

1. BACKGROUND INFORMATION

1.1 Establishment and status of the Bank

Agrani Bank Limited (the "Bank") has been incorporated as a Public Limited Company on May 17, 2007 Vide Certificate of Incorporation No. C-66888 (4380)/07. The Bank has taken over the business of Agrani Bank (emerged as a Nationalized Commercial Bank in 1972, pursuant to Bangladesh Bank (Nationalization) Order No. 1972 (P.O. # 26 of 1972)) on a going concern Basis through a Vendor Agreement signed between the Ministry of Finance of the Peoples' Republic of Bangladesh on behalf of Agrani Bank and the Board of Directors on behalf of Agrani Bank Limited on November 15, 2007 with a retrospective effect from July 01, 2007. The Bank's current shareholdings comprise Government of the Peoples' Republic of Bangladesh and 09 (Nine) other shareholders nominated by the Government. The Bank has 960 branches and 15 windows that are working under Islamic Banking Unit complying with the rules of Islamic Shariah.

1.2 Nature of Business

1.2.1 Conventional Banking

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

1.2.2 Islamic Banking Unit

The Bank obtained the Islamic Banking Unit permission vide letter no. BRPD(P-3)745(3)/2009-2567 dated July 22, 2009. The Bank commenced operation of its 05 (Five) Islamic windows on February 28, 2010. Now, there are 15 Islamic Banking Windows operating in different locations in the country. The Islamic Banking Windows are governed under the rules and guidelines of Bangladesh Bank. The principal activities of the windows are to provide all kinds of Islamic Commercial Banking services to its customers.

1.2.3 Off-shore Banking Unit

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

1.3 Subsidiaries of the Bank

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

1.3.1 Agrani Exchange House Private Limited, Singapore

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

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 Pekelling, 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.

Agrani Bank Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2020

1.3.3 Agrani Equity and Investment Limited

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

1.3.4 Agrani SME Financing Company Limited

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

1.3.5 Agrani Exchange Company (Australia) Pty. Limited

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

1.3.6 Agrani Remittance House Canada, Inc.

Agrani Remittance House Canada, Inc. is a limited liability company incorporated and domiciled in Canada with the Corporation No. 819190-5 whose registered office is located at 2962 Danforth Avenue, East York, Toronto on M4C 1M6. The Company is a wholly-owned subsidiary of Agrani Bank Limited, a fully state-owned bank of Bangladesh, which is also the Company's ultimate holding company. The principal activities of the Company are to carry on the remittance business and to undertake and participate in any or all transactions, activities and operations commonly carried on or undertaken by remittance and exchange houses.

2. Basis of Preparation and Significant Accounting Policies

Separate and Consolidated Financial Statements

The separate financial statements of the Bank as at and for the year ended 31 December 2020 comprise those of Domestic Banking (main operation including Conventional Banking and Islamic banking) and Offshore Banking operations, and the consolidated financial statements of the group comprise those of 'the Bank' (parent company) and its subsidiaries (together referred to as 'the group' and individually referred to as 'group entities/subsidiaries').

2.1 Statement of compliance

The consolidated and separate financial statements of the Group and the Bank have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the the Financial Reporting Council (FRC) under the Financial Reporting Act, 2015 (FRA) and the requirements of the Banking Companies Act, 1991 (as amended up to date), the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994. In case any requirement of the Banking Companies Act, 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Banking Companies Act 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank shall prevail. The Bank has also complied with the requirements of following laws & regulations, as relevant:

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

- i) The Bank Company Act 1991(as amended up to date)
- ii) The Companies Act, 1994
- iii) Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv) The Income Tax Ordinance 1984
- v) The Income Tax Rules 1984
- vi) Value Added Tax and Supplementary Duty Act 2012
- vii) Value Added Tax and Supplementary Duty Rules 2016
- viii) International Financial Reporting Standards (IFRS)

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

(a) **Presentation of financial statements**

IFRS:

As per IAS 1 Presentation of financial statements, financial statements shall comprise a statement of financial position as at the end of the period, a statement of profit or loss and other comprehensive income for the period, a statement of changes in equity for the period, a statement of cash flows for the period, notes - comprising significant accounting policies and other explanatory information. As per IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

Bangladesh Bank:

The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the First Schedule (section 38) of the Banking Companies Act 1991 (as amendment up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

(b) **Investments in shares and securities**

IFRS:

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

Bangladesh Bank:

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

(c) **Revaluation gain/loss on Government securities**

IFRS:

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

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

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.

(d) **Provision on loans and advances**

IFRS:

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

Bangladesh Bank:

As per Bangladesh Bank instructions vide different circulars, a general provision @ 0.25% to 2% under different categories of unclassified loans (standard/SMA loans) and special general provision for Covid-19 @ 1% on PBD (Payment by deferral) facilitated accounts, should be maintained regardless of objective evidence of impairment. And specific provision for sub-standard/doubtful/bad-loss loans should be made at 5%, 20%, 50% and 100% respectively on loans net off eligible securities (if any). Also, a general provision @ 0.5% - 1% should be provided for certain off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

(e) **Recognition of interest in suspense**

IFRS:

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

Bangladesh Bank:

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

(f) **Other comprehensive income**

IFRS:

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

Bangladesh Bank:

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

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

(g) **Financial instruments - presentation and disclosure**

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

(h) **Financial guarantees**

IFRS:

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

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit and letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin. However, a general provision @ 0.5% -1% is provided against such guarantee.

(i) **REPO transactions**

IFRS:

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

Bangladesh Bank:

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

(j) **Cash and cash equivalents**

IFRS:

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

Bangladesh Bank:

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

(k) **Non-banking assets**

IFRS:

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

Bangladesh Bank:

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

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

(l) **Cash flow statement**

IFRS:

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

Bangladesh Bank:

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

(m) **Balance with Bangladesh Bank (CRR)**

IFRS:

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

Bangladesh Bank:

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

(n) **Presentation of intangible asset**

IFRS:

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

Bangladesh Bank:

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

(o) **Off balance sheet items**

IFRS:

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

Bangladesh Bank:

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

(p) **Loans and advances net of provision**

IFRS:

Loans and advances shall be presented at amortized cost net of any write down for impairment (expected credit losses that result from all possible default events over the life of the financial instrument).

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

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

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

2.3 Use of estimates and judgments

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

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

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

- Loan loss provision
- Revaluation of land
- Deferred tax assets/liabilities
- Gratuity & superannuation fund
- Useful lives of depreciable assets

2.4 Foreign currency transactions

2.4.1 Functional and presentational currency

Financial statements of the Bank have been presented in Bangladeshi Taka (BDT), which is the Bank's functional and presentational currency except for OBU, where the functional currency is US Dollar (USD). All financial information presented in BDT and US Dollar (USD) has been rounded off to the nearby integer, except when otherwise indicated. Because of the effects of rounding off, the totals in some instances, may not match the sum of individual balances.

2.4.2 Foreign currency translation

Foreign currency transactions have been converted into equivalent BDT at the ruling exchange rates on the respective date of such transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign Currency conversion rates for the year 2020 are as follows:

(Spot Rate)

Sl.	Particular	SGD	MYR	CAD	AUD	USD
1	Assets & Liabilities	64.0395	21.0008	66.2819	56.6813	84.8011
2	Income & Expenses	63.5459	20.8768	64.8456	56.8407	84.8011

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

2.4.3 Commitment

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

2.4.4 Transaction gains and losses

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

2.4.5 Foreign operations

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

Agrani Bank Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2020

The consolidated financial statements include the financial statements of Agrani Bank Limited and its six subsidiaries named Agrani Equity and Investment Limited, Agrani SME Financing Company Limited, Agrani Exchange House Private Limited, Singapore, Agrani Remittance House, BHD, Malaysia, Agrani Exchange Co. (Australia) Pty. Limited, Agrani Remittance House Canada, Inc. made up to the end of the financial year. The Consolidated financial statements have been prepared in accordance with International Financial Reporting Standard-10 'Consolidated Financial Statements'. These Consolidated financial statements are prepared to a common financial year ended 31 December 2020.

2.5.1 Subsidiaries

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

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

2.5.2 Transactions eliminated on consolidation

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

2.6 Materiality, aggregation and offsetting

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

2.7 Comparative Information

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

2.8 Reporting period

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

2.9 Cash flow statement

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

2.10 Statement of changes in equity

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

2.11 Liquidity statement

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

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

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

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 of 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

Agrani Bank Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2020

* 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.

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 revalued 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 subsidiaries

Investment in subsidiaries is accounted for under the cost method of accounting in accordance with IAS 27 Consolidated and separate financial statements', IFRS 3 Business combination and IFRS 10 Consolidated financial statements. Impairment of investment in subsidiaries is made as per the provision of IAS 36 Impairment of Assets.

The bank has done impairment assessment of its investment in the largest subsidiary company Agrani Equity & Investment Limited. As value in use (using discounted cash flow method) is higher than carrying value of investment, no impairment is required to be recognized as on balance sheet date.

2.14 Loans and advances

2.14.1 Presentation of loans and advances

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

2.14.2 Interest on loans and advances

- i) Interest is calculated on unclassified loans and advances and recognized as income during the year;
- ii) Interest calculated on classified loans and advances as per Bangladesh Bank Circulars is kept in interest suspense account;
- iii) Interest is calculated on daily product Basis but debited to the party's loan account quarterly. No interest is charged on loans and advances which are classified as bad and loss;
- iv) Total balance of loans and advances as on 31 December 2020 includes bad/loss loan BDT 5,666.55 crore on which the Bank did not accrue any interest because of deterioration of quality of loans and advances determined by the management and on the Basis of instructions contained in Bangladesh Bank Circulars as mentioned in Note-2.14.3 of this financial statement; and
- v) Interest suspense and penal interest, if any, calculated on classified loans and advances are taken into income in the year of its receipt from the defaulting borrowers.

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

2.14.3 Provision for loans and advances

General provisions @ 0.25% to 2% under different categories on unclassified loans (standard/SMA) and @ 0.5% to 1% on certain off balance-sheet exposures, and specific provisions @ 5%, 20%, 50% & 100% on classified (substandard/doubtful/bad-loss) and some rescheduled loans are made on the basis of quarter end review by the management and in compliance with BRPD Circular no.14 dated 23 September 2012, BRPD circular no 8 dated 2 August 2015, BRPD circular no 12 dated 20 August 2017, BRPD circular no 15 dated 27 September 2017, BRPD circular letter no 1 dated 03 January 2018, BRPD circular no 01 dated 20 February 2018, BRPD circular no 07 dated 21 June 2018, BRPD circular no 13 dated 18 October 2018 and BRPD Circular no. 03 dated 21 April 2019, BRPD Circular no. 16 dated 21 July 2020, BRPD Circular no 17 dated 28 September 2020, BRPD Circular Letter no 52 dated 20 October 2020 and BRPD Circular Letter no 56 dated 10 December 2020. Provisions and interest suspense are separately shown under other liabilities as per First Schedule of Banking Companies Act 1991 (as amendment up to date), instead of netting off with loans.

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%	2%	1%	2%	0.25%	2%	1%
	SMA	1%	5%	1%	2%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	50%	50%
	BL	100%	100%	100%	100%	100%	100%	100%

2.14.4 Interest and discount income

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

2.14.5 Written off loans and advances

The bank puts continuous effort for recovery from written off loans and advances in compliance with Section 28ka of the Banking Companies Act 1991 (as amended up to date) and BRPD circular no. 01 dated 6 February 2019. The Bank takes necessary legal measures against default borrowers for recovery against written off loans and advances as per relevant BB guidelines and Artha Rin Adalat Act-2003. Legal cost incurred against those borrowers are initially charged to the profit and loss account of the bank. Detailed memorandum records for all such written off accounts are maintained without reducing the Bank's claim. Written off loans are calculated according to BRPD Circular no 2, dated January 13, 2003, DOS Circular no 1, dated December 29, 2004 and BRPD circular no.13, November 7, 2013.

2.14.6 Impairment of financial assets

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

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

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

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

2.15 Fixed assets and depreciation

Recognition and measurement

- a) Fixed assets are stated at cost of acquisition/valuation less accumulated depreciation.
- b) Depreciation is charged on straight-line method on all fixed assets at the following rates per annum:

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

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

Derecognition of fixed assets

The carrying amount of an item of fixed assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of fixed assets is to be recorded in profit or loss when the item is derecognized.

2.15.1 Impairment of fixed assets

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

2.15.2 Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognized at cost. Indefinite life intangible assets are not amortized and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortization and any

Agrani Bank Limited
Notes to the Financial Statements
 As at and for the year ended 31 December 2020

impairment. The gains or losses recognized in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortization method or period.

Software

Significant costs associated with software are deferred and amortized on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

2.15.3 Leases

IFRS 16: Leases has come into force on 1 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). As Bangladesh Bank (BB) has no other alternative regulation or guidance regarding the same, Agrani Bank limited has adopted IFRS 16 in preparing financial statements from 1 January 2020.

IFRS 16 Leases, defines a 'lease' as "A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration". In order for such a contract to exist the user of the asset needs to have the right to:

- Obtain substantially all the economic benefits from the use of asset (identifiable asset)
- The right to direct the use of asset

Agrani Bank Limited applied IFRS 16 using modified retrospective approach where the Bank measured the lease liability at the present value of the remaining lease payments, discounted it using the bank's incremental borrowing rate at the date of initial application, and recognized a right-of-use asset at the date of initial application on a lease-by-lease basis.

Right-of-use assets (ROU)

The Bank recognizes right-of-use assets at the date of initial application of IFRS 16. Right-of-use assets are measured at cost, less any accumulated depreciation, and adjusted for any re-measurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented under fixed assets. (Note-8).

Lease Liability

At the commencement date of lease, the bank recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term using incremental borrowing rate at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments.

Short-term lease and leases of low value assets

The Bank has elected not to recognize ROU assets and lease liabilities for leases of low value assets and short-term lease, i.e. for which the lease term ends within 12 months of the date of initial application. The Bank recognizes lease payments associated with these leases as an expense. The contracts for premises with branches, head office wings, circle office regional offices are considered for lease calculation.

The impacts of the new standard on lessees' financial statements are: -

An increase in recognized assets and liabilities;

More lease expenses recognized in early periods of lease, and less in the later periods of a lease;

A shift in lease expense classification from rental expenses to interest expense and depreciation.

