dated 18 April 2018 to keep the required provision amounting to Tk. 2,375.17 crore against classified loans and advances and re-scheduled loans in this year and to keep provision for the remaining amount in the next 03 (three) years from 2018 to 2020 at equal amount each year. Moreover, Bangladesh Bank has also granted approval for not adjusting the above exempted provision deficiency while calculating the Minimum Capital Requirement (MCR) of the Bank for 2017.

The above basis has been followed by the Bank for recognizing and measuring provision for classified loans and advances, unclassified loans and advances and also for calculating regulatory capital amounts.

12.6 General Provision maintained against UC loans:		
Balance at the beginning of the year	4,951,279,282	4,502,549,535
Add: Provision made during the year	-	1,167,661,857
Less: Provision add back for the year	(1,089,623,013)	(718,932,110)
Provision held at the end of the year	3,861,656,269	4,951,279,282

Notes to the Financial Statements

Amount in Taka

	31 Dec 2017	31 Dec 2016
<p>The Bank has shown some loans and advances as unclassified by dint of stay order of the Honorable High Court. But the actual position of those loans and advances is classified on the basis of objective criteria and qualitative judgment as per BRPD circular of Bangladesh Bank regarding provision of classification of loans and advances. The Bank has maintained 1% provision against those unclassified loans and advances. Moreover, as per Bangladesh Bank letter no-DBI-2/7005-1748 dated 26 April 2016 for the year 2015 Bank has maintained additional required provision of those loans and advances. The Bank has also maintained 60% and 20% for the year 2016 & 2017 respectively of required provision against such loans and advances as per approval of Bangladesh Bank vide letter no BRPD(P-1)/661/13/2017-2348 dated 30-01-2017 and letter no BRPD(P-1)/661/13/2018-978 dated 30-01-2018 respectively.</p>		
12.7 General Provision for SMA Loans		
Balance at the beginning of the year	68,463,668	91,325,890
Add: Provision made during the year	4,440,802	23,310,749
Less: Provision add back for the year	-	(46,172,971)
Provision held at the end of the year	72,904,470	68,463,668
12.8 3% General reserve for consumer financing:		
Reserve held at the beginning of the year	129,158,117	174,997,175
Add: Additional reserve for the year	-	-
Less: Provision add back for the year	(57,048,330)	(45,839,058)
Reserve held at the end of the year	72,109,787	129,158,117
12.9 Provision for Loans & Advances: Agrani Bank Limited		
A) General provision		
i) Standard (including staff Loan) *	3,861,656,269	4,951,279,282
ii) Special Mention Accounts (SMA)	72,904,470	68,463,668
Sub total (A)	3,934,560,739	5,019,742,950
B) Specific provision		
i) Substandard	423,000,904	785,549,770
ii) Doubtful	497,145,144	2,432,492,193
iii) Bad/Loss	26,581,336,481	27,356,420,442
Sub total (B) (Note No 12.5 & 12.5.i)	27,501,482,529	30,574,462,405
Grand Total	31,436,043,268	35,594,205,355
<p>* General provision is kept @ 1% on general loans and advances and 1% on house finance & loan for professionals under consumer financing and 3% on consumer financing.</p>		
12.9.a Provision for Loans & Advances: Agrani SME Financing Com. Ltd.		
A) General provision		
i) Standard (including staff Loan)	2,428,108	1,719,471
ii) Special Mention Accounts (SMA)	2,547,600	2,236,030
Sub total (A)	4,975,708	3,955,501
B) Specific provision		
i) Substandard	2,421,800	2,181,722
ii) Doubtful	2,647,500	3,250,941
iii) Bad/Loss	23,527,344	46,449,086
Sub total (B)	28,596,644	51,881,749
Grand Total	33,572,352	55,837,250

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
12.10 Provision for off balance sheet exposure:		
Balance at the beginning of the year	839,022,947	900,688,150
Add: Provision made during the Year	394,354,459	37,988,561
Less: Provision add back during the Year	-	(99,653,764)
Balance at the end of the year	1,233,377,406	839,022,947
12.11 Provision for diminution in the value of Investment:		
Balance at the beginning of the year	6,530,823,229	5,599,792,795
Add: Provision made during the Year	-	1,256,107,205
Less: Debit during the Year	(1,921,261,357)	-
Less: Provision add back during the Year	(712,171,701)	(325,076,771)
Balance at the end of the year	3,897,390,171	6,530,823,229
12.12 Provision for Other Assets:		
Protested bill (Note - 12.12.d)	72,631,505	57,897,924
Sundry Debtors Staff & Others	64,206,604	61,619,549
Clearing Adjustment	1,449,669	704,443
Suspense Accounts Army Pension Paid	1,141,819,710	1,234,652,488
Suspense Accounts Civil Pension Paid	13,981,210	23,136,572
Legal Charges	68,508	82,493
CBL Pak A/c	2	2
Receivable from Agrani SME Financing Company	55,673,000	55,673,000
Accrued Income	29,296,844	26,384,277
Stationary & Stamp	15,547,105	8,415,776
Advance Deposit & Pre-payment	37,718,565	47,528,418
Foreign CD Paid	910,869	910,869
Wage Earner Bond	25,632,202	100,000
BCCI Bank-London (Note - 12.12.e)	1	12,776,658
Balance with Al-Rajhi Foreign Exchange (Note - 12.12.c)	1	347,892,609
Libian Currency (Note - 12.12.b)	-	100,000,000
Fixed Assets	21,913,328	21,913,328
Branch Adjustment (Note - 12.12.f)	1,129,184,000	1,205,884,000
Agri credit exemption on river erosion (Note - 12.12.a)	-	1,176,472
Exempted Loans & Interest on Exempted Loans (Note - 12.12.g)	253,850,402	259,952,949
Provision for DD Paid without Advice	24,193,460	19,428,217
Dividend receiveable from Preference Share	1,948,969,862	1,948,969,862
	4,837,046,847	5,435,099,906

As per BRPD circular no 14 dated June 25, 2001 of Bangladesh Bank, the Bank has maintained a provision of Tk. 483.70 crore for the year 2017 against other assets that are outstanding for more than one year.

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

Notes to the Financial Statements

Amount in Taka

	31 Dec 2017	31 Dec 2016
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12.12.b Cash and Cash Equivalent at the year-end 2016 included Libyan Currency (2,612,023) equivalent to BDT 147,579,300 which was purchased by Agrani Bank Limited before the Libyan civil war also referred as to Libyan revolution of 17th February in 2011. After that war those Libyan currencies were obsolete and Tk. 100,000,000 had been made provision against those Libyan Currency. After getting reimbursement from Bangladesh Bank the provision has now been adjusted in the year 2017.

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

12.12.d Provision for protested bills

Balance at the beginning of the year

Debited during the Year

Addition during the Year

Balance at the end of the year

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

57,897,924	53,041,667
(2,267,769)	-
17,001,350	4,856,257
72,631,505	57,897,924

12.12.e Provision for balance with BCCI Bank- London

Balance at the beginning of the year

Provision made during the year

Written-off during the year

Balance at the end of the year

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

12,776,658	13,783,099
843,887	(1,006,441)
(13,620,544)	-
1	12,776,658

12.12.f Provision for Branch Adjustment

Balance at the beginning of the year

Provision add back

Provision made during the year

Balance at the end of the year

“Other Liabilities” include a net credit balance of Tk 2,887,347,327 as Branch Adjustment (such amount at 31 December 2016 was net debit balance of Tk 2,891,247,319). While the full reconciliation process is underway, the Bank has made provision for Tk. 112.92 crore.

1,205,884,000	705,884,000
(76,700,000)	-
-	500,000,000
1,129,184,000	1,205,884,000

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

Balance at the beginning of the year

Amount debited during the Year

Amount Credited during the Year

Provision made during the year

Balance at the end of the year

259,952,949	260,577,401
(112,070,751)	(1,115,452)
-	491,000
105,968,204	-
253,850,402	259,952,949

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
12.13	Incentive Bonus:		
	Balance at the beginning of the year	1,209,681,750	866,347,924
	Amount paid during the Year	(1,045,919,663)	(726,956,719)
	Amount Credited during the Year	2,034,618	290,545
	Provision for the Year	1,360,000,000	1,070,000,000
	Balance at the end of the year	1,525,796,705	1,209,681,750
12.14	Employees Superannuation Fund		
	Balance at the beginning of the year	500,000,000	23,612
	Amount credited during the year	1,431,261,790	1,296,610,994
	Provision made during the year	1,260,000,000	500,000,000
	Amount Transferred to SAF's SB A/C	(2,911,261,790)	(1,296,634,606)
	Balance at the end of the year	280,000,000	500,000,000
12.14.i	According to the last final actuarial report, there was a fund deficit of Tk.690 crore in the Employees Superannuation Fund (SAF) as at 31 December 2012. There was also a recommendation in the said actuarial report to contribute 45% of the basic salary of the employees each year to cover the Fund deficit over the period of next 10 (ten) years. In the meantime, the Bank has contributed @ 30% in 2013, @ 50% in the years from 2014 to 2016 and kept a provision of Tk. 50.00 crore during the year 2016.		
	Consequent upon time to time increase in the salary structure having monetary effect on retirement benefit, in 2017 the Bank has taken a decision to contribute @ 75 % of the basic salary of the concerned employees and to keep provision of Tk 126.00 crore each year to cope with fund deficit. In line with the decision, the bank has contributed @ 50% during 1st half of the year 2017 and @ 75% during 2nd half of the year 2017 and made a provision of Tk.126.00 crore during the year 2017.		
	Nevertheless, the actuarial valuation has again been done in the year 2017 and as per the first draft actuarial report, there was a deficit of Tk.2,994.91 crore against the SAF as on 30 September 2016. As there are some material queries outstanding, the actuarial valuation report is yet to be finalized, and a further review of the report is underway. Meanwhile, the Bank received 2nd draft on 18 April 2018 and as per the report the deficit stood at Tk. 2,439.00 crore against the Employees Superannuation Fund (SAF) as on 31 March 2018. The draft report recommends deficit repair contributions to be Tk. 619 Crore per annum, Tk. 372 Crore, Tk. 294 Crore per annum and Tk. 258 Crore per annum, for 5-year repair period, 10-year repair period, 15-year repair period and 20-year repair period respectively. The Bank management is now reviewing the report, and would take further decision upon receiving the final actuarial valuation report on SAF.		
	Meantime the management has recognized and measured the provision for Employees' Superannuation Fund, keeping in consideration the last final actuarial report on SAF addressing the deficit as on 31 December 2012 and increasing significantly the required yearly contributions further.		
12.15	Employees Gratuity Fund		
	Balance at the beginning of the year	8,486	-
	Amount credited during the year	339,299,512	303,707,947
	Amount Transferred to Gratuity's SB A/C	(339,299,512)	(303,699,461)
	Balance at the end of the year	8,486	8,486
12.16	Death relief grant scheme:		
	Balance at the beginning of the year	61,698,771	65,898,771
	Provision made during the year	12,500,000	12,500,000
	Amount paid/adjusted during the year	(43,925,000)	(16,700,000)
	Balance at the end of the year	30,273,771	61,698,771

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
12.17	Employees Benevolent Fund		
	Balance at the beginning of the year	24,783,715	103,409,667
	Provision made during the year	20,000,000	20,000,000
	Amount paid/adjusted during the year	(19,802,477)	(98,625,952)
	Balance at the end of the year	24,981,238	24,783,715
12.18	As per section 35 of the Bank Companies Act 1991, unclaimed deposit amount of Tk. 1,663,149 has been transferred to Bangladesh bank on completion of the formalities mentioned in this section.		
12(a)	Consolidated other liabilities		
	Agrani Bank Limited	88,966,229,283	88,514,001,686
	Agrani Equity & Investment Limited	1,798,635,541	1,620,932,470
	Agrani SME Financing Company Limited	273,130,100	236,726,541
	Agrani Exchange House Private Limited, Singapore	84,261,887	26,824,594
	Agrani Remittance House SDN. BHD., Malaysia	80,569,524	34,167,487
	Agrani Remittance House Canada Inc.	61,748,298	51,078,366
	Agrani Exchange Company (Australia) Pty. Limited	53,349,176	53,349,176
		91,317,923,809	90,537,080,320
	Less: Inter-company transaction(s)	(124,369,565)	(124,064,528)
		91,193,554,244	90,413,015,792
13	Share Capital:		
13.1	Authorized Capital:		
	The authorized capital of the Bank is Tk.2,500.00 crore divided into 250,000,000 ordinary shares of Tk.100.00 each.		
13.2	Issued, subscribed and fully paid up capital :	20,722,940,400	20,722,940,400
	The paid up capital of the Bank was Tk. 9,912,940,400 divided into 99,129,404 ordinary shares @ Tk. 100.00 up to 29 December 2013. On 26 December 2013, Bank & Financial Institutions Division, Ministry of Finance has issued a letter # 53.013.002.00.00.80.2013 giving the permission to raise paid up capital by Tk. 10,810,000,000 to reduce capital shortage of the Bank. Subsequently, the Board of Directors in its 353rd board meeting held on 30 December 2013 approved the matter and increased the paid up capital to Tk. 20,722,940,400 by issuing 108,100,000 right shares to the Government of the People's Republic of Bangladesh represented by Secretary, Finance Division, Ministry of Finance of the Government of the People's Republic of Bangladesh. Therefore, the total number of ordinary shares reached to 207,229,404 shares.		
13.3	Earnings Per Share:		
	Earnings per share (EPS) have been computed by dividing the profit after tax by the weighted average number of ordinary shares as on 31 December 2017.		
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)	6,759,290,210	(6,970,106,854)
	Weighted average number of ordinary shares outstanding (B)	207,229,404	207,229,404
	Earnings per share (A/B)	32.62	(33.63)

Notes to the Financial Statements

	Amount in Taka	
	31 Dec 2017	31 Dec 2016
13.3(a) Consolidated Earnings Per Share:		
Profit attributable to the shareholders of ABL & its subsidiaries for the year (A)	6,939,850,369	(6,911,485,824)
Weighted average number of ordinary shares outstanding (B)	207,229,404	207,229,404
Earnings per share (A/B)	33.49	(33.35)

13.4 Solo basis Minimum Capital Requirement (MCR) under Risk Based Capital (Basel-III):

A. Regulatory Capital:

1. Tier-1 Capital (Going concern capital)

2. Tier-2 Capital (Gone concern capital)

3. Total Regulatory Capital (1+2):

B. Total Risk Weighted Assets (RWA):

C. Capital to Risk Weighted Assets Ratio (CRAR) (A3 / B) X 100

D. Tier-1 Capital to RWA (A1 / B) X 100

E. Tier-2 Capital to RWA (A2 / B) X 100

F. Minimum Capital Requirement (10% of RWA)

G. Capital Surplus / (Shortfall)

	Amount in Crore	
1. Tier-1 Capital (Going concern capital)	2,066.34	1,691.57
2. Tier-2 Capital (Gone concern capital)	1,381.92	985.67
3. Total Regulatory Capital (1+2):	3,448.26	2,677.24
B. Total Risk Weighted Assets (RWA):	33,678.81	26,699.50
C. Capital to Risk Weighted Assets Ratio (CRAR) (A3 / B) X 100	10.24%	10.03%
D. Tier-1 Capital to RWA (A1 / B) X 100	6.14%	6.34%
E. Tier-2 Capital to RWA (A2 / B) X 100	4.10%	3.69%
F. Minimum Capital Requirement (10% of RWA)	3,367.88	2,669.95
G. Capital Surplus / (Shortfall)	80.38	7.29

Capital Requirements (Solo)	2017		2016	
	Required	Held	Required	Held
Tier-1	6.00%	6.14%	5.50%	6.34%
Tier-2	4.00%	4.10%	4.50%	3.69%
Total	10.00%	10.24%	10.00%	10.03%

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

A. Regulatory Capital:

1. Tier-1 Capital (Going concern capital)

2. Tier-2 Capital (Gone concern capital)

3. Total Regulatory Capital (1+2):

B. Total Risk Weighted Assets (RWA):

C. Capital to Risk Weighted Assets Ratio (CRAR) (A3 / B) X 100

D. Tier-1 Capital to RWA (A1 / B) X 100

E. Tier-2 Capital to RWA (A2 / B) X 100

F. Minimum Capital Requirement (10% of RWA)

G. Capital Surplus / (Shortfall)

1. Tier-1 Capital (Going concern capital)	2,081.47	1,690.03
2. Tier-2 Capital (Gone concern capital)	1,381.94	985.67
3. Total Regulatory Capital (1+2):	3,463.41	2,675.70
B. Total Risk Weighted Assets (RWA):	34,164.00	27,044.97
C. Capital to Risk Weighted Assets Ratio (CRAR) (A3 / B) X 100	10.14%	9.89%
D. Tier-1 Capital to RWA (A1 / B) X 100	6.09%	6.25%
E. Tier-2 Capital to RWA (A2 / B) X 100	4.05%	3.64%
F. Minimum Capital Requirement (10% of RWA)	3,416.40	2,704.50
G. Capital Surplus / (Shortfall)	47.01	(28.80)

Capital Requirements (Conso.)	2017		2016	
	Required	Held	Required	Held
Tier-1	6.00%	6.09%	5.50%	6.25%
Tier-2	4.00%	4.05%	4.50%	3.64%
Total	10.00%	10.14%	10.00%	9.89%

Notes to the Financial Statements

Amount in Taka

	31 Dec 2017	31 Dec 2016
13.5 Solo basis Regulatory Capital:		
Tier-1 Capital		
Fully Paid-up Capital / Capital lien with BB	2,072.29	2,072.29
Statutory Reserve	779.55	585.94
General Reserve	53.71	57.80
Retained Earnings	(103.21)	(586.96)
Benefit from Deferred Tax Assets	32.91	16.81
Sub-Total:	2,835.25	2,145.88
Deductions from Tier-1 Capital		
Goodwill and all other intangible assets	110.73	118.06
Shortfall in provisions required against classified loans	-	-
Deferred Tax Assets	658.18	336.25
Sub Total	768.91	454.31
Total Regulatory Tier-1 Capital	2,066.34	1,691.57
Tier-2 Capital		
General Provision (UC + SMA + Off B/S exposure+ Consumer Finance)	524.00	598.80
Subordinated debt/instruments issued by the Bank meeting BB criteria	600.00	-
Revaluation Reserve (50% of Fixed Assets and Securities & 10% of Equities)	644.79	644.79
Sub Total	1,768.79	1,243.59
Deductions from Tier-2 Capital		
Revaluation Reserve for Fixed Assets, Securities and Equity Securites	386.87	257.92
Total Regulatory Tier-2 Capital	1,381.92	985.67
Total Regulatory Capital (Tier-1 + Tier-2)	3,448.26	2,677.24