As per IFRS 16: Leases, summary of lease related information is provided in the below table:

Year	Particulars	Opening Balance	Depreciation/ Interest Expenses	Accumulated Depreciation/Lease payment	Written down value/Closing balance
2020	ROU Assets	815,707,448	143,707,785	143,707,785	671,999,663
	Lease Liabilities	815,707,448	38,393,666	127,115,739	726,985,375

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

The Management of the Bank has approved the adoption of IFRS: 16 Leases in their MANCOM meeting no. 11th dated June 17, 2021 where the Bank has recognized lease assets upper value of BDT 2 crore. Based on materiality consideration, the Bank has considered the 11 agreements for lease consideration which includes Right of Use (RoU) and lease liabilities higher than 2 crores. Rest of the contracts are lower than 2 crore and owned by the Bank.

Details of fixed assets are presented in note 8 and Annexure - G of these financial statements.

2.16 Other assets

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

2.16.1 Provision for other assets

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

2.16.2 Written off other assets

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

2.17 Non-Banking assets

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

2.18 Reconciliation of inter-branch transactions

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

2.19 Assets pledged as security

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

2.20 Revenue recognition

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

2.21 Fees and commissions

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

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

2.22 Interest income from investments

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

2.23 Dividend Income

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

2.24 Interest paid and expenses

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

2.25 Borrowings from other banks, financial institutions and agents

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

2.26 Deposits and other accounts

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

2.27 Debt securities (subordinated debt)

The Bank issued 7-year non-convertible floating rate subordinated debts in two phases mainly to increase Tier-2 capital having received required approval from Bangladesh Bank and BSEC. Principal amount outstanding against the debt is reported under long term borrowing and interest payable of which is reported under other liabilities. Details of subordinated debt is given in note 10.5 of the financial statements.

2.28 Other liabilities

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

2.29 Share Capital

2.29.1 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.

2.29.2 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.

2.29.3 Statutory Reserve

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

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

2.29.4 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.

The bank is in difficulties to maintain the ratio of minimum Capital to Risk Weighted Assets (CRAR) as per BASEL-III guidelines and Bangladesh Bank has put bar on declaring any types of cash dividends during the forbearance period as per letter no. DOS (CAMS) 1157/01(II)-C/2021-2703 dated 27 June 2021.

2.30 Retirement benefit scheme

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

a) Contributory recognized provident fund (CPF) scheme

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

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 2020, additional provision BDT 1,038,000,000 has been kept for the provision of superannuation fund (SAF). This has been named as Superannuation Fund (SAF) created for paying pension to retiring employees. It is fully funded.

iii) General provident fund (GPF)

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

2.31 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.

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

2.32 Taxation

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

i) **Current tax:**

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

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

Detail's status of Tax Provision and Tax assessment are shown note 12.4 and annexure-F of the financial statements.

- ii) **Deferred tax:** Deferred tax assets or liabilities are recognized by the Bank on deductible or taxable temporary differences between the carrying amount of assets and liabilities used for financial reporting and the amount used for taxation purpose as required by IAS 12 Income taxes and BRPD circular no.11 dated 12 December 2011. Deferred tax assets is recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which they can be used. Deferred tax assets and liabilities are reviewed at each reporting period and are measured at the applicable tax rate as per tax laws that are expected to be applied when the assets is realized and liability is settled. Any unrecognized deferred tax assets or liabilities are reassessed at each reporting period and recognized only if that has become probable that future taxable profit or loss will be available against which they can be used or settled.

Details of deferred tax assets or liabilities and amount recognized in profit and loss account for deferred tax income or expense are given in note 9.4 in the financial statements.

- iii) **Assessment for uncertainty over income tax treatments (under IFRIC 23):** At reporting date, the Bank assessed to consider uncertain tax treatment separately or together in line with Income Tax ordinance and rules 1984. The Bank applies significant judgment and past records of tax assessment and demand in identifying uncertainties over income tax treatments. Since, the Bank is being operated as complex financial intermediary to provide a comprehensive financial solution to customers, it assessed whether the Interpretation of IFRIC 23 Uncertainty over income tax treatments had an impact on its consolidated financial statements. Upon adoption of the interpretation, the Bank considered whether it has any uncertain tax positions, particularly those relating to transfer pricing, payment under credit facilities etc. The Bank determined, on its tax compliance and best practice, it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the consolidated financial statements of the Bank.

2.33 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.

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.

2.34 Earnings per share (EPS)

As per IAS 33 Earnings per share, the Bank has been reporting basic earnings per share as there has been no dilution possibilities during the year. Basic EPS is computed by dividing the profit or loss attributable to ordinary shareholders of the Bank by the number of ordinary shares outstanding during the period.

Agrani Bank Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2020

2.35 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.

2.36 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 amount 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.

2.37 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.

2.38 Events after Reporting Period

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

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

2.39 Segment reporting

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

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

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

2.40 Risk management

Being a financial institution, in the ordinary course of business, the Bank is sensitive to varieties 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,

Agrani Bank Limited
Notes to the Financial Statements
 As at and for the year ended 31 December 2020

i.e., on a proactive Basis rather than on a reactive Basis. As a part of regulatory and global benchmarking the bank has based upon 06 (six) core risk guidelines of Bangladesh Bank and Basel framework. Listed below are the identified risks the Bank is currently managing or intends to manage in the future:

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

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

2.40.1 Prevention of fraud

Fraud and forgery have become important issues in recent years. These have a major impact on our country's economy, hindering economic development. Agrani Bank has always been focused on controlling fraud and forgery by establishing and maintaining proper control systems. Today, fraud and forgery appear in diverse forms. To prevent fraud and forgery, Agrani Bank has formed a Vigilance Division/ MD's squad under the direct supervision of Managing Director. This wing exclusively deals with all kinds of fraud and forgery and acts independently where internal and external fraud and forgery incidents are escalated. The wing also investigates, review the cause and report to the concerned authority accordingly. Also, the bank has a Compliance Department under Internal Control & Compliance Division.

To protect the bank and its stakeholders' interests, the investigation team identifies perpetrators and the root cause of the reported incident. As a remedial course of action, preventive measures are recommended to the business/functional unit to take necessary action relating to process improvements, recovery of the misappropriated amount, adjustment of the operational loss, and appropriate action initiated against the perpetrator. Investigation reports are also placed to the Board Audit Committee for their direction and guidance. All fraud and forgery cases that were identified in 2020 were also duly reported to Bangladesh Bank as per regulations and adequate provisions have been maintained in the books of accounts. On the other hand, the management is exerting full efforts to recover the loss amount incurred due to fraud.

Agrani Bank Limited
Notes to the Financial Statements
 As at and for the year ended 31 December 2020

2.41 Related party transactions

A party is related to the company if

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

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

2.42 Directors' responsibilities on statement

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

2.43 Approval of financial statements

The Board of Directors approved the financial statements on 30 June 2021. The bank is in difficulties to maintain the ratio of minimum Capital to Risk Weighted Assets (CRAR) as per BASEL-III guidelines and Bangladesh Bank has put bar on declaring any types of cash dividends during the forbearance period as per letter no. DOS (CAMS) 1157/01(II)-C/2021-2703 dated 27 June 2021. Therefore, the Board of Directors has not declared any dividend for the year ended 2020.

2.44 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 2019. The following ratings had been awarded:

Basis of Rating	Long Term		Short Term		Outlook
	2019	2018	2019	2018	
Government Support	AAA	AAA	ST-1	ST-1	Stable
Without Government Support	A+	A	ST-2	ST-2	Stable

Notes to the Financial Statements

As at and for the year ended 31 December 2020

2.45 Compliance of International Financial Reporting Standards (IFRS)

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

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

* Subject to departure mentioned earlier in note # 2.1 above

Agrani Bank Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2020

2.46 Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning on or after 01 January 2020 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

2.46.a Insurance Contracts

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

2.46.b Amendments to References to Conceptual Framework in IFRS Standards

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

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

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

2.46.c Definition of a Business (Amendments to IFRS 3)

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

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

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

2.46.d Definition of Material (Amendments to IAS 1 and IAS 8)

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

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

Agrani Bank Limited
Notes to the Financial Statements
 As at and for the year ended 31 December 2020

2.47 Audit Committee

Name	Status with Bank	Status with Committee	Address
Mr. Mafiz Uddin Ahmed	Director	Chairman	Additional Secretary Financial Institutions Division, Ministry of Finance.
D. Md. Foroz Ali	Director	Member	Guest Speaker & Adjunct Faculty, University of Dhaka
Mr. K.M.N. Manjurul Hoque Labloo	Director	Member	Guest Speaker & Adjunct Faculty, University of Dhaka
Mr. Khondker Fazle Rashid	Director	Member	Advisor, Finance & Banking Affairs, Anwar Group

2.48 Changes in Accounting Policies

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

2.49 Coronavirus (COVID-19) pandemic

Judgment has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the services offered, customers, staffing, and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties concerning events or conditions which may impact the consolidated entity unfavorably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Management has also assessed the overall impact on COVID 19 and has not identified any indications that may cast doubt on the going concern of the group and the bank. Bank’s primary business has not impacted expressively as it has a significant growth even the pandemic declared by WHO except trade business. The management does not see any issue concerning going concern due to the recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the bank’s ability to continue as a going concern.

2.50 General

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

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

		2020 Amount in BDT	2019 Amount in BDT
3	Cash	111,440,334,861	45,176,713,081
3.1	Cash in Hand		
	Local Currency	5,448,846,535	5,483,457,730
	Foreign Currency	153,707,731	85,227,671
		5,602,554,266	5,568,685,401
3.2	Balance with Bangladesh Bank and its agent bank		
	Bangladesh Bank (Note - 3.2.1)	103,351,261,414	36,523,345,611
	Sonali Bank Limited as agent of Bangladesh Bank (Note - 3.2.2)	2,486,519,181	3,084,682,069
		105,837,780,595	39,608,027,680
	Total (Note 3.1+3.2)	111,440,334,861	45,176,713,081
3.2.1	Balance with Bangladesh Bank		
	Local Currency	103,140,841,121	37,567,711,750
	Foreign Currency- Annexure-E(2)	210,420,293	(1,044,366,139)
		103,351,261,414	36,523,345,611
3.2.2	Balance with Sonali Bank Limited		
	Local Currency	2,486,519,181	3,084,682,069
	Foreign Currency	-	-
		2,486,519,181	3,084,682,069
3.3	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)		
	Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of Bank Company Act 1991 (amended up to 2018), DOS circular nos. 01 dated 19 January 2014, MPD circular no. 01, MPD circular no. 116/2018-592 dated 03 April 2018, DOS Circular Letter No. 26 dated August 19, 2019, BRPD Circular No. 31 dated June 18, 2020 and MPD Circular No. 03 dated April 09, 2020. The statutory Cash Reserve Ratio on the Bank's time and demand liabilities at the rate 4.0% (conventional, Islamic and offshore banking) has been calculated and maintained with Bangladesh Bank in local currency and 15% (7.5% for Islamic Banking) Statutory Liquidity Ratio for conventional and offshore banking, on the same liabilities has also been maintained in the form of cash in hand, balance with Bangladesh Bank and its agent bank, treasury bills, bonds and debentures. CRR and SLR maintained by the Bank are shown below:		
	Cash Reserve Ratio (CRR) (Conventional and Offshore Banking)		
	As per Bangladesh Bank DOS Circular No. 01 dated January 19, 2014, DOS Circular Letter No. 26 dated August 19, 2019 and MPD Circular No. 03 dated April 09, 2020 Bank has to maintain CRR @ 4.0% on fortnightly cumulative average basis and minimum @ 3.5% on daily basis for its Conventional banking. For off shore banking operation as per Bangladesh Bank BRPD Circular 31 dated June 18, 2020 Bank has to maintain minimum 2.0 (two) percent Cash Reserve Ratio (CRR) with Bangladesh Bank on bi-weekly average basis with a provision of minimum 1.5 (one and half) percent on daily basis of the average total demand and time liabilities (ATDTL) of Off Shore Banking Operation.		
3.3.1	Cash Reserve Requirement (Daily Basis)		
	Reserve Required @ 3.5 % of Total Demand and Time Liabilities	27,780,065,000	33,881,770,000
	Actual Reserve held	110,066,841,928	37,877,351,000
	Surplus/ (Deficit)	82,286,776,928	3,995,581,000
3.3.1.a	CRR of Islamic Banking Unit (Daily Basis)		
	Reserve Required @ 3.5 % of Total Demand and Time Liabilities	96,647,000	58,038,000
	Actual Reserve held	139,539,000	72,581,397
	Surplus/ (Deficit)	42,892,000	14,543,397

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
3.3.2 Cash Reserve Requirement (Bi-Weekly Average)		
Required Reserve @ 4 % of Average Demand and Time Liabilities	31,757,111,000	37,269,948,000
Actual Reserve held	110,066,841,928	37,877,351,000
Surplus/(Deficit)	78,309,730,928	607,403,000
3.3.2.a CRR of Islamic Banking Unit (Bi-Weekly Basis)		
Required Reserve @ 4 % of Average Demand and Time Liabilities	110,453,000	63,842,000
Actual Reserve held	139,539,000	90,228,000
Surplus/(Deficit)	29,086,000	26,386,000
3.3.3 Statutory Liquidity Ratio (SLR)		
Required Reserve @13 % of Total Demand and Time Liabilities	103,403,196,000	88,092,603,000
Actual Reserve held (Note: 3.3.3.1)	283,053,686,955	111,824,645,791
Surplus/(Deficit)	179,650,490,955	23,732,042,791
3.3.3.1 Actual Reserve Held		
Cash in hand	5,602,554,266	5,568,685,401
Excess of CRR	78,309,730,928	607,403,000
Balance with Sonali Bank (as a agent of BB)	2,486,519,181	3,084,682,069
Un encumbered Approved Securities (HTM)	101,191,211,510	65,132,801,350
Un encumbered Approved Securities (HFT)	71,900,060,100	13,574,892,971
Other eligible securities (HTM)	23,563,610,970	23,856,181,000
Total	283,053,686,955	111,824,645,791
3.3.4 SLR of Islamic Banking Unit		
Required Reserve @ 5.50 % of Total Demand and Time Liabilities	151,873,000	63,842,000
Actual Reserve held (Note: 3.3.4.1)	220,597,000	90,462,958
Surplus/(Deficit)	68,724,000	26,620,958
3.3.4.1 Actual Reserve Held		
Cash in hand	6,511,000	4,076,958
Excess of CRR	29,086,000	26,386,000
Eligible Securities (Bangladesh Govt. Islami Investment Bond)	185,000,000	60,000,000
	220,597,000	90,462,958
3(a) Consolidated Cash		
(i) Cash in Hand		
Agrani Bank Limited	5,602,554,266	5,568,685,401
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	5,351	4,782
Agrani Exchange House Private Limited, Singapore	53,312,500	64,759,481
Agrani Remittance House SDN. BHD., Malaysia	97,906	191,259
Agrani Remittance House Canada Inc.	6,297	(425,476)
Agrani Exchange Company (Australia) Pty. Limited	14,694,174	14,694,174
	5,670,670,494	5,647,909,621