In response to Bank request, Bangladesh Bank allowed the Bank vide letter no-BRPD(BFIS)/661/14B(P)/2016-6947 dated 20/10/2016 not to deduct intangible asset (goodwill/valuation adjustment) from tier-1 capital and vide letter no-BRPD(P-1)/661/13/2017-2348 dated 20 April 2017 to deduct deferred tax assets 30% in 2016, 60% in 2017 and 90% in 2018 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	2,072.29	2,072.29
Statutory Reserve	783.45	589.70
General Reserve	59.18	63.17
Retained Earnings	(97.45)	(597.63)
Benefit from Deferred Tax Assets	32.91	16.81
Sub-Total:	2,850.38	2,144.34

Deductions from Tier-1 Capital

Goodwill and all other intangible assets	110.73	118.06
Shortfall in provisions required against classified loans	-	-
Deferred Tax Assets	658.18	336.25
Sub Total	768.91	454.31
Total Regulatory Tier-1 Capital	2,081.47	1,690.03

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
Tier-2 Capital	Amount in Crore	
General Provision (UC + SMA + Off B/S exposure+ Consumer Finance)	524.02	598.80
Subordinated debt/instruments issued by the Bank meeting BB criteria	600.00	-
Revaluation Reserve (50% of Fixed Assets and Securities & 10% of Equities)	644.79	644.79
Sub Total	1,768.81	1,243.59
Deductions from Tier-2 Capital		
Revaluation Reserve for Fixed Assets, Securities and Equity Securities	386.87	257.92
Total Regulatory Tier-2 Capital	1,381.94	985.67
Total Regulatory Capital:	3,463.41	2,675.70
13.6 Risk Weighted Assets (RWA):		
Risk Weighted Assets (RWA) for		
A. Credit Risk		
On - Balance sheet	27,068.16	20,569.62
Off - Balance sheet	1,417.92	527.77
	28,486.08	21,097.39
B. Market Risk	1,510.93	2,268.31
C. Operational Risk	3,681.80	3,333.80
Total: RWA (A+B+C)	33,678.81	26,699.50
13.6(a) Consolidated Risk Weighted Assets (RWA):		
Risk Weighted Assets (RWA) for		
A. Credit Risk	Amount in Crore	
On - Balance sheet	26,546.12	19,943.66
Off - Balance sheet	1,417.97	527.78
	27,964.09	20,471.44
B. Market Risk	2,426.01	3,151.33
C. Operational Risk	3,773.90	3,422.20
Total: RWA (A+B+C)	34,164.00	27,044.97
14 Statutory Reserve		
Balance at the beginning of the year	5,859,381,981	5,859,381,981
Transferred during the year	1,936,104,679	-
Closing balance	7,795,486,660	5,859,381,981
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	7,795,486,660	5,859,381,981.00
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	38,978,313	34,644,024
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
Total	7,834,464,973	5,894,026,005.00
15 General Reserve		
Balance at the beginning of the year	536,983,145	536,512,399
Transferred from other liabilities	-	20,000,000
Transferred to Risk Fund	-	(40,000,000)
Transferred during the year	77,005	20,470,746
Closing balance	537,060,150	536,983,145

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
15(a)	Consolidated General Reserve		
	Agrani Bank Limited	537,060,150	536,983,145
	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	-	-
	Total	591,791,414	591,714,409
15.1	Risk Fund		
	Balance at the beginning of the year	40,000,000	20,000,000
	Transferred during the year	20,000,000	20,000,000
	Total	60,000,000	40,000,000
15.1(a)	Consolidated Risk Fund		
	Agrani Bank Limited	60,000,000	40,000,000
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
	Total	60,000,000	40,000,000
16	Asset Revaluation Reserve		
	Balance at the beginning of the year	11,006,638,965	11,070,315,483
	Less: Transfer to retained earnings	(14,547,249)	(63,676,518)
		10,992,091,716	11,006,638,965
16(a)	Consolidated asset revaluation reserve		
	Agrani Bank Limited	10,992,091,716	11,006,638,965
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		10,992,091,716	11,006,638,965
17	Revaluation & Amortization Reserve		
	Balance at the beginning of the year	4,280,530,068	5,553,129,909
	Add: Surplus of Amortization of Securities (HTM)	37,339,485	49,049,899
	Add: Revaluation reserve on investment in Govt. Securities (HFT)	3,171,427,341	1,970,402,337
	Less: Surplus of Amortization of Securities (HTM)	(159,356,291)	(389,541,016)
	Less: Revaluation reserve on investment in Govt. Securities (HFT)	(5,670,838,005)	(2,902,511,061)
	Closing Balance	1,659,102,598	4,280,530,068

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
17(a)	Consolidated revaluation and amortization		
	Agrani Bank Limited	1,659,102,598	4,280,530,068
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	-	-
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		1,659,102,598	4,280,530,068
18	Retained earnings brought forward from previous year		
	Opening Balance	(5,869,630,344)	933,575,109
	Less: Prior Year Adjustment	(203,847)	(448,871,100)
	Add: Transfer from loan & other provision	-	552,095,983
	Add: Transfer from asset revaluation reserve	14,547,249	63,676,518
	Less: Cash Dividend paid to Govt.	-	-
		(5,855,286,942)	1,100,476,510
18.1	Retained surplus		
	Opening Balance	(5,869,630,344)	933,575,109
	Less: Prior Year Adjustment	(203,847)	(448,871,100)
	Add: Transfer from loan & other provision	-	552,095,983
	Add: Net profit after tax during the year	6,759,290,210	(6,970,106,854)
	Add: Transfer from asset revaluation reserve	14,547,249	63,676,518
	Less: Transfer to Statutory Reserve	(1,936,104,679)	-
	Less: Cash Dividend paid to Govt.	-	-
		(1,032,101,411)	(5,869,630,344)
18.(a).1	Consolidated Retained earnings brought forward from previous year		
	Retained surplus (Opening Balance)	(5,988,291,734)	757,972,390
	Less: Prior year adjustment for Agrani Bank Limited	(203,847)	(448,871,100)
	Add: Prior year adjustment for Agrani Equity & Investment Limited	-	257,644
	Add: Transfer from loan & other provision	-	552,095,983
	Add: Transfer from asset revaluation reserve	14,547,249	63,676,518
	Add: Foreign currency translation gain/(loss)	21,586,879	5,289,189
	Less: Minority interest	(101)	(60)
	Less: Foreign currency translation reserve	(21,586,879)	(5,289,189)
		(5,973,948,433)	925,131,375
18.(a).2	Consolidated Retained surplus		
	Retained surplus (Opening Balance)	(5,988,291,734)	757,972,390
	Less: Prior year adjustment for Agrani Bank Limited	(203,847)	(448,871,100)
	Add: Prior year adjustment for Agrani Equity & Investment Limited	-	257,644
	Add: Transfer from loan & other provision	-	552,095,983
	Add: Transfer from asset revaluation reserve	14,547,249	63,676,518
	Add: Foreign currency translation gain/(loss)	21,586,879	5,289,189
	Add: Net profit/ (loss) after tax during the year	6,939,850,369	(6,911,485,824)
	Less: Statutory reserve	(1,940,438,968)	(1,937,285)
	Less: Minority interest	(101)	(60)
	Less: Foreign currency translation reserve	(21,586,879)	(5,289,189)
		(974,537,032)	(5,988,291,734)

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
18.(a).3 Consolidated Retained Surplus		
Agrani Bank Limited	(1,032,101,411)	(5,869,630,344)
Agrani Equity & Investment Limited	(550,832,881)	(737,686,061)
Agrani SME Financing Company Limited	553,679,240	536,342,084
Agrani Exchange House Private Limited Singapore	88,770,201	104,040,836
Agrani Remittance House SDN. BHD. Malaysia	30,315,976	40,997,396
Agrani Remittance House Canada Inc.	(22,059,502)	(20,048,722)
Agrani Exchange Company (Australia) Pty. Limited	(38,274,720)	(38,274,720)
	(970,503,097)	(5,984,259,531)
Less: Minority Interest	101	60
Less: Foreign Currency Translation Reserve	(4,034,036)	(4,032,263)
	(974,537,032)	(5,988,291,734)
19 Consolidated Foreign Currency Translation Reserve		
Opening Balance	13,282,939	18,572,128
Foreign Currency Translation Gain/(Loss)	21,586,879	(5,289,189)
Closing Balance	34,869,818	13,282,939
20 Minority Interest		
Capital of Agrani Equity & Investment Limited	2,000	2,000
Capital of Agrani SME Financing Limited	720	720
Statutory reserve	47	45
General reserve	66	66
Retained earnings	388	289
	3,221	3,120
21 Acceptances and endorsements		
Letters of Guarantee (Note - 21.1)	7,557,677,293	6,324,204,340
Letters of Credit (Note - 21.2)	72,045,800,727	36,516,961,325
Bills for Collection (Note - 21.3)	21,876,462,987	19,351,646,467
Other Contingent Liabilities (Note - 21.4)	6,121,467,531	5,929,107,531
Claims against the bank not acknowledged as debt	15,736,332,000	15,780,375,000
	123,337,740,538	83,902,294,663
21.1 Letters of Guarantee		
Directors	-	-
Government	318,169,946	325,741,381
Banks and other financial institutions	519,220,760	494,663,579
Foreign Banks against government counter guarantee	998,384,512	1,322,953,672
Others	5,721,902,075	4,180,845,708
	7,557,677,293	6,324,204,340
21.1(a) Consolidated Letters of Guarantee		
Agrani Bank Limited	7,557,677,293	6,324,204,340
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	-	-
	7,557,677,293	6,324,204,340

Notes to the Financial Statements

	31 Dec 2017	31 Dec 2016
	<i>Amount in Taka</i>	
21.2 Letters of Credit		
Government	31,700,685,703	15,140,642,361
Others	40,345,115,024	21,376,318,964
	72,045,800,727	36,516,961,325
21.2(a) Consolidated Letters of Credit		
Agrani Bank Limited	72,045,800,727	36,516,961,325
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	-	-
	72,045,800,727	36,516,961,325
21.3 Bills for collection:		
Payable in Bangladesh	373,933,600	376,012,326
Payable outside Bangladesh	21,502,529,387	18,975,634,141
	21,876,462,987	19,351,646,467
21.3(a) Consolidated Bills for collection:		
Agrani Bank Limited	21,876,462,987	19,351,646,467
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	-	-
	21,876,462,987	19,351,646,467
21.4 Other Contingent Liabilities:		
Inland Travelers Cheque	43,897,000	43,897,000
Upahar Cheque	2,487,100	2,487,100
Shanchay Patra	5,362,183,431	5,169,823,431
Agrani Bank Shilpa Unnayan Bond	712,900,000	712,900,000
	6,121,467,531	5,929,107,531
Liability will be created for the Bank by the sales amount of Inland Travelers Cheque, Upahar Cheque, Shanchay Patra and Agrani Bank Shilpa Unnayan Bond. As such saleable price of present stock of such instruments have been considered as contingent liabilities.		
21.4(a) Consolidated Other Contingent Liabilities:		
Agrani Bank Limited	6,121,467,531	5,929,107,531
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	6,121,467,531	5,929,107,531

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
21.5 Geographical Location - wise Contingent Liabilities:		
Dhaka Region	94,295,346,691	69,863,853,744
Chittagong Region	5,484,778,305	9,395,583,377
Khulna Region	1,284,236,269	1,902,455,898
Rajshahi Region	1,676,454,500	1,256,425,201
Barisal Region	146,251,864	233,442,358
Sylhet Region	4,342,567,351	230,899,561
Rangpur Region	15,723,021,787	642,816,450
Mymensingh Region	45,055,076	80,201,864
Comilla Region	265,422,250	191,637,065
Faridpur Region	74,606,445	104,979,145
	123,337,740,538	83,902,294,663
22 Consolidated Contingent Liabilities		
Agrani Bank Limited	123,337,740,538	83,902,294,663
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	-	-
	123,337,740,538	83,902,294,663
23 Interest Income		
a. Interest on Loans and Advances:		
Interest on Rural Credit	1,109,404,070	906,899,819
Interest on Weavers Credit	711,954	253,109
Interest on Industrial Credit	5,104,503,224	5,963,037,394
Interest on Jute Advance	808,115,686	963,277,322
Interest on Leather Credit	377,208,767	330,628,319
Interest on Staff Loans	1,390,981,816	1,229,638,677
Interest on Loan-Others	3,763,181,993	3,408,932,321
Interest on Small and Micro Credit	3,982,212,292	3,838,731,563
Interest on Overdrafts	243,039,779	221,366,627
Interest on Cash Credit	2,231,650,830	2,679,760,697
Interest on Packing Credit	130,546,211	131,649,245
Interest on Loan against Impo. Merchandise	12,394,608	24,157,448
Interest on Payment Against Document	104,711,593	97,182,862
Interest on Foreign Bills Purchased	52,392,087	50,264,572
Interest on Inland Bills Purchased	24,234,114	6,107,555
Sub-total	19,335,289,024	19,851,887,530
b. Interest on Balance with other Banks and Financial Institution:		
Interest on call loans to Banks	272,792,789	142,820,008
Interest received from local banks	2,922,217,376	1,450,696,831
Interest received from foreign banks	243,154	781,022
Sub-total	3,195,253,319	1,594,297,861
c. Income From Write off Loan	-	-
Total (a+b+c)	22,530,542,343	21,446,185,391

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
23.1 Geographical Location - wise Interest income:		
Dhaka Region	14,186,385,575	14,388,226,131
Chittagong Region	1,057,520,505	1,004,410,993
Khulna Region	1,740,629,538	1,315,118,707
Rajshahi Region	1,410,310,687	894,319,018
Barisal Region	509,755,725	583,098,780
Sylhet Region	358,513,955	341,137,659
Rangpur Region	1,023,350,273	850,362,417
Mymensingh Region	1,064,898,569	799,305,521
Comilla Region	622,233,846	711,348,263
Faridpur Region	556,943,670	558,857,902
	22,530,542,343	21,446,185,391
23(a) Consolidated Interest Income		
Agrani Bank Limited	22,530,542,343	21,446,185,391
Agrani Equity & Investment Limited	3,360,320	1,859,693
Agrani SME Financing Company Limited	155,262,362	133,801,379
Agrani Exchange House Private Limited, Singapore	185,401	-
Agrani Remittance House SDN. BHD., Malaysia	1,600,926	2,846,917
Agrani Remittance House Canada Inc.	293,319	310,220
Agrani Exchange Company (Australia) Pty. Limited	-	-
	22,691,244,671	21,585,003,600
Less: Inter-company transaction(s)	(150,104,499)	(149,328,637)
	22,541,140,172	21,435,674,963
24 Interest paid on deposits & borrowings		
a. Interest paid on Deposits		
Savings Deposits	3,013,590,253	2,691,363,419
Special Time Deposits	1,835,321,826	1,700,847,350
Fixed Deposits	10,467,904,037	13,441,524,998
Deposit Pension Scheme	1,744,652	(254,070)
Interest on staff provident fund	344,570,914	308,309,171
Interest on Cash Security	-	6,991
Interest paid on NFCD	2,676,452	870,776
Interest paid on ABPS	15,081,933	18,794,148
Interest on month-wise fixed deposits	132,688	2,553,843
Interest on ABS	1,474,355,370	1,320,731,915
Interest on MDS	2,138,185	321,219,563
Interest on MIS	314,807,959	175,639,033
Interest on ADBS	350,200,668	353,832,732
Interest on Quarter Income Scheme	688,275	-
Interest on Double Income Scheme	315,681	-
Interest on Millionaire Income Scheme	177,844	-
Interest on Lakhpoti Income Scheme	34,392	-
Interest on Probashi Income Scheme	6,093	-
Interest on Deposit Scheme for women	4,617	-
Sub Total	17,823,751,839	20,335,439,869

Notes to the Financial Statements

Amount in Taka

	31 Dec 2017	31 Dec 2016
b. Interest paid to Banks		
Foreign Banks	104,307,697	173,263,464
Bangladesh Bank	170,177,787	64,828,771
Sonali Bank	-	560
Other Banks	1,588,303	3,850,041
Sub Total	276,073,787	241,942,836
c. Interest paid on Borrowings		
Call Borrowings	163,194	2,133,750
Agrani Bank Shilpa Unnayan Bond	27,497	34,652
Discount on T.T sold	4,426,619	4,537,828
Bangladesh Bank	40,205,000	-
Other Borrowings	38,569,006	35,508,752
Sub Total	83,391,316	42,214,982
Total (a+b+c)	18,183,216,942	20,619,597,687
24(a) Consolidated Interest paid on deposits & borrowings		
Agrani Bank Limited	18,183,216,942	20,619,597,687
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	-	-
	18,183,216,942	20,619,597,687
Less: Inter-company transaction(s)	(150,104,499)	(149,328,637)
	18,033,112,443	20,470,269,050
25 Investment income		
Interest on Debenture	-	13,322,138
Dividend on Shares	821,040,559	1,174,678,123
Discount on 2, 5, 10,15 & 20 years Govt. Bond	272,882,866	16,370,672
Interest on 2,5,10,15 & 20 years govt. treasury bond	4,558,018,759	5,100,899,825
Interest on 25 years govt. jute bond	4,882,671	8,043,261
Discount on Bangladesh bills & treasury bills	3,543,361,360	4,235,754,284
Govt. Treasury Bond (BPC)	1,465,096,547	1,771,226,685
Govt. Treasury Bond (BJMC)	255,638,466	296,290,794
Prime Bank Bond	1,270,401	11,234,668
Mutual Trust Bank Bond	13,793,972	24,388,354
National Bank Bond	8,909,750	11,775,323
BRAC Bank Subordinated Bond	87,634,315	91,677,329
United Commercial Bank Subordinated Bond	34,500,000	34,306,849
One Bank Subordinated Bond	47,802,740	59,720,548
AB Bank Subordinated Bond	51,202,738	55,150,685
South East Bank Subordinated Bond	55,818,494	56,404,108
Floating Rate Dated Subordinated Bond of EBL	23,000,000	23,063,013