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
(ii) Balance with Bangladesh Bank and its agent bank		
Agrani Bank Limited	105,837,780,595	39,608,027,680
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	634,070	7,177,920
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	105,838,414,665	39,615,205,600
	111,509,085,159	45,263,115,221
4 Balance with Other Banks & Financial Institutions		
In Bangladesh (Note - 4.1)	47,665,727,105	60,705,747,553
Outside Bangladesh (Annexure E-1)	10,540,884,626	8,641,868,292
	58,206,611,731	69,347,615,845
4.1 In Bangladesh: Local Currency Banks		
Al-Arafah Islami Bank Limited	1,890,001,480	1,774,800,930
Exim Bank Limited	1,520,000,000	824,881,300
Shahjalal Islami Bank Limited	-	79,401,175
Social Islami Bank Limited	3,136,336,250	165,124,932
AB Bank Limited	2,350,000,000	2,900,000,000
Agrani Bank Islami Banking Unit	2,000,000,000	2,000,000,000
Bangladesh Krishi Bank	-	1,000,000,000
BASIC Bank Limited	3,000,000,000	-
Dhaka Bank Limited	-	500,000,000
Karmasangsthan Bank	2,000,000,000	2,000,000,000
National Bank Limited	3,000,000,000	3,000,000,000
Ansar VDP Unnayan Bank	-	950,000,000
IFIC Bank Limited	-	1,000,000,000
Jamuna Bank Limited	-	1,000,000,000
Meghna Bank Limited	-	1,000,000,000
Mercantile Bank Limited	-	1,700,000,000
Midland Bank Limited	-	900,000,000
Bangladesh Commerce Bank Limited	1,100,000,000	1,300,000,000
NCC Bank Limited	-	700,000,000
NRB Commercial Bank Limited	-	400,000,000
NRB Global Bank Limited	600,000,000	1,000,000,000
One Bank Limited	-	1,500,000,000
Padma Bank Limited (former The Farmers Bank Limited)	1,200,000,000	1,500,000,000
SBAC Bank Limited	500,000,000	1,250,000,000
Southeast Bank Limited	-	500,000,000
Standard Bank Limited	-	2,500,000,000
Union Bank Limited	1,530,000,000	2,000,000,000
ICB Islamic Bank Limited	69,821,037	69,892,457
Basic Bank Limited	-	2,500,000,000
Rajshahi Krishi Unnayan Bank	3,000,000,000	3,000,000,000
Balance with ABL Islamic Window	276,309,213	48,387,634
National Bank of Pakistan	-	100,000,000
	27,172,467,980	39,162,488,428
Less: Inter unit transaction	-	-
	27,172,467,980	39,162,488,428

Agrani Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
Non- Bank Financial Institutions		
Bangladesh Financial Investment Company Limited	900,000,000	700,000,000
Bangladesh Industrial Finance Company Limited*	200,000,000	200,000,000
Bay Leasing & Investment Limited	600,000,000	600,000,000
Delta Brac Housing Finance Corporation Limited	-	1,200,000,000
FAS Finance & Investment Company Limited*	369,946,250	369,946,250
First Finance & Investment Limited*	330,000,000	330,000,000
GSP Finance Company Limited	300,000,000	300,000,000
Hajj Finance Limited	400,000,000	400,000,000
IDLC Finance Limited	-	900,000,000
IIDFC	200,000,000	200,000,000
ICB	10,500,000,000	10,500,000,000
International Leasing and Financial Services Limited*	561,951,250	561,951,250
IPDC Finance Limited	-	100,000,000
Lanka Bangla Limited	600,000,000	600,000,000
Peoples Leasing, Finance & Investment Limited*	370,000,000	370,000,000
Premier Leasing & Finance Limited*	561,361,625	561,361,625
Prime Finance & Investment Limited*	500,000,000	500,000,000
Reliance Finance Limited	450,000,000	450,000,000
Fareast Finance & Investment Company Limited*	600,000,000	600,000,000
Union Capital Limited*	600,000,000	600,000,000
Capm Venture Capital and Finance Limited	50,000,000	50,000,000
Islamic Finance and Investment Limited	200,000,000	200,000,000
Meridian Finance & Investment Limited	150,000,000	150,000,000
MIDAS Financing Limited	100,000,000	100,000,000
National Finance Limited	100,000,000	-
National Housing Finance And Investments Limited	-	400,000,000
Phoenix Finance and Investments Limited	600,000,000	600,000,000
Uttara Finance Limited	200,000,000	-
Strategic Finance & Investment Ltd	1,050,000,000	-
	20,493,259,125	21,543,259,125
	47,665,727,105	60,705,747,553

*Bangladesh Bank has instructed vide their letter no. DBI-2(UB-3)2344/2021-768 dated 13 April 2021, to submit the total list of non-banking financial institutions which were not able to pay the interest with principal amount of FDR at the end of their maturity, failing which legal action will be taken against all concerned financial institutions to recover the entire amount.

Moreover, Bangladesh Bank has also provided instruction vide their letter DBI-1 (former DBI-2) (UB-3)/2344/2021-994 dated 08 June 2021, regarding non-collection of interest in future and refrain from renewing the principal and interest of those FDRs. For non-recovery of interest on time, the Bank should take immediate action against concerned financial institutions.

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

Current & Other Accounts	10,540,884,626	8,641,868,292
Fixed Deposit Receipts (FDR)	47,665,727,105	60,705,747,553
	58,206,611,731	69,347,615,845

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
4.3 Maturity grouping of balances		
On demand	10,540,884,626	8,641,868,292
Within 1 to 3 months	31,452,646,943	34,150,000,000
Within 3 to 12 months	16,213,080,162	26,555,747,553
Within 1 to 5 years	-	-
More than 5 years	-	-
	58,206,611,731	69,347,615,845
4(a) Consolidated balance with other banks and financial institutions		
(i) In Bangladesh		
Agrani Bank Limited	47,665,727,105	60,705,747,553
Agrani Equity & Investment Limited	69,421,636	20,630,290
Agrani SME Financing Company Limited	25,766,417	54,175,681
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	47,760,915,158	60,780,553,524
Less: Inter-company transaction(s)	(25,766,417)	(54,805,970)
	47,735,148,741	60,725,747,554
(ii) Outside Bangladesh		
Agrani Bank Limited	10,540,884,626	8,641,868,292
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	215,232,533	208,494,173
Agrani Remittance House SDN. BHD., Malaysia	33,009,351	62,869,167
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	10,789,126,510	8,913,231,632
	58,524,275,251	69,638,979,186
5 Money at call and short notice		
With Bank		
AB Bank Limited	5,500,000,000	-
NRB Bank	500,000,000	-
NRB Global Bank Limited	1,000,000,000	-
NRBC Bank Limited	3,000,000,000	-
SBAC	2,500,000,000	-
Dhaka Bank Limited	1,090,000,000	-
Midland Bank	800,000,000	-
Modhumoti Bank Limited	250,000,000	-
National Bank	410,000,000	-
Bank Al Falah Limited	600,000,000	-
SIBL	4,000,000,000	-
	19,650,000,000	-

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
With Non-Bank Financial Institution		
DBH	700,000,000	-
CAPM Venture Capital & Finance	-	20,000,000
Lanka Bangla	370,000,000	-
IPDC Finance Ltd	750,000,000	-
National Finance Limited	-	30,000,000
IDLC	1,210,000,000	-
FAS Finance & Investment Ltd.*	70,000,000	70,000,000
Prime Finance & Investment Limited*	60,000,000	60,000,000
Bangladesh Industrial Finance Company Limited*	40,000,000	40,000,000
First Finance Limited*	90,000,000	60,000,000
Peoples Leasing*	240,000,000	240,000,000
Premier Leasing*	10,000,000	10,000,000
	3,540,000,000	530,000,000
Total	23,190,000,000	530,000,000

* Bangladesh Bank has instructed vide their letter no. DBI-2(UB-3)2344/2021-768 dated 13 April 2021, to submit the total list of non-banking financial institutions which were not able to pay the interest with principal amount of investment at the end of their maturity, failing which legal action will be taken against all concerned financial institutions to recover the entire amount.

Moreover, Bangladesh Bank has also provided instruction vide their letter DBI-1 (former DBI-2) (UB-3)/2344/2021-994 dated 08 June 2021, regarding non-collection of interest in future and refrain from renewing the principal and interest of those investment. For non-recovery of interest on time, the Bank should take immediate action against concerned financial institutions.

6 Investments		
SLR Securities		
Government Securities (Note- 6.1)	196,209,301,615	101,993,294,351
Other Investment (Note- 6.2)	630,580,970	630,580,970
	196,839,882,585	102,623,875,321
Non SLR Securities		
Government Securities (Note- 6.1)	13,054,866,232	16,423,992,994
Other Investment (Note- 6.2)	86,314,572,380	80,628,620,097
	99,369,438,612	97,052,613,091
Total	296,209,321,197	199,676,488,412
6.1 Government Securities:		
SLR Securities		
Treasury Bills (Note- 6.1.1 & Annexure B.1)	32,106,373,780	20,710,370,019
Govt. T. Bond/Other Govt. Bond/Other Securities (Note- 6.1.2 & Annexure B.2)	112,766,016,421	81,282,924,332
Reverse REPO	51,336,911,414	-
	196,209,301,615	101,993,294,351
Non SLR Securities		
Govt. T. Bond/Other Govt. Bond/Other Securities (Note- 6.1.2 & Annexure B.2)	13,040,349,532	16,412,377,494
Treasury Bills (Note- 6.1.1)	-	-
Prize Bonds (at cost)	14,516,700	11,615,500
	13,054,866,232	16,423,992,994
Total	209,264,167,847	118,417,287,345

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
6.1.1 Treasury Bills		
SLR Securities		
07 days Bangladesh Bank Bills	-	-
14 days Bangladesh Bank Bills	-	-
14 days Treasury Bills	-	-
91 days Treasury Bills	6,034,771,379	4,142,931,659
182 days Treasury Bills	9,385,743,317	9,365,809,845
364 days Treasury Bills	16,685,859,084	7,201,628,515
Sub total	32,106,373,780	20,710,370,019
Non SLR Securities		
91 days Treasury Bills (Lien with B. Bank)	-	-
	-	-
Total	32,106,373,780	20,710,370,019
6.1.2 Govt. Treasury Bond/Other Govt. Bond/Other Securities		
SLR Securities		
2 years Bangladesh Govt. Treasury Bond	4,097,728,244	6,340,943,478
5 years Bangladesh Govt. Treasury Bond	23,838,529,750	13,472,796,999
10 years Bangladesh Govt. Treasury Bond	29,276,643,365	14,006,229,716
15 years Bangladesh Govt. Treasury Bond	15,396,913,003	13,685,511,913
20 years Bangladesh Govt. Treasury Bond	16,144,084,518	9,597,003,282
05 Years Bangladesh Govt. Investment Sukuk Bond	2,639,730,000	-
10 years Bangladesh Govt. Treasury Bond (Remeasured)	894,087,541	-
7-10 Yrs.(Agrani Bank-BPC) T.Bond	12,126,800,000	18,126,800,000
9-13 Yrs.(Agrani Bank-BJMC) T.Bond	3,739,100,000	5,098,800,000
7 Yrs.(Agrani Bank-Orion) T.Bond	4,427,400,000	-
10 years Bangladesh Govt. Treasury Bond (Remeasured)	-	894,838,944
Bangladesh Govt. Islamic Investment Bond (BGIB)	185,000,000	60,000,000
	112,766,016,421	81,282,924,332
Non SLR Securities		
10, 15 & 20 years Bangladesh Govt. T. Bond (Lien with BB infavour of SCB)	13,040,349,532	16,412,377,494
	13,040,349,532	16,412,377,494
Total	125,806,365,953	97,695,301,826
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)	122,300,092,484	89,048,982,350
Held for Trading (HFT) (Note: 6.1.3.b)	74,539,790,101	13,574,892,971
	196,839,882,585	102,623,875,321
6.1.3.a Held to Maturity (HTM)		
Treasury Bill		
07 days Bangladesh Bank Bills	-	-
14 days Bangladesh Bank Bills	-	-
30 days Bangladesh Bank Bills	-	-
14 days Treasury Bills	-	-
91 days Treasury Bills	3,106,183,024	1,519,387,508
182 days Treasury Bills	9,385,743,317	4,769,769,877
364 days Treasury Bills	10,176,004,584	5,622,564,135
	22,667,930,925	11,911,721,520