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
Floating Rate Dated Subordinated Bond of Bank Asia	23,000,000	23,063,014
Floating Rate Dated Subordinated Bond of Prime Bank	23,000,000	23,063,014
Floating Rate Dated Subordinated Bond of EXIM Bank	41,869,863	44,280,823
United Commercial Bank Subordinated Bond II	19,112,331	20,689,726
Al-Arafa Islami Bank Subordinated Bond	31,500,000	31,586,301
AB Bank Subordinated Bond II	52,500,001	52,643,835
Standard Bank Subordinated Bond	34,500,000	34,405,479
Floating Rate Dated Subordinated Bond of Dhaka Bank	45,619,862	29,900,684
IFIC Bank Coupon Bearing Subordinate Bond	41,805,068	22,195,407
South East Bank Subordinated Bond II	35,961,781	6,811,644
Mutual Trust Bank Limited Subordinated Bond-II	20,017,151	-
Bank Asia Limited Subordinated Bond	13,435,274	-
Exim Bank Limited Subordinated Mudaraba Bond	23,250,001	-
DBBL Subordinated Bond	23,013,698	-
City Bank 2nd Subordinated Bond	8,153,507	-
Premier Bank Subordinated Bond	4,986,301	-
Standard Bank Subordinated Bond II	10,722,604	-
Islami Bank Mudaraba Subordinated Bond	20,728,768	-
Pubali Bank Ltd. Floating Rate Subordinated Bond	3,024,658	-
National Bank 2nd Subordinated Bond	527,397	-
FSIBL Subordinated Bond	328,767	-
UCBL Subordinated Bond III	246,575	-
Interest on Commercial Paper	1,816,438	-
Interest on Reverse REPO	132,329,339	136,647,078
Profit on Sale of Shares	328,631,248	3,339,214
Profit on Sale of Securities	2,504,274,809	2,198,893,254
	14,689,209,079	15,611,826,132

The above investment incomes were earned from Dhaka region only.

25(a) Consolidated Investment Income

Agrani Bank Limited	14,689,209,079	15,611,826,132
Agrani Equity & Investment Limited	514,850,686	115,503,351
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	-	-
	15,204,059,765	15,727,329,483

Notes to the Financial Statements

Amount in Taka

	31 Dec 2017	31 Dec 2016
26 Commission, exchange earnings & brokerage		
Commission on bills (Foreign & Inland)	64,145,954	69,105,267
Commission DD, TT & MT (Local)	123,660,748	123,577,471
Commission on DD, TT, TC (Foreign)	29,504,397	18,051,919
Commission on Letters of Guarantee (Local)	47,708,266	60,814,488
Commission on Travelers' Cheque	-	4,442
Commission on Letters of Guarantee (Foreign)	4,800,098	15,088,256
Commission on Letter of Credit	865,466,872	632,051,997
CIB Service Charge	26,000,000	-
Commission on Underwriting	13,130,040	42,096,820
Commission on Sales & Purchase (Share)	-	6,079
Commission on Export bill	89,290,000	87,687,719
Commission on LIM	945,574	2,130,052
Commission on Army Pension Paid	8,685,532	4,569,074
Commission on Food procurement Bills	89,320,934	106,630,290
Foreign correspondence charges	2,273,336	5,938,262
Exchange account foreign currency	1,580,712,935	1,489,308,264
Commission on Sanchay patra	56,153,308	40,425,972
Fees & Commission For Debit Card	1,625,867	647,132
Consortium/Syndication Fee	45,005,291	15,175,681
Loan processing fee	49,412,939	32,850,745
Commission on Miscellaneous	297,726,953	342,968,382
Discount on Bills	12,075	-
	3,395,581,119	3,089,128,312
26.1 Geographical Location - wise Commission, Exchange and brokerage:		
Dhaka Region	2,799,827,828	2,537,283,339
Chittagong Region	106,458,411	84,346,381
Khulna Region	127,570,140	112,441,185
Rajshahi Region	79,876,732	80,443,790
Barisal Region	32,447,556	26,506,040
Sylhet Region	41,717,568	24,152,783
Rangpur Region	83,711,076	63,654,108
Mymensingh Region	46,524,220	54,191,432
Comilla Region	59,873,633	85,733,882
Faridpur Region	17,573,955	20,375,372
	3,395,581,119	3,089,128,312
26(a) Consolidated Commission, Exchange and Brokerage:		
Agrani Bank Limited	3,395,581,119	3,089,128,312
Agrani Equity & Investment Limited	4,853,987	3,134,720
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	53,987,490	73,032,081
Agrani Remittance House SDN. BHD., Malaysia	29,694,962	32,152,222
Agrani Remittance House Canada Inc.	1,615,143	1,388,379
Agrani Exchange Company (Australia) Pty. Limited	-	750,013
	3,485,732,701	3,199,585,727

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
27	Other operating income		
	Rent on Immovable Properties & Godown	1,855,852	2,592,234
	Rent on SD Lockers	10,440,206	7,524,172
	Profit on sale of Assets	469,236	5,535,335
	Postage Recoveries	48,483,501	56,183,671
	Telegram Recoveries	573,352	335,930
	Trunk-call Recoveries	83,270	78,792
	Account Maintenance Fee	705,766,471	879,846,179
	Remittance	6,507,290	8,277,694
	Insurance Recoveries	-	1,000
	Service charge on rural credit	4,943	62,745
	Service charge on Weavers/ Hosiery credit	2,182	(10,575)
	Service charge on Industrial credit	7,913	6,005
	Service charge on other credit	135,145,413	111,360,023
	Sales proceeds on loan application form	1,997,328	1,900,407
	Annual Charges on deposit A/C	542,667	2,176,820
	Annual Charges on Loan A/C	137,869	42,552
	Service Charges on FSS (Female Student Scholarship)	63,031,658	94,210,405
	Remuneration received from Sanchaya Patra	7,920,929	3,118,622
	Sale of LC/Export/Schedule form and tender Schedule	11,536,880	4,545,306
	Telephone, Telex & Swift charges	35,620,927	44,634,499
	Account Closing Charge	10,106,539	10,403,394
	Rebate received from Foreign bank	21,012,268	14,359,270
	Proceeds realization certificate charges	5,083,719	5,047,722
	Service Charges on Civil Pension paid	2,391,032	1,835,361
	Electronic Govt. Procure (e-GP)	1,079,040	2,625,710
	Service Charges on Deposit A/C	27,944,045	12,199,011
		1,097,744,530	1,268,892,284
27(a)	Consolidated Other Operating Income		
	Agrani Bank Limited	1,097,744,530	1,268,892,284
	Agrani Equity & Investment Limited	497,842	149,138,337
	Agrani SME Financing Company Limited	3,170,435	1,861,219
	Agrani Exchange House Private Limited, Singapore	9,262,671	5,714,967
	Agrani Remittance House SDN. BHD., Malaysia	417,345	17,547
	Agrani Remittance House Canada Inc.	10,659	17,966
	Agrani Exchange Company (Australia) Pty. Limited	-	10,061
		1,111,103,482	1,425,652,381

Notes to the Financial Statements

Amount in Taka

	31 Dec 2017	31 Dec 2016
28 Salary and allowance etc.		
Salaries- officers	4,091,705,077	4,158,851,128
Salaries- staff	464,935,065	494,008,024
Dearness allowance (Officers & Staff)	192,830	(23,250,234)
Fringe Benefit (Officer & Staff)	87,311,539	93,682,630
Bonus (officers & Staff)	680,362,938	690,219,476
Banks contribution to provident fund	174,007,471	174,454,476
Banks contribution to employees pension fund	1,431,261,790	1,296,610,994
Banks contribution to gratuity fund	339,299,512	303,707,947
Conveyance allowances	5,748,854	4,386,106
Entertainment allowances	1,468,523	1,577,671
Children education allowances	56,457,958	40,979,159
Hill Allowances	3,478,913	4,062,427
Honorarium & Fees	17,853,281	15,800,607
Medical Expenses	3,811,662	3,063,765
Medical Expenses (Consultation Fees)	1,848,400	2,023,000
Medical allowances	223,483,276	170,607,152
Uniform and other apparels	10,972,524	15,230,620
Overtime expenses	16,710,111	16,286,706
Compensatory Allowances	4,568,598	15,738,076
Lunch subsidy/Iftar Coupon	570,088,755	579,999,585
Leave Encashment	2,224,540	1,508,310
Sports and cultural activities	29,140,700	22,845,000
House rent allowances (officers)	1,603,852,626	1,237,623,623
House rent allowances (staff)	210,494,212	180,975,294
Wages paid to temporary employees	206,440,308	181,361,055
Death relief grant scheme	-	12,578,000
Staff transport fare	31,515,245	32,952,416
Police & Ansar Expenses	387,960,301	251,391,425
Ex-Gratia	1,225,243	851,979
Evening, Night & Charge Allowance	10,389,465	16,403,294
Salary and allowance of Head of ICC	6,902,732	3,520,000
Bangla Nobobarso Allowance	65,521,579	65,034,175
	10,741,234,028	10,065,083,886
28(a) Consolidated Salary and Allowance etc.		
Agrani Bank Limited	10,741,234,028	10,065,083,886
Agrani Equity & Investment Limited	14,263,284	12,861,390
Agrani SME Financing Company Limited	89,154,974	77,242,131
Agrani Exchange House Private Limited, Singapore	32,335,416	34,532,323
Agrani Remittance House SDN. BHD., Malaysia	19,444,875	15,280,117
Agrani Remittance House Canada Inc.	1,614,275	2,698,431
Agrani Exchange Company (Australia) Pty. Limited	-	6,200,752
	10,898,046,852	10,213,899,030