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
Bond/Other Securities		
2 years Bangladesh Govt. Treasury Bond	3,573,460,744	6,340,943,478
5 years Bangladesh Govt. Treasury Bond	19,318,777,851	13,377,410,599
10 years Bangladesh Govt. Treasury Bond	25,381,308,002	11,198,993,352
15 years Bangladesh Govt. Treasury Bond	13,981,544,945	12,434,609,631
20 years Bangladesh Govt. Treasury Bond	15,374,101,506	8,974,283,856
7 Yrs.(Agrani Bank-Orion) T.Bond	4,427,400,000	-
7-10 Years.(Agrani Bank-BPC) T.Bond	12,126,800,000	18,126,800,000
9-13 Years.(Agrani Bank-BJMC) T.Bond	3,739,100,000	5,098,800,000
Bangladesh Govt. Islamic Investment Bond (BGIIIB)	185,000,000	60,000,000
10 years Bangladesh Govt. Treasury Bond (Remeasured)	894,087,541	894,838,944
ICB Share	630,580,970	630,580,970
	99,632,161,559	77,137,260,830
	122,300,092,484	89,048,982,350
6.1.3.b Held for Trading (HFT)		
Treasury Bill		
07 days Bangladesh Bank Bills	-	-
91 days Treasury Bills	2,928,588,355	2,623,544,150
182 days Treasury Bills	-	4,596,039,968
364 days Treasury Bills	6,509,854,500	1,579,064,381
Reverse Repo (Treasure Bond)	17,704,837,350	-
	27,143,280,205	8,798,648,499
Bond/Other Securities		
2 years Bangladesh Govt. Treasury Bond	524,267,500	-
5 years Bangladesh Govt. Treasury Bond	4,519,751,900	95,386,400
10 years Bangladesh Govt. Treasury Bond	3,895,335,362	2,807,236,364
15 years Bangladesh Govt. Treasury Bond	1,415,368,058	1,250,902,282
20 years Bangladesh Govt. Treasury Bond	769,983,012	622,719,426
05 Years Bangladesh Govt. Investment Sukuk Bond	2,639,730,000	-
Reverse Repo (Bangladesh Govt. Treasure Bond)	33,632,074,064	-
	47,396,509,896	4,776,244,472
	74,539,790,101	13,574,892,971
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)	71,144,070,073	62,709,995,303
Commercial Paper	197,000,000	270,000,000
Syndicative Term Loan	300,000,000	800,000,000
Shares (Note- 6.2.2)	14,673,502,291	16,848,624,777
Un-approved Debenture (Annexure-D)	16	17
	86,314,572,380	80,628,620,097
Total	86,945,153,350	81,259,201,067

Agrani Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
6.2.1 Subordinated Bond (Annexure-B.3)		
UCBL Subordinated Bond-I	-	120,000,000
One Bank Subordinated Bond	-	100,000,000
AB Bank Subordinated Bond-I	100,000,000	200,000,000
Southeast Bank Subordinated Bond	100,000,000	200,000,000
EBL Floating Rate Dated Subordinated Bond	80,000,000	120,000,000
Bank Asia Floating Rate Dated Subordinated Bond	80,000,000	120,000,000
Prime Bank Floating Rate Dated Subordinated Bond	80,000,000	120,000,000
EXIM Bank Floating Rate Dated Subordinated Bond	200,000,000	300,000,000
UCBL Subordinated Bond-II	80,000,000	120,000,000
Al-Arafah Islami Bank Subordinated Bond	120,000,000	180,000,000
AB Bank Subordinated Bond-II	200,000,000	300,000,000
Standard Bank Subordinated Bond	60,000,000	120,000,000
Dhaka Bank Floating Rate Dated Subordinated Bond	300,000,000	400,000,000
IFIC Bank Coupon Bearing Subordinated Bond	300,000,000	400,000,000
Southeast Bank Subordinated Bond II	270,000,000	360,000,000
Mutual Trust Bank Ltd Subordinated Bond-II	240,000,000	300,000,000
Bank Asia Ltd. Subordinated Bond II	200,000,000	250,000,000
Floating Rate Subordinated Mudaraba Bond fo Exim Bank Ltd.	400,000,000	500,000,000
DBBL Subordinated Bond	400,000,000	500,000,000
City Bank 2nd Subordinated Bond	200,000,000	200,000,000
Premier Bank Subordinated Bond	200,000,000	200,000,000
Standard Bank Subordinated Bond II	400,000,000	500,000,000
Islami Bank Subordinated Bond	800,000,000	1,000,000,000
Pubali Bank Ltd. Floating Rate Subordinated Bond	800,000,000	1,000,000,000
National Bank 2nd Subordinated Bond	200,000,000	250,000,000
FSIBL Subordinated Bond	240,000,000	300,000,000
UCBL 3rd Subordinated Bond	240,000,000	300,000,000
NCC Bank Non-Convertible Subordinated Bond	500,000,000	500,000,000
Rupali Bank Subordinated Bond	2,000,000,000	2,000,000,000
Jamuna Bank Subordinated Bond	500,000,000	500,000,000
Mercantile Bank Subordinated Bond	1,000,000,000	1,000,000,000
Southeast Bank Subordinated Bond III	1,500,000,000	1,500,000,000
Dhaka Bank Floating Rate Dated Subordinated Bond II	1,500,000,000	1,500,000,000
Prime Bank Subordinated Bond	2,000,000,000	2,000,000,000
The Padma Bank Subordinated Bond (former The Farmers Bank Ltd.)	1,000,000,000	1,000,000,000
Al Arafah Islami Bank Mudaraba Sub. Bond-II	1,000,000,000	1,000,000,000
ICB Subordinated Bond	7,000,000,000	7,000,000,000
City Bank Ltd. 3rd Subordinated Bond	1,000,000,000	1,000,000,000
Trust Bank Ltd. Floating Rate Dated Subordinated Bond	2,000,000,000	2,000,000,000
Shahjalal Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond	2,500,000,000	2,500,000,000
Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond	3,000,000,000	3,000,000,000
UCB 4TH Floating Rate Dated Subordinated Bond	2,500,000,000	2,500,000,000
DBBL Floating Rate Dated Subordinated Bond-II	2,000,000,000	2,000,000,000
SIBL Floating Rate Dated Subordinated Bond	2,500,000,000	2,500,000,000
FSIBL 3rd Mudaraba Subordinated Bond	300,000,000	300,000,000
Ashuganj Power Station Company Ltd. Bond	1,000,000,000	1,000,000,000
Floating Rate Dated Sub. Bond of EBL II	1,500,000,000	1,500,000,000

Agrani Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
BEXIMCO Communications Limited Corporate Bond-2019*	4,500,000,000	4,500,000,000
Rangpur Metal Industries Ltd. Fixed Rate Zero Coupon Bond	304,070,073	399,995,303
IPDC Finance Ltd.Tier II Subordinated Bond	300,000,000	300,000,000
Floating Rate Dated Sub. Bond of EBL III	750,000,000	750,000,000
Bank Asia Ltd Floating Rate Dated Subordinated Bond-III	2,500,000,000	2,500,000,000
Exim Bank Subordinated Bond-II	2,750,000,000	2,750,000,000
Islami Bank Mudaraba Subordinated Bond II	2,000,000,000	2,000,000,000
The Premier Bank Ltd. Sub. Bond-2019	500,000,000	500,000,000
Pubali Floating Rate Dated Non-convertible Sub. Bond	3,000,000,000	3,000,000,000
MTB 4th Subordinated Bond	500,000,000	-
Pubali Floating Rate Dated Non-convertible Subordinated Bond-III (2nd tranche)	1,000,000,000	-
Standard Bank 3rd Subordinated Bond	1,000,000,000	-
Al Arafah Bank Ltd. 3rd Subordinated Bond	2,000,000,000	-
Islamic Finance and Investment Ltd	200,000,000	-
Southeast Bank Ltd Non Convertible Subordinated Bond	1,250,000,000	-
Dutch Bangla Bank Floating Rate 3rd Subordinated Bond	500,000,000	-
Islami Bank Ltd. Mudaraba Floating Rate Subordinated Bond-III (2nd tranche)	1,500,000,000	-
AB Bank Ltd Subordinate Bond IV	750,000,000	-
Trust Bank Ltd. Floating Rate Subordinated Bond	2,000,000,000	-
Best Holdings Ltd. 25% Convertible Secured Bond*	1,250,000,000	1,250,000,000
	71,144,070,073	62,709,995,303

*As per Bangladesh Bank letter ref. DBI-1(Formal DBI-2) (UB-3)/2344/2021-994 dated 08 June 2021, with regards to Beximco Communications Limited Corporate Bond- 2019 and Best Holdings Limited 25% convertible secured bond the following relevant stipulations are to be considered:

- the moratorium period cannot be extended and
- to inform Department of Banking Inspection of Bangladesh Bank after taking proper steps as per the direction as stated in 2.4 (Ga) of the DOS circular no. 4 dated 26 June 2019.

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)	5,384,158,876	5,559,281,362
Share Un-Quoted (Annexure-C 2)	9,289,343,415	11,289,343,415
	14,673,502,291	16,848,624,777
Total	15,304,083,261	17,479,205,747

6.3 Maturity grouping of Investment

On demand	14,516,700	11,615,500
Less than 3 months	69,745,978,010	11,426,851,631
More than 3 months but less than 1 year	47,393,651,653	40,895,657,153
More than 1 year but less than 5 year	85,914,255,904	57,288,492,083
More than 5 years	93,140,918,930	90,053,872,045
	296,209,321,197	199,676,488,412

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
6.4 Net Investments:		
Carrying amount	296,209,321,197	199,676,488,412
Less: Provision (Note - 12.11)	(2,847,714,984)	(2,743,092,640)
Net Investment	293,361,606,213	196,933,395,772
6(a) Consolidated investments		
(i) Government Securities		
Agrani Bank Limited	209,264,167,847	118,417,287,345
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	-	-
	209,264,167,847	118,417,287,345
(ii) Others		
Agrani Bank Limited	86,945,153,350	81,259,201,067
Agrani Equity & Investment Limited	9,174,824,412	9,094,717,182
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	63,002,400	56,032,830
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	96,182,980,162	90,409,951,079
Total Investments (i+ii)	305,447,148,009	208,827,238,424
7 Loans and Advances		
In Bangladesh (Note - 7.1.1)	501,783,712,608	449,283,187,647
Outside Bangladesh (Note - 7.1.2)	13,518,450,429	11,899,552,756
Bills Purchased & Discounted (Note - 7.1.3)	4,138,674,987	4,644,389,235
	519,440,838,024	465,827,129,638
7.1.1 In Bangladesh		
a) Loans		
Rural Credits	19,702,464,685	17,798,255,386
Weavers Credits	13,148,747	7,615,474
Industrial Credits	138,012,027,117	120,905,429,078
Jute Advances	2,707,351,052	2,361,534,379
Leather Sector Advances	2,646,046,875	2,922,995,924
Staff Loans	44,922,499,435	43,589,785,476
SME Sector Advances	92,845,266,173	85,290,454,055
Loan - Others (Note - 7.1.4)	115,550,004,501	105,467,687,849
	416,398,808,585	378,343,757,621
b) Cash Credits		
Jute Advances	9,491,003,818	8,685,009,925
Leather Advances	2,598,568,320	2,999,759,331
Rural Credit (COVID-19)	323,984,577	-
Working Capital (COVID-19)	150,000,000	-
Others	59,143,302,530	48,433,347,232
Interest Blocked A/c	145,274,743	-
	71,852,133,988	60,118,116,488

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
c) Overdrafts		
Secured Overdraft	13,299,731,126	10,777,675,968
Temporary Overdraft	231,720,564	43,637,570
Interest Blocked A/c	1,318,345	-
	13,532,770,035	10,821,313,538
Total in Bangladesh (a+b+c)	501,783,712,608	449,283,187,647
7.1.2 Outside Bangladesh (Off-shore banking)	13,518,450,429	11,899,552,756
7.1.3 Bills Purchased & Discounted (Note - 7.10)	4,138,674,987	4,644,389,235
Total Loans and Advances	519,440,838,024	465,827,129,638
7.1.4 Loan - Others		
General House Building Loan (Residence)	14,756,811,479	13,538,161,346
Loan against Trust Receipt	7,378,471,589	7,508,770,936
Segregated Loan*	1,657,185,290	1,752,296,309
Transport Loan	4,919,905,629	4,896,581,592
Bridge Finance	1,008,059,124	3,557,163,061
Consumers Loan	1,023,608,421	1,195,207,310
Small Loan	17,538,799	19,763,981
Loan against DPS	1,073,617	959,365
Loan against APS	8,516,490	14,357,482
Loan against FDR	611,467,317	564,006,237
Loan against cash subsidy	159,314,071	231,281,733
Demand Loan (Note - 7.1.5)	35,353,353,759	31,390,255,996
Loan against ABS	2,078,330,640	2,286,946,580
General House Building Loan (Commercial)	16,171,995,632	14,461,452,450
Loan against MDS	1,666,674	2,982,022
Loan against ADBS	147,628	949,976
Loan against ABBJL	35,203,114	38,352,881
Green Financing	194,413,773	194,784,597
Packing Credits	2,876,103,548	2,743,433,694
Loan Against Imported Merchandise (LIM)	227,778,259	241,222,239
Payment Against Documents (PAD) (Note - 7.1.6)	1,277,632,733	1,175,423,589
Personal Loan	16,898,189,777	14,904,779,780
Loan for Registered Freedom Fighters	1,060,295,608	930,424,702
Any Purpose Loan	2,128,113,429	2,193,474,391
Loan against Pension of Retired officer/staff	229,761,292	196,878,646
Loan against Millionaire Deposit Scheme	337,680	88,892
Agrani Abas	1,500,000	-
Interest Blocked A/C-Others Loan	142,463,881	-
Womens Credit Programme	6,223,637	9,248,568
Short Term SME Loan	1,715,314,303	1,246,709,791
House building Loan for Govt. Employees	368,207,437	171,729,703
Refinance Scheme- Micro Credit (COVID-19)	50,126,389	-
Block A/c- Loan Re-scheduled & One time Exit Policy	880,987,968	-
Loan Against Workers Salary (COVID-19)	1,338,514,704	-
Loan Against Workers Salary Under Working Capital	971,390,810	-
	115,550,004,501	105,467,687,849

*Segregated loan is the loan account where non-performing loans are kept separately (specially for Industrial credit/Jute credit/leather credit etc.) without being classified with an intention of early recovery through reschedule/restructuring.

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
7.1.5 Demand Loan		
Cash L/C (Garments)	7,042,284,000	4,241,968,438
Cash L/C (Others)	22,482,837,897	19,875,331,514
Back to back L/C	2,613,118,862	4,029,257,044
Export Development Fund (EDF) L/C	2,993,174,000	3,243,699,000
Usance Payable at Sight (UPAS) L/C	221,939,000	-
	35,353,353,759	31,390,255,996
7.1.6 Payment Against Documents (PAD)		
Cash	690,611,991	812,991,448
Inland	92,361,429	92,361,429
Back to Back L/C	115,918,631	-
Term Loan- (Rescheduled)	143,867,559	147,055,741
Garments	100,534,728	104,821,730
Export Development Fund (EDF)	134,338,395	18,193,241
	1,277,632,733	1,175,423,589
7.2 Maturity grouping of loans and advances		
Repayable on demand	35,112,206,049	46,994,167,868
Not more than 3 months	61,594,288,301	70,293,743,661
More than 3 months but not more than 1 year	162,302,232,479	111,002,573,354
More than 1 year but not more than 5 years	123,940,428,645	137,892,170,805
More than 5 years	136,491,682,550	99,644,473,950
	519,440,838,024	465,827,129,638
7.3.a Disclosure for significant concentration		
Advances to allied concerns of Directors	-	-
Advances to Managing Director	-	-
Advances to Other Executives	44,922,499,435	43,589,785,476
Advances to Customers' Group	336,506,311,472	301,331,915,084
Industrial Credits	138,012,027,117	120,905,429,078
	519,440,838,024	465,827,129,638
7.3.b Disclosure for sector-wise loans and advances		
Government sector	671,872,000	525,642,000
Other public sector	5,873,428,000	5,895,758,000
Private sector	512,895,538,024	459,405,729,638
	519,440,838,024	465,827,129,638
7.3.c Disclosure on large loan		
Loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of total capital of the Bank according to Bangladesh Bank circular BRPD 02, dated 16.01.2014. Total capital of the Bank is BDT 4,668.97 crore as at 31 December 2020 (BDT 4,607.77 crore in 2019). Details are shown in Annexure- M.1.		
7.3.d Disclosure on large loan re-structuring		
No large loan has been re-structured during the year 2020 & 2019 under BRPD circular No. 04 date 29 January 2015 of Bangladesh Bank.		

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
7.4 Geographical Location - wise Loans and Advances		
A. Urban:		
Dhaka Region	338,244,923,166	298,953,967,861
Chittagong Region	25,563,744,892	27,891,221,640
Khulna Region	25,810,137,745	24,046,975,510
Rajshahi Region	19,400,874,639	18,338,223,674
Barisal Region	6,055,528,633	5,670,079,023
Sylhet Region	5,221,597,603	4,637,298,676
Rangpur	13,100,429,213	11,786,884,629
Mymensing Region	13,119,738,963	11,601,244,922
Comilla Region	8,501,022,938	6,542,726,194
Faridpur Region	6,604,449,817	6,146,302,477
Sub Total	461,622,447,609	415,614,924,606
B. Rural:		
Dhaka Region	8,436,227,517	7,393,746,830
Chittagong Region	801,387,346	1,135,132,099
Khulna Region	11,095,040,186	9,710,450,910
Rajshahi Region	9,681,267,699	7,476,020,936
Barisal Region	4,532,910,329	3,829,649,424
Sylhet Region	2,116,290,643	1,800,019,359
Rangpur	7,150,041,385	6,077,620,472
Mymensing Region	7,971,971,798	6,527,304,112
Comilla Region	3,754,705,749	4,037,892,690
Faridpur Region	2,278,547,763	2,224,368,200
Sub Total	57,818,390,415	50,212,205,032
Total (A + B)	519,440,838,024	465,827,129,638
7.5 Sector-wise Loans and Advances		
Agriculture and Fishery	19,702,464,685	17,798,255,386
Jute & Jute Goods	12,198,354,869	11,046,544,304
Transport Storage & Communication	7,881,691,000	5,461,191,000
Ship Breakings	850,200,005	1,189,400,005
Textile & Readymade Garments	82,603,292,000	44,514,051,000
Food & Allied Industry	4,664,889,050	4,525,829,007
Construction & Engineering	22,944,252,010	16,981,926,010
Pharmaceuticals and Chemicals	4,464,703,010	3,298,297,055
Leather Sector	5,244,615,195	5,922,755,255
Power Sector	11,042,100,680	13,722,000,680
Professional and Services	7,567,140,263	7,206,800,250
Housing Service	14,756,811,478	13,538,161,346
Wholesale/Retail Trading	114,946,700,510	89,138,567,510
Personal (staff and other personal loan)	61,820,689,212	60,688,039,645
Bank & Other Non-Financial Institution	-	-
Electronics & Automobile	-	-
Cement & Ceramic	-	-
Others	148,752,934,057	170,795,311,185
	519,440,838,024	465,827,129,638

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
7.6 Loans & Advances are Classified as per Bangladesh Bank Circular		
Unclassified:		
Standard (including staff loan)	437,495,551,176	375,796,447,493
Special Mention Account	17,220,420,162	23,602,477,108
	454,715,971,338	399,398,924,601
Classified:		
Sub-Standard	4,632,100,653	4,267,963,645
Doubtful	3,427,294,634	2,976,959,986
Bad & Loss	56,665,471,399	59,183,281,406
	64,724,866,686	66,428,205,037
	519,440,838,024	465,827,129,638
7.7 Loans & Advances (Category wise)		
A. Inside Bangladesh		
I. Continuous loan (CL-2)		
Small & Medium Enterprise Finance	73,505,203,269	68,752,600,406
Other Than Small & Medium Enterprise Finance	94,868,919,785	82,834,837,814
	168,374,123,054	151,587,438,220
II. Demand loan (CL-3)		
Small & Medium Enterprise	5,775,831	5,745,590
Other Than Small & Medium Enterprise	27,425,046,697	28,510,158,763
	27,430,822,528	28,515,904,353
III. Term loan (CL-4)		
Small & Medium Enterprise Finance	15,705,879,077	15,938,834,671
Consumer Finance (including staff, other than HF)	1,023,608,421	1,195,207,310
Housing Finance (HF)	30,928,807,111	27,999,613,796
Loans for Professional Set-up Business	198,160,336	180,666,844
Others	243,116,200,092	211,230,011,734
	290,972,655,037	256,544,334,355
IV. Short term agri credit and microcredit (CL-5)		
Short Term Agri Credit	17,676,865,462	15,975,443,030
Micro Credit	1,467,921,514	1,304,456,924
	19,144,786,976	17,279,899,954
B. Outside Bangladesh (Off-shore Banking Unit)	13,518,450,429	11,899,552,756
Total Loans & Advances (Inside & Outside Bangladesh) (A+B)	519,440,838,024	465,827,129,638
7.8 Movement of classified loans and advances		
Opening balance	66,428,205,037	69,933,821,764
Less: Cash Recovery	2,183,800,000	4,105,200,000
Less: Re-scheduling	7,021,300,000	22,133,100,000
Less: Written-off	246,700,000	378,000,000
	9,451,800,000	26,616,300,000
Add: Newly classified during the year	7,748,461,649	23,110,683,273
	64,724,866,686	66,428,205,037

Agrani Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
7.9 Particulars of Loans and Advances:		
Loans considered good in respect of which of the banking company is fully secured	440,534,386,215	395,759,693,832
Loans considered good against which the banking company holds no security other than the debtor's personal guarantee	43,173,795,726	42,391,834,226
Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors	35,732,656,083	27,675,601,580
Loans adversely classified, for which no provision is created	-	-
	519,440,838,024	465,827,129,638
Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons	44,922,499,435	43,589,785,476
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	44,922,499,435	43,589,785,476
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	246,700,000	378,000,000
Amount realized against loan previously written off	440,715,331	1,061,626,027
Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet	26,633,388,249	25,820,961,082
Interest creditable to the Interest Suspense A/c	-	-
Cumulative amount of the written off loan	55,345,993,000	55,099,293,000
Amount written off during the current period	246,700,000	378,000,000
Amount of written off loan for which lawsuit has been filed	55,345,993,000	55,099,293,000
7.10 Bills purchased and discounted:		
In Bangladesh	1,965,919,676	1,605,027,589
Outside Bangladesh	2,172,755,311	3,039,361,646
	4,138,674,987	4,644,389,235
7.11 Maturity grouping of bills purchased and discounted:		
Payable within 1 month	-	-
Over 1 month but less than 3 months	4,138,674,987	4,644,389,235
Over 3 months but less than 6 months	-	-
6 months or more	-	-
	4,138,674,987	4,644,389,235

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
7.12 Net Loans and advances:		
Carrying amount	519,440,838,024	465,827,129,638
Less: Interest suspense and penal interest	(30,670,325,278)	(22,718,931,996)
Provision for loans & advances (Note-12.9)	(39,470,415,462)	(38,235,468,869)
	(70,140,740,740)	(60,954,400,865)
	449,300,097,284	404,872,728,773
7(a).1 Consolidated loans, advances and leases/investments		
Agrani Bank Limited	519,440,838,024	465,827,129,638
Agrani Equity & Investment Limited	509,295,279	427,415,468
Agrani SME Financing Company Limited	2,256,985,746	2,000,988,905
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	522,207,119,049	468,255,534,011
Less: Inter-company transaction (s)	(4,683,728,595)	(3,988,469,055)
	517,523,390,454	464,267,064,956
7(a).2 Consolidated loans & advances are classified as per Bangladesh Bank circular		
Unclassified		
Standard (including staff loan)	440,181,878,426	378,080,423,902
Special Mention Account	17,237,913,694	23,669,664,706
	457,419,792,120	401,750,088,608
Classified		
Sub-Standard	4,648,316,777	4,290,080,165
Doubtful	3,440,403,673	2,991,983,698
Bad & Loss	56,698,606,479	59,223,381,540
	64,787,326,929	66,505,445,403
	522,207,119,049	468,255,534,011
Less: Inter-company transaction (s)	(4,683,728,595)	(3,988,469,055)
	517,523,390,454	464,267,064,956
7(a).3 Loans & Advances are Classified as per Bangladesh Bank Circular: Agrani SME Financing Company Limited		
Unclassified		
Standard (including staff loan)	2,177,031,971	1,856,560,941
Special Mention Account	17,493,532	67,187,598
	2,194,525,503	1,923,748,539
Classified		
Sub-Standard	16,216,124	22,116,520
Doubtful	13,109,039	15,023,712
Bad & Loss	33,135,080	40,100,134
	62,460,243	77,240,366
	2,256,985,746	2,000,988,905
8 Fixed assets including land, buildings, furniture and fixtures		
a. Property, Plant & Equipment (Annexure G)		
Cost/ Valuation		
Balance at the beginning of the year	19,083,277,421	18,804,093,183
Addition during the year	1,005,842,173	315,363,679
Revaluation during the year	-	-
Transfer to non-banking assets	(21,998,201)	-
Disposal during the year	(31,758,313)	(36,179,441)
Balance at the end of the year	20,035,363,080	19,083,277,421

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
Less: Accumulated Depreciation		
Balance at the beginning of the year	4,485,366,380	4,020,513,703
Charge for the year	368,793,783	491,616,908
Disposal during the year	(24,951,913)	(26,764,231)
Balance at the end of the year	4,829,208,250	4,485,366,380
Written Down Value (WDV)	15,206,154,830	14,597,911,041
b. Lease Assets		
Right-of-use assets	815,707,448	-
Less: Accumulated depreciation on lease assets	(143,707,785)	-
	671,999,663	-
Total (a+b)	15,878,154,493	14,597,911,041

The Management of the Bank has approved the adoption of IFRS: 16 Leases in their MANCOM meeting no. 10th dated June 17, 2021 where the Bank has recognized lease assets upper value of BDT 2 crore. Based on materiality consideration, the Bank has considered the 11 agreements for lease consideration which includes Right of Use (RoU) and lease liabilities higher than BDT 2 crores. Rest of the contracts are lower than BDT 2 crores.

On transition of IFRS: 16, the weighted average incremental borrowing rate applied to lease liabilities recognized under IFRS 16 was 5%.

8(a) Consolidated Fixed assets including land, buildings, furniture and fixtures

Written Down Value (WDV)

Agrani Bank Limited	15,878,154,493	14,597,911,041
Agrani Equity & Investment Limited	1,083,581	1,722,756
Agrani SME Financing Company Limited	6,733,032	4,482,850
Agrani Exchange House Private Limited, Singapore	41,755,931	4,463,290
Agrani Remittance House SDN. BHD., Malaysia	54,645,426	16,965,371
Agrani Remittance House Canada Inc.	-	49,329
Agrani Exchange Company (Australia) Pty. Limited	178,546	178,546
	15,982,551,009	14,625,773,183

9 Other Assets

Income generating Other Assets

Investment in shares of subsidiary companies (Note - 9.1)	6,019,433,350	5,619,433,350
	6,019,433,350	5,619,433,350

Non-income generating Other Assets

Stationery, stamps, printing materials etc.	103,163,898	124,415,232
Accrued Income (Note - 9.3)	5,744,170,731	5,100,703,034
Receivable From Govt.	5,057,576	6,085,308
Advance Deposits & prepayments	3,814,246	3,043,174
Advance Tax Paid (Annexure-F)	22,427,375,885	19,288,698,546
Advance Rent	155,484,429	157,878,197
Work in Progress for Consulting of Bank building	712,784,034	1,467,319,856
Suspense Account (Note - 9.2)	2,553,511,658	1,526,847,980
Demonetized Notes	184	185
Debit balance of AI-Rajhi Foreign Exchange	1	1
Army pension (Note - 9.2(ii))	3,413,158,455	3,341,664,488

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
Civil pension	10,811,773	88,469,604
Purchase of WES Bond	120,161,388	202,424,025
Payment against sanchaya patra	4,398,921,304	4,856,218,905
Pension paid- Staff	169,725,625	122,953,107
D.D paid without advice	186,868,418	191,317,053
Protested Bills	69,005,062	70,748,671
Exempted Loans	47,417,008	47,423,871
Interest on Exempted Loans	414,034,369	420,231,841
Deferred Tax Assets (Note - 9.4)	9,789,170,186	11,021,082,205
Foreign Correspondent draft paid	9,184,495	15,855,673
Balance with Indian Bank	23,505	23,505
Balance with Pakistani Bank	1	1
Software Purchase (Note - 9.8)	1,686,736,984	1,804,497,983
Dividend Receivable from Preference Share	241,164,384	2,544,892,565
Receivable from Agrani SME Financing Company Limited	-	48,350,536
Receivable/(Payable) against Sale/Buy of Share of ICB	43,313,841	3,622,240
Receivable from Agrani Remittance House Canada Inc.	29,197,654	29,197,654
Receivable from Agrani Exchange Company (Australia) Pty. Limited	32,490,121	32,490,122
Discount Receivable on Treasury Bill	500,000,000	-
Intt.Receivabl.SMESPD(Covid19)	805,528	-
Branch adjustment (Note- 12.21)	9,412,893,607	226,795,947
	62,280,446,350	52,743,251,509
Total	68,299,879,700	58,362,684,859

9.1 Investment in shares of subsidiary companies

Agrani Equity & Investment Limited	5,000,000,000	5,000,000,000
Agrani SME Financing Limited	1,000,000,000	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
	6,019,433,350	5,619,433,350

9.1.i As per decision of 457th meeting of the Board of Directors of Agrani Bank Limited held on 29 May, 2016 and the consent letter BRPD(M) 204/8/2016-3995 of Bangladesh Bank regarding wind up of Agrani Exchange Company Pty Limited, Australia, the Company has closed down its operation in 30 June 2016 and its liquidation process is underway. As a part of liquidation process, the Company has submitted an application requesting to cancel the registration of the company to Australian Securities and Investments Commission (ASIC)- Australian government body that acts as Australia's corporate regulator. Agrani Bank Limited would take next steps immediately after the liquidation of the company effectively comes to an end.