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
29	Rent, taxes, insurance, lighting etc.		
	Rent on Premises	573,878,400	532,513,304
	Rent on Godown	4,174,381	3,607,753
	Lighting Charges	97,710,753	103,343,761
	Insurance Charges on vehicles	6,173,318	6,977,913
	Insurance Charges on property	1,315,132	1,424,175
	Rates, Taxes, Ceases	48,748,980	40,933,503
	Taxes on Immovable Property	423,894	311,248
	Insurance Charges on Deposits	165,245,774	370,007,345
		897,670,632	1,059,119,002
29(a)	Consolidated rent, taxes, insurance, lighting etc.		
	Agrani Bank Limited	897,670,632	1,059,119,002
	Agrani Equity & Investment Limited	3,572,301	3,469,210
	Agrani SME Financing Company Limited	5,697,339	6,594,377
	Agrani Exchange House Private Limited, Singapore	21,437,698	20,443,917
	Agrani Remittance House SDN. BHD., Malaysia	7,288,322	6,061,097
	Agrani Remittance House Canada Inc.	371,839	1,381,628
	Agrani Exchange Company (Australia) Pty. Limited	-	882,281
		936,038,131	1,097,951,512
30	Legal expenses		
	Court fees	1,736,178	2,492,850
	Lawyer's fees	8,091,173	9,076,966
	Other legal expenses	16,911,065	25,552,220
		26,738,416	37,122,036
30(a)	Consolidated Legal Expenses		
	Agrani Bank Limited	26,738,416	37,122,036
	Agrani Equity & Investment Limited	239,175	199,750
	Agrani SME Financing Company Limited	20,375	711,817
	Agrani Exchange House Private Limited, Singapore	686,152	1,031,817
	Agrani Remittance House SDN. BHD., Malaysia	395,395	221,715
	Agrani Remittance House Canada Inc.	997,891	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		29,077,404	39,287,135
31	Postage, stamp, telegram & telephone		
	Postages	39,446,330	46,890,625
	Telegram Charges	89,963	80,719
	Telex & Teleprinter charges	362,299,528	279,390,552
	Stamps	1,134	26,947
	Telephone Charges (Office)	16,043,572	17,980,260
	Telephone Charges (Residence)	2,406,252	2,421,319
	Trunk-call charges	6,856	29,904
		420,293,635	346,820,326

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
31(a)	Consolidated postage, stamp, telegram & telephone		
	Agrani Bank Limited	420,293,635	346,820,326
	Agrani Equity & Investment Limited	66,027	199,818
	Agrani SME Financing Company Limited	321,325	301,263
	Agrani Exchange House Private Limited, Singapore	1,621,401	1,647,615
	Agrani Remittance House SDN. BHD., Malaysia	963,676	744,625
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	80,032
		423,266,064	349,793,679
32	Stationery, printing, advertisement		
	Security Stationery	31,859,643	28,077,807
	Printing Stationery	88,434,546	92,874,071
	Paper & Table Stationery	28,035,584	27,221,703
	Advertisement publicity charge (Tender)	1,149,274	1,108,449
	Advertisement publicity charge (Development)	15,953,705	57,702,471
		165,432,752	206,984,501
32(a)	Consolidated Stationery, printing, advertisement		
	Agrani Bank Limited	165,432,752	206,984,501
	Agrani Equity & Investment Limited	225,016	259,257
	Agrani SME Financing Company Limited	1,116,997	2,126,153
	Agrani Exchange House Private Limited, Singapore	516,196	617,664
	Agrani Remittance House SDN. BHD., Malaysia	514,878	320,550
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	45,473
		167,805,839	210,353,598
33	Chief executive's salary and allowances		
	Basic Salary	3,300,000	2,602,400
	House Rent Allowance	900,000	600,826
	Festival Bonus	550,000	525,000
	Incentive Bonus	293,033	1,000,000
	Medical Allowance	120,000	120,000
	Utility Allowance	300,000	300,000
	House Maintenance Allowance	180,000	180,000
		5,643,033	5,328,226
33(a)	Consolidated Chief executive's salary and allowances		
	Agrani Bank Limited	5,643,033	5,328,226
	Agrani Equity & Investment Limited	-	-
	Agrani SME Financing Company Limited	1,290,000	1,698,387
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	-	-
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		6,933,033	7,026,613

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
34	Fees & allowances of Directors		
	Fees for attending board meetings	3,477,600	2,180,400
	Fees for attending executive committee meetings	202,400	193,200
	Fees for attending audit committee meetings	533,600	395,600
	Fees for attending risk management committee meetings	230,000	220,800
	Fees for shariah supervisory committee meetings	147,200	248,700
	Allowances	1,096,565	394,584
		5,687,365	3,633,284
<p>Note: Fee of the Chairman and directors is Taka 8,000 per meeting as per BRPD Circular Letter No. 11 date 04 October 2015. No other financial benefits are extended to Board of Directors [as per section 18(1) of the Banking Companies Act (Amendment) 2013] excluding above fees.</p>			
34(a)	Consolidated Fees & allowances of Directors		
	Agrani Bank Limited	5,687,365	3,633,284
	Agrani Equity & Investment Limited	500,400	602,800
	Agrani SME Financing Company Limited	560,000	392,000
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	4,826,972	2,632,417
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		11,574,737	7,260,501
35	Auditors' Fees		
	Audit Fee (Statutory Audit)	3,600,000	3,600,000
	Audit Fee (Others)	36,000	1,013,500
		3,636,000	4,613,500
35(a)	Consolidated Auditors' Fees		
	Agrani Bank Limited	3,636,000	4,613,500
	Agrani Equity & Investment Limited	80,350	92,000
	Agrani SME Financing Company Limited	165,600	165,600
	Agrani Exchange House Private Limited, Singapore	-	-
	Agrani Remittance House SDN. BHD., Malaysia	380,096	286,477
	Agrani Remittance House Canada Inc.	-	1,000,805
	Agrani Exchange Company (Australia) Pty. Limited	-	255,783
		4,262,046	6,414,165
36	Depreciation & repairs of bank's assets		
	a. Depreciation of Banks Assets (Annexure-G):		
	Bank Buildings	22,594,978	22,596,332
	Furniture & fixtures	60,579,691	60,887,605
	Motor Vehicles	63,713,646	70,232,037
	Office Equipment	36,630,599	35,921,147
	Electric material	63,255,031	64,201,781
	Computers	250,828,965	264,225,705
	Library Books & Others	167,828	194,116
	Sub total	497,770,738	518,258,723

Notes to the Financial Statements

Amount in Taka

	31 Dec 2017	31 Dec 2016
b. Amortization of Intangible Assets		
Amortization of Software Purchase	120,511,198	6,947,546
Sub total	120,511,198	6,947,546
c. Repairs & Maintenance of Banks Assets:		
Bank Buildings	8,896,976	7,083,060
Furniture & fixtures	4,058,487	4,356,931
Motor Vehicles	208,102,037	194,815,373
Office Equipment	7,188,120	5,463,923
Computers	449,770,397	146,953,744
Electric Equipment & Lighting Materials	19,276,079	17,686,820
Renovation & Maintenance of Branch Premises	8,323,596	18,113,170
Sub total	705,615,692	394,473,021
Total (a+b+c)	1,323,897,628	919,679,290

Repairs & Maintenance of Computers include Tk. 91,300,000 for 2016 and Tk. 2,300,000 for 2015.