9.1.ii Although Bangladesh Bank instructed Agrani Bank Limited to close down the operation of Agrani Remittance House Canada Inc. due to the company not be able to make it profitable since it's inception, the Bank has applied to Bangladesh Bank for giving a rational time span within which the Company becomes profitable with taking some realistic plan and implementing of the plan that mentioned in the prayer. Again on 03 December 2017 the Bank has written to Bangladesh Bank seeking approval for continuing operation of the above Remittance House; and in response, the Bangladesh Bank has provided the approval letter no BRPD(M)204/08/2018-6156 dated on 16 August 2018 to continue the operation of Agrani Remittance House Canada Inc. for next 6 months, which was expired on 15 February 2019. Subsequently, the Bank has requested to Bangladesh Bank to give approval for continuing the operation of the Remittance House vide letter no FRD/383/19 dated 18 February 2019. Bangladesh Bank finally approved Bank's request for continuing the operation of the Remittance House vide letter no BRPD(M)204/08/2019-4113 dated 09 June 2019. Subsequently, Bangladesh Bank has instructed to close down the operation of Agrani Remittance House Canada Inc. vide letter no BRPD(M)204/08/2020-2148 dated 23 February 2020 and the Bank act accordingly.

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
9.2 Suspense Account:		
Sundry debtors -staff (Note - 9.2(i))	1,908,195	3,250,501
Sundry debtors -other (Note - 9.2(i))	2,382,201,576	1,429,771,328
Legal charges	1,335,492	522,702
Clearing adjustment	1,689,405	810,433
Advance against petty cash	8,415	31,376
Loan application form	1,497,880	1,431,546
Defective/Mutilated/Burnt Notes	4,677,195	3,484,195
Clearing Suspense	96,509	331,463
Remittance only point	74,487,725	84,889,090
Clearing Suspense A/C for T-24 Branch	83,748,166	1,243,040
Premium paid XPB	1,861,100	1,082,306
	2,553,511,658	1,526,847,980
9.2 (i) Sundry debtors- staff & others		
An amount of BDT 32,112,406 remain un-recovered/unadjusted over one year and provision has been kept against the amount.		
9.2 (ii) Army Pension		
This represents pension paid to retired army personnel by the Bank of BDT 3,413,158,455 as per Government decision which is reimbursable. BDT 93,918,470 against the outstanding amount has already been reimbursed by the Government and kept in sundry deposit which is to be adjusted. Moreover an amount of BDT 777,506,155 has been provided in the accounts against long outstanding.		
9.3 Accrued income:		
Accrued interest on loans & advances	275,479,626	585,246,437
Accrued interest on balance with other banks & financial institutions	812,435,624	756,687,612
Accrued interest on investment	2,291,361,505	2,146,925,381
Accrued Interest on Reverse Repo	683,643,449	-
Accrued Interest on Other Bond	1,508,512,017	1,015,130,781
Accrued interest on branch adjustment	4,800,047	-
Accrued commission, exchange & brokerage	109,203,614	552,275,266
Accrued other operating income	58,734,849	44,437,557
	5,744,170,731	5,100,703,034
9.4 Deferred Tax:		
Deferred tax has been computed in accordance with provision of IAS -12 based on taxable temporary differences in the carrying amount of the assets/liabilities and their tax base as follows:		
i) Written down value of fixed assets		
a. Carrying amount (excluding land & building)	1,180,805,354	1,152,574,071
b. Tax base	1,031,162,053	1,031,162,053
c. (Taxable)/deductible temporary difference (b-a)	(149,643,301)	(121,412,018)
Applicable tax rate	40.00%	40.00%
Deferred tax asset/(liabilities)	(59,857,320)	(48,564,807)
ii) Provision for Bad & Loss Loans and Advances *		
a. Carrying amount	(26,633,388,249)	(25,820,961,082)
b. Tax base	-	-
c. (Taxable)/deductible temporary difference (b-a)	26,633,388,249	25,820,961,082
Applicable tax rate	40.00%	40.00%
Deferred tax asset/(liabilities)	10,653,355,300	10,328,384,433

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
iii) Provision for Supper Annuation Fund during the year (Note-12.14)		
a. Carrying amount	(1,038,013,906)	(1,850,030,832)
b. Tax base	-	-
c. (Taxable)/deductible temporary difference (b-a)	1,038,013,906	1,850,030,832
Applicable tax rate	40.00%	40.00%
Deferred tax asset/(liabilites)	415,205,562	740,012,333
iv) Provision for Death Relief Grant Scheme during the year (Note-12.16)		
a. Carrying amount	(60,798,771)	(78,498,771)
b. Tax base	-	-
c. (Taxable)/deductible temporary difference (b-a)	60,798,771	78,498,771
Applicable tax rate	40.00%	40.00%
Deferred tax asset/(liabilites)	24,319,508	31,399,508
v) Loss in revaluation of share (Note-12.11)		
a. Carrying amount	(2,847,714,984)	(3,623,092,640)
b. Tax base	-	-
c. (Taxable)/deductible temporary difference (b-a)	2,847,714,984	3,623,092,640
Applicable tax rate	10.00%	10.00%
Deferred tax asset/(liabilites)	284,771,498	362,309,264
vi) Provision for Balance with Other Bank & NBFIs (FDR) (Note-12.18, 12.19)		
a. Carrying amount	(950,000,000)	-
b. Tax base	-	-
c. (Taxable)/deductible temporary difference (b-a)	950,000,000	-
Applicable tax rate	40.00%	-
Deferred tax asset/(liabilites)	380,000,000	-
vii) Accrued interest on Govt. Securitires (Note-9.3)		
a. Carrying amount	3,799,873,522	-
b. Tax base	-	-
c. (Taxable)/deductible temporary difference (b-a)	(3,799,873,522)	-
Applicable tax rate	40.00%	-
Deferred tax asset/(liabilites)	(1,519,949,409)	-
viii) Carry forward of loss on sale of share in current year		
a. Carrying amount	(1,616,677,077)	(1,600,662,225)
b. Tax base	-	-
c. (Taxable)/deductible temporary difference (b-a)	1,616,677,077	1,600,662,225
Applicable tax rate	10.00%	10.00%
Deferred tax asset/(liabilites)	161,667,708	160,066,223
ix.a) Revaluation reserve on Land		
a. Carrying amount	8,981,186,483	8,981,186,483
b. Tax base	-	-
c. (Taxable)/deductible temporary difference (b-a)	(8,981,186,483)	(8,981,186,483)
Applicable tax rate *	4.00%	4.00%
Deferred tax asset/(liabilites)	(359,247,459)	(359,247,459)

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
ix.b) Revaluation reserve on Land		
a. Carrying amount	3,969,544,030	3,969,544,030
b. Tax base	-	-
c. (Taxable)/deductible temporary difference (b-a)	(3,969,544,030)	(3,969,544,030)
Applicable tax rate *	3.00%	3.00%
Deferred tax asset/(liabilities)	(119,086,321)	(119,086,321)
x) Revaluation reserve on Building		
a. Carrying amount	480,059,208	494,606,457
b. Tax base	-	-
c. (Taxable)/deductible temporary difference (b-a)	(480,059,208)	(494,606,457)
Applicable tax rate	15.00%	15.00%
Deferred tax asset/(liabilities)	(72,008,881)	(74,190,969)
Total deferred tax assets/(liabilities)-A	9,789,170,186	11,021,082,205

* 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

The Bank is required to deduct deferred tax assets BDT 978.92 crore from Tier-1 Capital as per Bangladesh Bank Guidelines on Risk Based Capital Adequacy (RBCA) (Revised Regulatory Capital Framework for banks in line with Basel III) dated December 2014. The Bangladesh bank has allowed for non-deduction of deferred tax assets from Tier-1 Capital vide letter no-BRPD (BFIS) 661/14(B)P/2021-5461 dated 27 June 2021.

9.4.a Year wise Deferred Tax breakdown for last 10 years

Year	
2010	3,545,392,538
2011	2,796,355,659
2012	4,398,529,766
2013	6,554,559,973
2014	6,961,853,368
2015	8,344,803,824
2016	11,208,175,703
2017	10,969,742,516
2018	11,872,421,315
2019	11,021,082,205

Fixed assets, revaluation reserve of land and building, provision for bad/loss loan & advances, death relief grand scheme for the departed employees and loss of revaluation of shares have been considered during calculation of deferred tax due to having considerable taxable temporary differences. As per calculation of Deferred Tax Assets balance for the year ended December 31, 2020 has decreased by the amount of BDT 99,330,288 which charged to profit and loss account.

The carrying amount has been arrived at by estimating temporary differences (based on analysis of prior years' relevant figures) on account of bad/loss debts that are likely to be written off in future years out of the year end total amount of provision for bad and loss loans and advances BDT 26,633,388,249.

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.

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
9.5 Non-banking Assets		
The Bank has got the possession of ownership of the mortgage properties according to the judgment of the Honorable Court in accordance with the section 33(7) of "Artha Rin Adalat-2003". An amount of BDT 430,452,997 is reported in the financial statements as Non-Banking assets.		
9.6 Software (Annexure G)		
Cost		
Balance at the beginning of the year	2,192,474,639	1,253,239,281
Addition during the year	4,603,500	939,287,258
Disposal / Transfer during the year	(118,000)	(51,900)
Balance at the end of the year	2,196,960,139	2,192,474,639
Less: Accumulated Amortization		
Balance at the beginning of the year	387,976,656	265,415,337
Charge for the year	122,333,819	122,519,489
Disposal / Transfer during the year	(87,320)	41,830
Balance at the end of the year	510,223,155	387,976,656
Net Value	1,686,736,984	1,804,497,983
9(a) Consolidated Other Assets		
Agrani Bank Limited	68,299,879,700	58,362,684,859
Agrani Equity & Investment Limited	502,932,431	147,578,731
Agrani SME Financing Company Limited	115,367,927	88,142,368
Agrani Exchange House Private Limited, Singapore	34,828,074	11,835,314
Agrani Remittance House SDN. BHD., Malaysia	24,233,831	17,947,046
Agrani Remittance House Canada Inc.	-	3,817,050
Agrani Exchange Company (Australia) Pty. Limited	3,055,122	3,055,122
	68,980,297,085	58,635,060,490
Less: Inter-company transaction (s)	(6,081,121,125)	(5,736,793,789)
	62,899,175,960	52,898,266,701
10 Borrowing from other banks including financial institutions & agents	7,577,489,475	11,587,700,882
10.1 Borrowing:		
Borrowing from BB Refin.BRPD-10(COVID-19)	2,332,631,630	-
Borrowing from BB Refin.SMESPD2(COVID)	100,835,751	-
IFAD Loan	5,816,333	6,502,002
Bangladesh Bank (Banka basur Refinance Fund)	163,389,000	189,520,000
Bangladesh Bank (Jute Refinance Fund)	416,500,000	326,150,000
Enterprise Growth and Bank Modernization Project (EGBMP)	207,239,079	199,319,114
Local Bank	500,000,000	500,000,000
Foreign Bank	5,080,000	8,589,005,000
Credit Balance of NOSTRO Accounts	3,845,997,682	1,777,204,766
	7,577,489,475	11,587,700,882
10.2 Classification into the following broad categories:		
In Bangladesh	3,726,411,793	1,221,491,116
Outside Bangladesh	3,851,077,682	10,366,209,766
	7,577,489,475	11,587,700,882

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
11.1.1 Current & Other account		
Current Deposits (Note - 11.1.1.i)	58,237,081,422	46,778,510,661
Balance with ATM	822,398	824,098
Sundry Deposits (Note - 11.1.1.ii)	14,465,550,544	10,747,746,569
Special Time Deposits (11.1.1.iii)	187,188,285,489	117,686,737,276
Call Deposits (Note - 11.1.1.iv)	79,954,927	91,942,531
	259,971,694,780	175,305,761,135
11.1.1.i Current Deposits		
Current Deposit-Government Organizations	6,901,058,625	7,369,367,624
Current Deposit-Autonomous and Semi Autonomous Org	3,514,937,490	4,266,335,976
Current Deposit-Non Financial Public Enterprises	4,249,604,517	3,603,765,111
Current Deposit-Local Authority	2,611,730,571	2,317,610,274
Current Deposit-Insurance Co.s & Pension Funds Public	663,645,853	98,740,875
Current Deposit-Public Non-Banking Financial Org	522,999,246	476,943,418
Current Deposit-Other Financial Public Organizations	2,569,974,467	223,583,335
Current Deposit-Other Banks	1,078,446,603	811,667,340
Current Deposit-Individuals and Others	33,279,126,139	26,163,897,465
Current Deposit-Foreign Currency	2,735,932,742	1,384,022,170
Current Deposit-Miscellaneous	109,625,169	62,577,073
	58,237,081,422	46,778,510,661
11.1.1.ii Sundry Deposits		
General Provident Fund	5,391,887,021	3,608,715,261
Margin on Bills purchased	11,507,726	11,476,472
Margin on Letters of Credit	4,823,736,495	4,533,159,810
Margin on Letters of Guarantee	563,215,406	363,817,121
Miscellaneous Margin	1,364,887,947	26,939,430
Foreign Currency	150,487,918	86,522,693
Key Deposit	13,293,415	11,954,169
Staff Cash Security	23,012,105	23,192,183
Foreign correspondence charges	1,593,393	1,630,862
F. C Exp. Proceeds	214,601,623	77,879,212
Commission Payable to Govt.	45,458,091	45,150,171
Premium paid XPB	856,976	856,976
Clearing Adjustment	6,435,555	3,947,267
Self Employment Promotion	443,746	308,741
Teachers Payment	460,652,862	756,479,731
Boisko Bhata	116,964,192	66,806,952
Female Secondary School Assistance Project (Stipend)	9,066,473	21,244,277
Freedom Fighter Allowance	56,984,620	51,778,566
Army Pension	55,616,584	58,268,497
Small Enterprise Development	474,789	207,424
Rural Finance Programme	6,151,254	5,728,226
Hajj Deposit	522,784	88,757
Others	1,036,840,568	941,270,225
Clearing Cheque Sent for Collection T24	1,574,469	39,000
Debit Card Remote ON-US Transactions	78,275,538	31,246,207
Debit Card Remote ON-US Commission	29,599,613	17,628,958
SEQAEP Pre-paid Card Fees	1,409,381	1,409,381
	14,465,550,544	10,747,746,569

Agrani Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
11.1.1.iii Special Notice Deposits		
Special Notice Deposit -Government Org.	45,010,731,608	32,699,575,574
Special Notice Deposit -Autonomous and Semi Autonomous Organizations	22,613,493,849	16,551,076,115
Special Notice Deposit -Non Financial Pub Enterprise	100,555,885,255	55,490,796,311
Special Notice Deposit -Local Authority	3,172,290,698	2,381,282,073
Special Notice Deposit -Insurance Co.s & Pension Funds Public	416,988,660	359,211,445
Special Notice Deposit -Public Non-Banking Financial Organizations	1,398,456,721	1,033,122,105
Special Notice Deposit -Other Deposit Accepting Public Organizations	2,744,907,831	509,304,900
Special Notice Deposit -Other Banks	3,669,173,155	1,417,556,405
Special Notice Deposit -Individuals and Others	7,606,357,712	7,244,812,348
	187,188,285,489	117,686,737,276
11.1.1.iv Call Deposits		
Call Deposit -Government Organizations	15,536,065	13,996,164
Call Deposit -Autonomous and Semi Autonomous Org.	580,337	580,336
Call Deposit -Non Financial Public Enterprises	670,753	841,955
Call Deposit -Local Authority	7,387,869	6,717,089
Call Deposit -Other Deposit Accepting Public Org.	692	692
Call Deposit -Other Banks	206,319	206,319
Call Deposit -Individuals and Others	55,572,892	69,599,976
	79,954,927	91,942,531
11.1.2 Bills payable		
Draft payable	543,134,030	535,137,330
TT's payable	2,647,277	2,658,277
MT's payable	4,350	4,350
Pay slip issued	313,327,650	205,357,260
Pay order issued	4,347,359,063	4,047,008,714
Inland Bill proceeds Awaiting for Remittance	250,284,495	380,372,320
Foreign Bill proceeds Awaiting for Remittance	4,186,751,052	3,847,184,884
Overdue DD payable	18,067,339	18,630,709
Upahar cheque sold A/C	36,732	36,732
FRMS	10,150	10,000
Foreign D.D, T.T, & TC payable	168,407,688	215,261,281
	9,830,029,826	9,251,661,857
11.1.3 Saving Bank Deposits		
Saving Deposit -Government Organizations	2,510,123,409	3,400,460,044
Saving Deposit -Autonomous and Semi Autonomous Organizations	6,329,170,529	5,471,039,264
Saving Deposit -Non Financial Public Enterprises	456,325,668	275,665,070
Saving Deposit -Local Authority	236,934,424	353,814,168
Saving Deposit -Insurance Co.s & Pension Fund	2,090,758,401	1,707,701,721
Saving Deposit -Public Non-Banking Financial Organizations	225,788,589	201,328,616
Saving Deposit -Other Financial Public Organizations	43,578,464	37,746,098
Saving Deposit -Other Banks	9,365,473	6,752,724
Saving Deposit -Individuals and Others	220,961,229,307	190,195,417,913
Female Secondary School Assistance Project	80,383,589	66,006,572
Saving Deposit -Miscellaneous	338,883,233	286,457,081
Saving Deposit -Foreign Currency	1,445,849,302	1,539,662,105
Saving Deposit -Student	153,351,647	76,573,409
	234,881,742,035	203,618,624,785

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
11.1.4 Fixed Deposits		
Fixed Deposits (11.1.4.1)	371,599,082,941	269,260,761,242
Deposit Pension Scheme	25,329,250	27,860,845
Agrani Bank Pension Scheme	101,300,693	135,446,844
Month wise Fixed Deposits	749,400	749,400
Non Resident Special Deposits	244,970	244,970
Agrani Bank Bishesh Shanchay	34,695,348,908	33,496,563,098
Agrani Bank Monthly Income Scheme	37,592,221	38,048,406
Agrani Bank Monthly Deposit Scheme	23,212,986	41,679,033
Agrani Bank Double Benefit Scheme	159,535,609	314,227,988
Agrani Bank Quarterly Income Scheme	2,072,263	15,351,462
Agrani Bank Double Benefit Scheme (New)	2,719,274	2,999,074
Agrani Bank Millionaire Deposit Scheme	103,786,393	73,588,585
Agrani Bank Lakhopoti Deposit Scheme	11,958,779	11,435,072
Agrani Bank Probashi Deposit Scheme	2,285,459	2,750,715
Agrani Bank Deposit Scheme for Woman	7,193,000	6,965,891
AGB Senior Citizen Savings Scheme	1,849,222	1,183,116
AGB Sanchaya Pension Scheme	9,808,354	7,579,801
AGB Wages Earner Deposit Scheme	44,930,889	21,927,376
Agrani Education Shanchay	13,604,081	393,000
Agrani Super Savings Shanchay	10,463,913,709	607,527,992
	417,306,518,401	304,067,283,910
11.1.4.1 Fixed Deposits		
Fixed Deposit-Government Organizations	34,446,276,384	27,540,440,747
Fixed Deposit-Autonomous and Semi Autonomous Organizations	82,900,635,010	41,500,086,245
Fixed Deposit- Non Financial Public Enterprises	81,584,776,591	119,819,102,220
Fixed Deposit -Local Authority	716,690,805	432,862,905
Fixed Deposit -Insurance Co.s & Pension Funds Public	2,108,317,694	603,632,190
Fixed Deposit -Public Non-Banking Financial Organizations	5,956,601,897	2,213,722,515
Fixed Deposit -Other Financial Public Organization	2,984,542,683	1,203,791,670
Fixed Deposit -Other Banks	37,050,900,309	7,595,826,539
Fixed Deposit -Individuals and Others	123,840,159,120	68,337,341,344
Non-Resident Foreign Currency Deposit (NFCD)	9,760,751	9,760,751
Fixed Deposit -Deceased Account	421,697	4,194,116
	371,599,082,941	269,260,761,242
11.2 Maturity Grouping of Deposits and Other Accounts		
Repayable on demand	58,317,036,349	46,870,453,192
Repayable within 1 month	77,720,114,027	29,594,363,019
Over 1 month but within 6 months	151,872,281,862	86,972,288,337
Over 6 months but within 1 year	211,413,740,912	173,087,204,449
Over 1 year but within 5 years	206,183,307,901	186,354,948,154
Over 5 years	216,483,503,991	169,364,074,536
	921,989,985,042	692,243,331,687

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
11.3 Geographical Location - wise Deposits		
Dhaka Region	501,949,136,648	341,284,296,145
Chittagong Region	96,925,160,746	85,840,639,310
Khulna Region	58,299,189,302	47,133,210,108
Rajshahi Region	49,130,211,288	40,584,857,269
Barisal Region	20,359,508,246	18,121,870,261
Sylhet Region	27,251,627,218	23,607,279,332
Rangpur Region	25,968,362,606	21,626,235,935
Mymensing Region	50,753,249,987	40,404,364,755
Comilla Region	67,860,623,338	54,242,079,618
Faridpur Region	23,492,915,663	19,398,498,954
	921,989,985,042	692,243,331,687
11.4 Sector wise Deposits		
Government Organizations (President, PM's Office, Ministry & Judiciary)	88,883,726,090	71,023,840,114
Autonomous & Semi Autonomous Bodies	115,358,817,214	67,789,117,936
Deposit money bank	41,808,091,859	9,832,009,328
Other public sector	215,318,858,349	193,351,286,755
Private sector	460,620,491,530	350,247,077,554
	921,989,985,042	692,243,331,687
11.5 Inter-Bank Deposits		
Current Deposits	1,078,446,603	811,667,341
Savings Deposits	9,365,473	6,752,724
Fixed Deposits	37,050,900,309	7,595,826,539
Special Notice Deposits	3,669,173,155	1,417,556,405
Call Deposits	206,319	206,319
	41,808,091,859	9,832,009,328
11(a) Consolidated Deposits and other accounts		
Agrani Bank Limited	921,989,985,042	692,243,331,687
Agrani Equity & Investment Limited	7,317,261	6,473,302
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	-	-
	921,997,302,303	692,249,804,989
Less: Inter-comopany transaction(s)	(25,766,417)	(54,805,970)
	921,971,535,886	692,194,999,019
12 Other Liabilities		
Interest suspense (Note - 12.1)	30,670,325,278	22,718,931,996
Provision for expenses (Note - 12.2)	7,325,711,986	5,873,186,672
Provision for auditors fee (Note - 12.3)	4,000,000	4,000,000
Sundry creditors	1,624,393,062	1,302,640,423
Tax deducted at source	1,773,687,345	1,314,261,230
VAT on services	361,331,675	187,056,522
Excise duty	858,305,635	663,370,694
Levy on interest payment	10,868,652	11,381,400

Agrani Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
Levy & Surcharge on interest payment (Bonds)	14,505	15,505
Lease liabilities	726,985,375	-
Provision for taxation (Note - 12.4 & Annexure-F)	22,442,362,325	20,198,362,325
Provision for classified loans & advances (Note - 12.5)	27,993,896,649	26,778,314,224
Provision (general) for un-classified loans & advances (Note - 12.6.i)	3,819,885,991	8,101,127,684
Special general provision - COVID-19 (Note - 12.6.ii)	4,619,023,172	-
Provision (general) for SMA loans & advances (Note - 12.7)	3,037,609,650	3,356,026,961
3% General reserve for consumer financing (Note - 12.8)	35,856,219	35,856,219
Provision for off balance sheet exposures (Note - 12.10)	2,094,423,731	1,156,096,313
Provision for investment (Note - 12.11)	2,847,714,984	2,743,092,640
Provision for balance with other banks & financial institutions (Note - 12.18)	670,000,000	600,000,000
Provision for money at call & short notice (Note - 12.19)	280,000,000	280,000,000
Provision for other assets (Note - 12.12)	1,292,657,086	1,222,767,963
Provision for branch adjustment (Note - 12.20)	157,047,282	263,113,441
Provision for fixed assets	21,913,328	21,913,328
Provision for interest rebate on good borrowers	20,000,000	20,000,000
Payable to islamic banking unit	217,698	217,698
Provision for incentive bonus (Note - 12.13)	1,393,106,596	1,373,671,208
Employees superannuation fund (Note - 12.14)	1,038,013,906	1,850,030,832
Employees gratuity fund (Note - 12.15)	-	-
Death relief grant scheme (Note - 12.16)	60,798,771	78,498,771
Employees benevolent fund (Note - 12.17)	36,303,595	36,914,468
Reserve for unforeseen losses	7,278,112	7,278,112
Doctors self employment program	1,600,000	1,600,000
Collection accounts	22,848,998	10,089,832
Cash incentive to exporters	10,827,252	12,764,252
SPL account MEDU fund	322,257,340	343,122,136
Export development fund (EDF)	-	26,986,001
Govt. bond for land mortgage loan	840,897	840,897
Special block account	187	189
SPL block account (DD,TT, MT & PO)	9,730,948	9,730,948
Unclaimed deposit 10 years & above	278,907	449,539
Service charge on CIB report	1,942,805	2,429,511
Provision for balance of bilateral trade	2	2
Customer fund adjustment account	1,198,733	1,198,733
Vostro account	35,385,711	35,385,711
SIDR	389,114	389,114
ADIP project fund	19,031,208	19,474,118
Reserve fund for rebate	953,645	842,690
Provision for arear of staff salary	4,485	4,485
Interest waived on staff house building loan	8,153,677	5,514,545
Branch adjustment (Note- 12.21)	-	-
	115,659,176,517	100,668,949,332
12.1 Interest Suspense Account		
Balance at the beginning of the year	22,718,931,996	19,798,688,304
Add: Addition during the year	10,176,979,603	7,859,230,929
Less: Transferred to Income during the year	(1,509,141,157)	(3,663,485,134)
Less: Amount waived/ written off during the year	(716,445,164)	(1,275,502,103)
Balance at the end of the year	30,670,325,278	22,718,931,996

Agrani Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
12.2 Provision for Expenses		
Provision for Interest on Savings	575,601	384,105
Provision for Interest on DPS	8,367,117	8,118,903
Provision for Interest on STD	6,942,544	1,210,585
Provision for Interest on FDR	5,805,616,194	4,393,854,856
Provision for Interest on ABPS	2,567,305	3,623,662
Provision for Interest on Borrowings	69,187,554	30,016,088
Provision for ABS	1,214,284,565	1,181,689,070
Un-disbursed Salary and Other staff benefit	1,457,373	1,545,495
Provision for other expenses	157,313,314	144,397,796
Provision for Interest on ABMIS	4,741,103	4,106,737
Provision for Interest on ABMDS	5,551,061	14,985,209
Provision for Interest on ABDDBS	34,416,359	74,699,071
Provision for Interest on Bakna Basur Refinance Fund	4,564,350	4,918,916
Provision for Interest on Agrani Bank Quarterly Income Scheme	72,292	284,025
Provision for Interest on Agrani Bank Double Benefit Scheme (New)	486,414	279,500
Provision for Interest on Agrani Bank Millionaire Deposit Scheme	5,878,940	6,110,541
Provision for Interest on Agrani Bank Lakhpoti Deposit Scheme	1,605,168	1,423,585
Provision for Interest on Agrani Bank Probashi Deposit Scheme	39,888	36,320
Provision for Interest on Agrani Bank Deposit Scheme for Woman	899	50
Provision for Interest on Agrani Bank AGB Senior Citizen Saving Scheme	-	5,240
Provision for Interest on Agrani Bank Sanchay Pension Scheme	629,838	1,146,540
Provision for Interest on Agrani Bank Wage Earner Deposit Scheme	903,238	343,069
Provision for Interest on Agrani Bank Education Scheme	457,392	465
Provision for Interest on Agrani Bank Supper Saving Scheme	53,477	6,844
Provision held at the end of the year	7,325,711,986	5,873,186,672
12.3 Provision for Auditors Fee		
Balance at the beginning of the year	4,000,000	4,000,000
Less: Paid during the year	(4,000,000)	(4,000,000)
Add: Provision made during the year	4,000,000	4,000,000
Provision held at the end of the year	4,000,000	4,000,000
12.4 Provision for Taxation		
Balance at the beginning of the year	20,198,362,325	19,098,362,325
Less: Adjustment	1,000,000,000	(1,000,000,000)
Add: Transferred to Provision for Income Tax during the year	1,244,000,000	2,100,000,000
Provision held at the end of the year	22,442,362,325	20,198,362,325

The Bank has calculated income tax for the year 2020 in accordance with Income Tax Ordinance 1984 and accordingly BDT 124.40 crore has been provided in the accounts considering the issues stated as under:

i). According to Arbitration Tribunal settlement the amount of previous years income BDT 205.59 crore of Orion Infrastructure Limited has been taken into the income which has been weaved by the Board of Directors of the bank and accordingly reversed with retained earnings in 2020. As the bank has already paid income tax on the amount in previous years, the paid amount is supposed to be refunded / adjusted with income tax payable. Bank has already addressed the issue to the chairman of National Board of Revenue for refund/ adjustment of approximately BDT 87 crore vide letter no. MD:PM:01:84/86 dated 29 April 2021.