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

Agrani Bank Limited	1,323,897,628	919,679,290
Agrani Equity & Investment Limited	2,680,216	2,651,406
Agrani SME Financing Company Limited	4,896,507	5,181,029
Agrani Exchange House Private Limited, Singapore	4,266,950	4,448,584
Agrani Remittance House SDN. BHD., Malaysia	2,163,886	2,001,041
Agrani Remittance House Canada Inc.	136,837	1,888
Agrani Exchange Company (Australia) Pty. Limited	-	110,953
	1,338,042,024	934,074,191

37 Other expenses

Conveyance/ Transportation Charges	29,995,630	32,801,692
Petroleum, Oil and Lubricants for vehicles	26,769,526	32,685,715
Petroleum, Oil and Lubricants for generator	65,633,682	65,824,050
Entertainment Charges	35,728,617	34,492,042
Entertainment (Excluding ceiling)	18,538,231	19,252,450
Traveling Expenses	66,593,518	54,583,242
Traveling Expenses (Foreign)	-	7,395
Remittance (Through Bank Exchanges)	3,482,994	3,970,003
Remittance (Cash)	70,347,349	69,414,881
Registration Charges	631,519	604,386
Mortgages Fee of Land/Home of staff house building loan	3,304,515	3,437,746
Bankers Clearing House charges	492,810	527,462
Loss on Sale of Assets (Furniture)	-	848,167
Loss on Amortization of Securities	25,784,207	-
Loss on Sale of Share & Securities	2,436,409	-
Newspapers & Periodicals	9,687,580	9,527,941
Upkeep of office premises	55,005,198	45,563,843
Business Development Expenses	40,084,477	61,560,962
Training Expenses	28,414,049	44,948,918
Washing Charges	2,095,565	2,198,121
Closing expenditure	25,583,331	26,422,784
Micro Enterprise Development Unit	-	16,225
Subscription	2,477,000	2,287,000
Donation	59,700	33,800
Funeral expenses	2,277,000	2,000,000
Fees and commission	3,157,514	827,360
Fees and commission on bond issue	27,381,500	-
Exchange a/c Charge paid to Foreign Bank	71,344,724	25,914,398
Loss on Revaluation of Security	1,192,235,485	2,057,484,514
	1,809,542,130	2,597,235,097

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
37(a) Consolidated Other Expenses		
Agrani Bank Limited	1,809,542,130	2,597,235,097
Agrani Equity & Investment Limited	148,841,077	147,657,448
Agrani SME Financing Company Limited	9,124,378	10,958,379
Agrani Exchange House Private Limited, Singapore	17,451,492	16,549,514
Agrani Remittance House SDN. BHD., Malaysia	6,416,553	7,061,904
Agrani Remittance House Canada Inc.	809,059	1,137,549
Agrani Exchange Company (Australia) Pty. Limited	-	74,404
	1,992,184,689	2,780,674,295
38 Provision for loans & advances		
Provision for Bad & Doubtful Loans & Advances	(3,899,757,179)	7,739,815,972
Unclassified loans & advances	(1,089,623,013)	448,729,747
Special Mention Account	4,440,802	(22,862,222)
3% General reserve for consumer financing (Note -12.8)	(57,048,330)	(45,839,058)
	(5,041,987,720)	8,119,844,439
Transfer to Retained Surplus	-	45,839,058
Net Charge to Profit & Loss A/C	(5,041,987,720)	8,165,683,497
38(a) Consolidated provision for loans & advances		
Agrani Bank Limited	(5,041,987,720)	8,165,683,497
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	-	-
	(5,041,987,720)	8,165,683,497
39.1 Provision for off balance sheet exposures (Note - 12.10)	394,354,459	-
39.2 Provision for diminution in the value of Investment (Note - 12.11)	(712,171,701)	931,030,434
39.3 Provision for employees benefits (Note - 12.13)	1,360,000,000	1,070,000,000
39 Other provision		
Employee Benevolent Fund	20,000,000	20,000,000
Risk Fund	20,000,000	20,000,000
Supper Annuation Fund	1,260,000,000	500,000,000
Death Relief Grant Scheme	12,500,000	-
Protested Bills (Note - 12.12.a)	17,001,350	4,856,257
OPEC Fund	(70,508,242)	-
Branch Adjustment	(76,700,000)	500,000,000

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
Provision for Other Assets:		
Sundry Debtors Staff & Others	2,625,006	15,103,100
Clearing Adjustment	745,226	(1,519,598)
Army Pension Paid	(92,832,778)	(398,210,940)
Civil Pension Paid	(9,155,362)	17,674,048
Exempted Loans & Interest on Exempted Loans	105,968,204	491,000
Legal Charges	(13,985)	(639,977)
Parking Account	-	(7,620,000)
Accrued Income	2,912,567	(8,983,723)
Stationary & Stamp	7,131,329	8,173,776
Advance Deposit & Pre-payment	(9,809,853)	47,336,418
Foreign Correspondent Draft Paid	-	394,869
Agri credit exemption on river erosion	(1,176,471)	-
Libian Currency	(100,000,000)	50,000,000
BCCI Bank- London	-	(1,006,441)
Wage Earner Bond	25,532,202	-
DD paid W/A	4,765,243	(15,549,503)
Dividend Receivable from Preference Share	-	360,000,000
Interest rebate on good borrowers	-	10,000,000
Sub Total	(63,308,672)	75,643,029
Total	1,118,984,436	1,120,499,286
Add: Transfer to Retained Surplus	-	444,591,722
Net Charge to Profit & Loss A/C	1,118,984,436	1,565,091,008
39(a).1 Consolidated provision for off balance sheet exposures		
Agrani Bank Limited	394,354,459	-
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	394,354,459	-
39(a).2 Consolidated provision for diminution in the value of Investment		
Agrani Bank Limited	(712,171,701)	931,030,434
Agrani Equity & Investment Limited	100,000,000	-
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	(612,171,701)	931,030,434

Notes to the Financial Statements

	31 Dec 2017	Amount in Taka 31 Dec 2016
39(a).3 Consolidated provision for employees benefits		
Agrani Bank Limited	1,360,000,000	1,070,000,000
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	8,500,000	10,000,000
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,368,500,000	1,080,000,000
39(a).4 Consolidated Other Provision		
Agrani Bank Limited	1,118,984,436	1,565,091,008
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,118,984,436	1,565,091,008
40 Consolidated Current Tax Expense		
Agrani Bank Limited	2,682,800,000	2,322,989,078
Agrani Equity & Investment Limited	66,243,440	41,239,730
Agrani SME Financing Company Limited	16,455,977	2,543,988
Agrani Exchange House Private Limited, Singapore	390,892	(173,003)
Agrani Remittance House SDN. BHD., Malaysia	-	130,705
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	2,765,890,309	2,366,730,498
41 Consolidated Deferred Tax Expense		
Agrani Bank Limited	238,433,187	(2,863,371,879)
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	(807,391)	(574,784)
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	237,625,796	(2,863,946,663)
42 Interest Receipts in Cash		
Loans & Advances	19,077,097,566	19,851,228,218
Investment	9,389,371,935	15,879,318,548
Balance with Other Banks & Financial Institutions	2,802,911,078	1,631,389,105
	31,269,380,579	37,361,935,871

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
42(a)	Consolidated Interest Receipts in Cash		
	Agrani Bank Limited	31,269,380,579	37,361,935,871
	Agrani Equity & Investment Limited	3,653,639	1,859,693
	Agrani SME Financing Company Limited	155,262,362	156,607,577
	Agrani Exchange House Private Limited, Singapore	185,401	-
	Agrani Remittance House SDN. BHD., Malaysia	1,600,926	2,846,917
	Agrani Remittance House Canada Inc.	-	-
	Agrani Exchange Company (Australia) Pty. Limited	-	-
		31,430,082,907	37,523,250,058
	Less: Inter-company (Transactions)	(150,104,499)	(149,328,637)
		31,279,978,408	37,373,921,421
43	Interest Payments in Cash		
	Agrani Bank Monthly Deposit Scheme (ABMDS)	97,948,628	271,506,580
	Agrani Bank Pension Scheme (ABPS)	30,314,815	26,830,945
	Agrani Bank Special Deposit Scheme (ABS)	1,214,597,386	1,224,865,509
	Deposit Pension Scheme (DPS)	1,857,163	2,570,990
	Fixed Deposit Receipts	11,370,961,752	14,538,911,431
	Interest on ABDBS	331,178,922	271,263,695
	Unearned discount	272,756,226	-
	Interest on ABMIS	317,462,834	208,957,304
	Savings Deposit	3,013,566,515	2,692,170,948
	Special Notice Deposit	1,835,330,281	1,705,247,689
	Staff Provident Fund	344,570,914	308,309,171
	Quarterly Income Scheme	391,796	-
	Millionaire Deposit Scheme	18,270	-
	Lakhopoti Deposit Scheme	4,217	-
	Probashi Income Scheme	6,093	-
	Deposit Scheme for Woman	4,599	-
	Borrowings	43,312,271	60,050,510
	Banks & Other Financial Institutions	276,073,787	241,942,836
		19,150,356,469	21,552,627,608
43(a)	Consolidated Interest Payments in Cash		
	Agrani Bank Limited	19,150,356,469	21,552,627,608
	Agrani Equity & Investment Limited	146,940,134	-
	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	-	-
		19,297,296,603	21,552,627,608
	Less: Inter-company transaction(s)	(150,104,499)	(130,936,456)
		19,147,192,104	21,421,691,152

Notes to the Financial Statements

		<i>Amount in Taka</i>	
		31 Dec 2017	31 Dec 2016
44	Cash receipts from other operating activities		
	Account Closing Charge	10,105,399	10,400,783
	Account Maintenance Fee	705,720,481	879,740,910
	Annual Charges on deposit A/C	532,532	2,153,622
	Annual Charges on Loan A/C	137,869	42,552
	Electronic Govt. Procure (e-GP)	1,079,040	2,625,710
	Insurance Recoveries	-	1,000
	Miscellaneous Earnings	(1,090,407)	(2,495,863)
	Postage Recoveries	48,480,957	56,177,849
	Proceeds realization certificate charges	5,082,542	5,045,027
	Profit on sale of other assets	469,236	5,535,335
	Rebate received from Foreign bank	21,012,268	14,359,270
	Remittance	6,505,103	8,272,688
	Remuneration received from Sanchaya Patra	7,849,403	2,954,904
	Rent on Immovable Properties & Godown	1,855,852	2,592,234
	Rent on SD Lockers	10,440,206	7,524,172
	Sale of LC/Export/Schedule form and tender Schedule	11,536,880	4,545,306
	Sales proceeds on loan application form	1,997,328	1,900,407
	Service charge on Industrial credit	7,913	6,005
	Service charge on other credit	135,129,117	111,322,722
	Service charge on rural credit	4,943	52,170
	Service charge on Weavers/ Hosiery credit	2,182	-
	Service Charges on Civil Pension paid	2,373,866	1,796,070
	Service Charges on Deposit A/C	27,925,295	12,156,093
	Service Charges on FSS (Female Student Scholarship)	62,799,081	93,678,054
	Telegram Recoveries	572,387	333,721
	Telephone, Telex & Swift charges	35,620,399	44,633,291
	Trunk-call Recoveries	83,209	78,653
		1,096,233,080	1,265,432,685
44(a)	Consolidated Cash receipts from other operating activities		
	Agrani Bank Limited	1,096,233,080	1,265,432,685
	Agrani Equity & Investment Limited	497,842	148,460,337
	Agrani SME Financing Company Limited	3,170,435	1,906,138
	Agrani Exchange House Private Limited, Singapore	9,262,671	5,573,020
	Agrani Remittance House SDN. BHD., Malaysia	417,345	17,547
	Agrani Remittance House Canada Inc.	10,659	17,848
	Agrani Exchange Company (Australia) Pty. Limited	-	10,061
		1,109,592,032	1,421,417,636
45	Cash payment for other operating activities		
	Auditors Fee	3,636,000	4,613,500
	Directors' fees and allowances	5,687,365	3,633,284
	Legal charges	42,888,653	49,246,412
	Other expenses	1,897,608,775	553,507,025
	Postage, stamps, telegrams and telephone	421,297,845	368,680,625
	Rent, taxes, insurance lighting etc.	2,126,870,717	1,029,331,790
	Repairs to fixed assets	1,915,039,687	376,519,116
		6,413,029,042	2,385,531,752

Notes to the Financial Statements

Amount in Taka

	31 Dec 2017	31 Dec 2016
45(a) Consolidated Cash payment for other operating activities		
Agrani Bank Limited	6,413,029,042	2,385,531,752
Agrani Equity & Investment Limited	55,991,196	100,583,623
Agrani SME Financing Company Limited	(30,983,412)	24,215,006
Agrani Exchange House Private Limited, Singapore	45,463,693	44,121,447
Agrani Remittance House SDN. BHD., Malaysia	22,341,281	19,495,618
Agrani Remittance House Canada Inc.	6,632,862	8,300,868
Agrani Exchange Company (Australia) Pty. Limited	511,566	3,939,962
	6,512,986,228	2,586,188,276
46 Cash & cash equivalent at the end of the period		
Cash in hand & with Bangladesh Bank & Sonali Bank Ltd.	38,440,817,584	35,812,986,615
Balance with Other Banks	77,795,816,230	27,747,160,042
Money at Call & Short Notice	2,700,000,000	890,000,000
Prize Bonds	9,080,700	8,786,700
	118,945,714,514	64,458,933,357
47 Consolidated Cash & cash equivalent at the end of the period		
Cash in hand & with Bangladesh Bank & Sonali Bank Ltd.	38,508,318,461	35,852,961,878
Balance with Other Banks	77,941,275,858	27,997,044,836
Money at Call & Short Notice	2,700,000,000	890,000,000
Prize Bonds	9,080,700	8,786,700
	119,158,675,019	64,748,793,414
48 Consolidated Shareholder's Equity		
Paid up Capital	20,722,940,400	20,722,940,400
Statutory Reserve	7,834,464,973	5,894,026,005
General Reserve	591,791,414	591,714,409
Risk Fund	60,000,000	40,000,000
Asset Revaluation Reserve	10,992,091,716	11,006,638,965
Revaluation & Amortization Reserve in Govt. Securities	1,659,102,598	4,280,530,068
Retained profit/(Loss) from profit and loss account	(974,537,032)	(5,988,291,734)
Foreign Currency Translation Reserve	34,869,818	13,282,939
Minority Interest	3,221	3,120
	40,920,727,108	36,560,844,172

Notes to the Financial Statements

	<i>Amount in Taka</i>	
	31 Dec 2017	31 Dec 2016
49 Current Ratio		
The Bank had the following current assets and current liabilities as on 31 December 2017 & 2016 as per liquidity statement.		
Current Assets:		
Cash	3,788,497,676	3,853,518,982
Balance with other banks and financial institutions	77,795,816,230	27,677,194,245
Money at call and short notice	2,700,000,000	890,000,000
Investment	100,587,582,349	155,030,757,910
Loans and advances	99,963,977,188	126,118,803,818
Other Assets	39,857,743,313	42,145,163,163
Total current assets	324,693,616,756	355,715,438,118
Current liabilities:		
Borrowing from other banks, FI and agents	5,367,538,629	4,217,401,953
Deposits	272,128,207,058	319,681,001,627
Provisions and other liabilities	18,877,533,139	5,551,669,573
Total Current liabilities	296,373,278,826	329,450,073,153
Current Assets exceeding Current Liabilities	28,320,337,930	26,265,364,965
Current Ratio:		
Current assets	324,693,616,756	355,715,438,118
Current liabilities	296,373,278,826	329,450,073,153
	1.10	1.08

Notes to the Financial Statements

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

Figure in million Taka

Particular	Consolidated				Bank			
	2017		2016		2017		2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets								
Loans and receivable	517,611	517,611	398,470	398,470	515,595	517,657	397,077	397,077
Held to maturity	75,860	84,504	90,203	91,872	75,860	84,504	90,203	91,872
Held for trading	61,112	51,798	110,596	109,307	61,112	51,798	110,596	109,307
Available for sale	5,782	4,391	9,908	5,906	5,782	4,391	9,908	5,906
Non-Financial Assets	15,612	15,612	15,822	15,822	15,573	15,573	15,783	15,784
Total Assets	675,977	673,916	624,999	621,377	673,922	673,923	623,567	619,946
Financial Liabilities								
Financial Liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost	591,354	591,354	538,011	538,011	591,712	591,712	538,463	538,463
Non-Financial Liabilities-provision	43,703	43,703	50,412	50,412	41,476	41,476	48,528	48,528
Total liabilities	635,057	635,057	588,423	588,423	633,188	633,188	586,991	586,991

Detailed Classifications of Financial Instruments in Annexure-H.

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

	Consolidated	Bank
Assets presented at fair value as per note # 50	673,916	673,923
Add : Fall in Market price of assets	2,061	(1)
Value of assets as per balance sheet	675,977	673,922

Notes to the Financial Statements

Consolidated		Bank	
2017	2016	2017	2016

52 Performance Evaluation

Average Cost of Deposits (%)	3.52 %	4.39 %	3.48 %	4.35 %
Average Cost of Borrowing (%)	0.91 %	0.64 %	0.91 %	0.64 %
Average Yield on Loans & Advances (performing loan) (%)	8.43 %	10.11 %	8.38 %	10.02 %
Average Yield on Investments (%)	7.37 %	7.03 %	7.37 %	7.21 %
Average Yield on Call loans to Bank (%)	4.31 %	4.69 %	4.31 %	4.69 %
Average Yield on Balance with other Banks (%)	5.52 %	5.93 %	5.54 %	5.96 %
Net Spread (%)	4.62 %	4.49 %	4.62 %	4.49 %
Net Interest Margin (%)	3.59 %	3.24 %	3.59 %	3.24 %
Contribution of non-interest bearing liabilities (%)	1.03 %	1.25 %	1.03 %	1.25 %

Detail of calculations is given in Annexure I.

53 Workers Participation Fund

Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) deals with the workers' participation in company's profit by way of 'Workers Participation Fund' and 'Welfare Fund'. This Act requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @5% on net profit. Since this requirement contradicts with the 'Section 11' of the Bank Company Act 1991 (as amended up to 2013), banks in Bangladesh took up the issue collectively and sought opinion from the Association of Bankers Bangladesh Limited (ABB) on the same. ABB wrote a letter to the Ministry of Finance of the Government of People's Republic of Bangladesh on 09.03.2016 to draw attention of the honorable Finance Minister regarding relevance and applicability of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) for the bank companies and to obtain a direction on the issue. The Ministry of Finance revealed their opinion that WPPF should not be relevant for bank companies, and therefore it should not be applied there. They also sought for an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logics and legal opinion collected by the ABB and expressed their consensus with them on 29.11.2016. In this backdrop, the Ministry of Finance has given their instruction, vide letter no. 53.00.0000.311.22.002.17-130 dated 14.02.2017, for not applying Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) in bank companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on December 31, 2017.



(MD. WALI ULLAH)
General Manager & CFO



MOHAMMAD SHAMS-UL ISLAM)
Managing Director & CEO

Dated, Dhaka
30-April-2018