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
<p>ii). The outstanding balance of cumulative written off was BDT 5,534.60 crore as on 31-12-2020 (Note#7.9). As the income tax assessment has been completed up to 2016 by Deputy Commissioner of Tax (DCT), an amount of BDT 2,247.56 crore of written off loan has already been claimed by the Bank to consider as allowable expenditure and to adjust with tax payable as per Tax Ordinance 1984. Meanwhile tax authority has already been allowed BDT 385.61 crore and the rest amount is highly expected to be approved at appeal/ revision in the court. In this regard the Bank authority has already held a meeting with the tax authority and the tax adviser of the bank is doing necessary works on it.</p> <p>iii). Income Tax assessment has been finalized up to 2016 by the DCT and reference cases are pending with honourable High Court Division for the years 2002, 2005, 2006, 2008, 2009, 2010, 2011, 2013, 2014, 2015 while the bank appealed to the Commissioner of Taxes against DCT order for 2016. Bank had been made tax provision in the accounts amounting BDT 1315.49 crore upto 2016 where Revised Tax Liabilities assessed by NBR was BDT 1,250.85 crore. As such there is an excess amount of tax provision of BDT (BDT 1315.49 - BDT 1250.85)= BDT 64.64 crore.</p> <p>iv). The Bank has submitted return for the years 2017, 2018 & 2019 where income tax has been calculated as per Tax Ordinance 1984 and full provision for tax has been made in the accounts.</p>		
12.5 Provision for Classified Loans and Advances		
Balance at the beginning of the year	26,778,314,224	29,646,774,893
Add: Recoveries of amount previously written off	440,715,331	1,061,626,027
Add: Specific provision for the year	1,000,000,000	-
Less: Provision adjustment during the year	-	(3,656,998,948)
Less: Written off/waived	(225,132,906)	(273,087,748)
Provision held at the end of the year	27,993,896,649	26,778,314,224
12.6.i Provision (general) for Un-classified Loans & Advances		
Balance at the beginning of the year	8,101,127,684	3,052,901,550
Add: Provision made during the year	-	5,048,226,134
Less: Provision adjustment for the year	(4,281,241,693)	-
Provision held at the end of the year	3,819,885,991	8,101,127,684
12.6.ii Special General Provision - COVID-19		
Balance at the beginning of the year	-	-
Add: Provision made during the year	4,619,023,172	-
Less: Provision adjustment for the year	-	-
Provision held at the end of the year	4,619,023,172	-
12.7 Provision (general) for SMA Loans & Advances		
Balance at the beginning of the year	3,356,026,961	168,880,174
Add: Provision made during the year	-	3,187,146,787
Less: Provision adjustment for the year	(318,417,311)	-
Provision held at the end of the year	3,037,609,650	3,356,026,961
12.8 3% General Reserve for Consumer Financing:		
Reserve held at the beginning of the year	35,856,219	47,351,404
Add: Additional reserve for the year	-	-
Less: Reserve adjustment for the year	-	(11,495,185)
Balance at the end of the year	35,856,219	35,856,219
12.9 Maintained Provision for Loans & Advances		
General provision		
i) Standard (including staff Loan)	3,819,885,991	8,101,127,684
ii) Special Mention Accounts (SMA)	3,037,609,650	3,356,026,961
iii) Special General Provision - COVID-19	4,619,023,172	-
	11,476,518,813	11,457,154,645

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
Specific provision		
i) Substandard	451,180,877	772,452,570
ii) Doubtful	909,327,523	184,900,572
iii) Bad/Loss	26,633,388,249	25,820,961,082
	27,993,896,649	26,778,314,224
Total loan provision held	39,470,415,462	38,235,468,869

The Bank is required to maintain total provision of BDT 7,575.06 crore which includes Provision for loans and advances BDT 6,001.08 crore in the year 2020. In order to maintain the ratio of minimum Capital to Risk Weighted Assets (CRAR) as per BASEL-III guidelines on the Bank's request, Bangladesh Bank has permitted to maintain total provision of BDT 4,785.03 crore which is made of loans and advances BDT 3,947.04 crore & other items BDT 837.98 crore vide letter no. DOS(CAMS)1157/01/(II)-C/2021-2703 dated 27 June 2021. The amount of BDT 2,054.04 crore (BDT 6,001.08 crore - BDT 3,947.04 crore) being the shortfall of provision has been allowed as deferral by Bangladesh Bank through the said letter with the following conditions.

- (i) Bank will have to maintain provision not less than BDT 930.01 crore per year in next three consecutive year starts from 2021;
- (ii) Any required provision over BDT 2,790.03 crore will be needed to be maintained in relevant year (If any) and
- (iii) No amount shall be transferred to the general provision from specific provision.

Moreover, as per Bangladesh Bank letter no-DBI-2(UB-3)2344/2021-768 dated 13 April 2021, Bangladesh Bank has instructed the Bank not to transfer any amount from general provision (maintained as on 31 December 2020) to income up to June, 2022.

12.9.i Required Provision for Loans & Advances

General provision

i) Standard (including staff Loan)	3,819,885,991	3,212,855,413
ii) Special Mention Accounts (SMA)	3,037,609,650	466,792,913
iii) Special General Provision - COVID-19	4,619,023,172	-
	11,476,518,813	3,679,648,326

Specific provision

i) Substandard	451,180,877	689,698,661
ii) Doubtful	909,327,523	888,964,336
iii) Bad/Loss	47,173,775,662	52,355,445,992
	48,534,284,062	53,934,108,989

Total required loan provision

60,010,802,875 **57,613,757,315**

12.10 Provision for Off balance Sheet Exposure

Balance at the beginning of the year	1,156,096,313	1,233,377,406
Add: Provision made during the year	938,327,418	-
Less: Provision add back during the year	-	(77,281,093)
Provision held at the end of the year	2,094,423,731	1,156,096,313

12.11 Provision for Diminution in the Value of Investment

Balance at the beginning of the year	2,743,092,640	3,897,390,171
Add: Provision made during the year	104,622,344	-
Less: Adjustment during the year	-	-
Less: Provision add back during the year	-	(1,154,297,531)
Provision held at the end of the year	2,847,714,984	2,743,092,640

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
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The Bank is required to maintain provision for other items except provision for loans and advances of BDT 1573.98 crore which includes Provision for diminution in the value of investment of BDT 319.77 crore but maintained BDT 284.77 crore as provision in the year 2020. In order to maintain the ratio of minimum Capital to Risk Weighted Assets (CRAR) as per BASEL-III guidelines on the Bank's request, Bangladesh Bank has permitted to maintain total provision of BDT 4,785.03 crore which is made of loans and advances BDT 3,947.04 crore & other items BDT 837.98 crore vide letter no. DOS(CAMS)1157/01/(II)-C/2021-2703 dated 27 June 2021. The amount of BDT 35 crore (BDT 319.77 crore - BDT 284.77 crore) being the shortfall of provision has been allowed as deferral by Bangladesh Bank through the said letter. Addition to that, the Bank has also disclosed the details of required provision and kept provision in the note # 12.24 of the financial statements to comply the said Bangladesh Bank letter.

12.12 Provision for Other Assets

Protested bill (Note - 12.12.a)	69,005,062	70,748,671
Sundry Debtors Staff & Others	32,112,406	32,112,406
Clearing Adjustment	771,430	771,430
Clearing Suspense Account for T-24 Branch	4,000	-
Pension Paid (Army)	777,506,155	777,506,155
Pension Paid (Civil)	236,028	188,827
Pension Paid (Staff)	7,336,276	5,347,618
Legal Charges	132,214	132,214
Premium paid XPB	15,000	15,000
Defective/Mutilated/Burnt Notes	1,139,595	1,139,595
CBL Pak A/c	2	2
Receivable from Agrani Remittance House Canada Inc.	29,197,654	-
Receivable from Agrani Exchange Company (Australia) Pty. Limited	32,490,121	-
Accrued Income	33,814,751	33,814,751
Accrued Interest on Branch Adjustment	4,800,047	-
Stationary & Stamp	14,825,007	14,825,007
Advance Deposit & Pre-payment	20,475,576	20,451,948
Foreign Correspondent Draft Paid	1,112,489	696,085
Wage Earner Bond	2,806,255	141,236
BCCI Bank-London	1	1
Balance with Al-Rajhi Foreign Exchange	1	1
Loan Application Form	315,839	315,839
Exempted Loans & Interest on Exempted Loans (Note - 12.12.b)	252,054,985	252,054,985
DD Paid without Advice	12,506,192	12,506,192
Provision held at the end of the year	1,292,657,086	1,222,767,963

The Bank is required to maintain provision for other items except provision for loans and advances of BDT 1573.98 crore which includes Provision for other assets BDT 166.66 crore. In order to maintain the ratio of minimum Capital to Risk Weighted Assets (CRAR) as per BASEL-III guidelines on the Bank's request, Bangladesh Bank has permitted to maintain total provision of BDT 4,785.03 crore which is made of loans and advances BDT 3,947.04 crore & other items BDT 837.98 crore vide letter no. DOS(CAMS)1157/01/(II)-C/2021-2703 dated 27 June 2021. As per BRPD circular no 14 dated June 25, 2001 of Bangladesh Bank, the Bank has maintained a provision of BDT 129.27 crore for the year ended 31 December 2020 against other assets that are outstanding for more than one year. The amount of BDT 32.40 crore (BDT 161.66 crore - BDT 129.27 crore) being the shortfall of provision has been allowed as deferral by Bangladesh Bank through the said letter. Addition to that, the Bank has disclosed the details of required provision and kept provision in the note # 12.24 of the financial statements to comply the said Bangladesh Bank letter.

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
12.12.a Provision for Protested Bills		
Balance at the beginning of the year	70,748,671	70,820,672
Adjustment during the year	(1,743,609)	(71,999)
Addition during the year	-	(2)
Provision held at the end of the year	69,005,062	70,748,671
Protested Bills arises due to accidental loss of fraud, robbery, theft etc.		
12.12.b Provision for Exempted Loans & Interest on Exempted Loans		
Balance at the beginning of the year	252,054,985	253,839,376
Adjustment during the year	-	(788,063)
Provision add back during the year	-	(996,328)
Provision made during the year	-	-
Provision held at the end of the year	252,054,985	252,054,985
12.13 Provision for Incentive Bonus		
Balance at the beginning of the year	1,373,671,208	1,403,727,827
Amount paid during the year	(1,131,001,046)	(1,183,337,292)
Addition during the year	436,434	3,280,673
Provision for the year	1,150,000,000	1,150,000,000
Balance at the end of the year	1,393,106,596	1,373,671,208
12.14 Employees Super Annuation Fund		
Balance at the beginning of the year	1,850,030,832	1,780,035,228
Addition during the year	1,667,063,509	1,505,437,196
Provision made during the year	1,038,000,000	1,850,000,000
Amount transferred/paid to SAF's SB A/C	(3,517,080,435)	(3,285,441,592)
Balance at the end of the year	1,038,013,906	1,850,030,832
According to the actuarial report submitted on 27 May 2018, a deficit of BDT 2,783.00 crore in the provision of Employees Superannuation Fund (SAF) as on 31 March 2018 has been shown. The aforesaid report contains, among others, phase-wise contribution to the provision for superannuation fund instead of providing the full amount of deficit in one go. Accordingly, the bank has to contribute BDT 500.00 crore in the first year and BDT 375.00 crore from following year. There was also recommendation in the said actuarial report to contribute 43% of the basic salary of the employees each year. Subsequently, the Board of Directors of the Bank has approved in meeting no. 462/19 dated 30 April 2019 to provide BDT 292.55 crore each year by the Bank for next 9 years. However, the Bank contributed 75% of the basic salary of the employees during the year and also made a provision of BDT 103.80 crore for Employees Super Annuation Fund for the year 2020. Therefore, an amount of provision shortfall stood at BDT 296.25 crore (BDT 400.05 crore - BDT 103.80 crore) at the year end and Bangladesh Bank has provided a deferral of the above-mentioned provision shortfall for Super Annuation Fund Vide letter no. DOS(CAMS)1157/01/(II)-C/2021-2703 dated 27 June 2021. Addition to that, the Bank has disclosed the details of required provision and kept provision in the note # 12.24 of the financial statements to comply the said Bangladesh Bank letter.		
12.15 Employees Gratuity Fund		
Balance at the beginning of the year	-	8,486
Adjustment	-	(8,486)
Addition during the year	385,166,386	429,250,667
Amount transferred/paid to Gratuity's SB A/C	(385,166,386)	(429,250,667)
Balance at the end of the year	-	-

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
12.16 Death Relief Grant Scheme		
Balance at the beginning of the year	78,498,771	54,598,771
Provision made during the year	30,000,000	70,000,000
Amount paid/adjusted during the year	(47,700,000)	(46,100,000)
Balance at the end of the year	60,798,771	78,498,771
12.17 Employees Benevolent Fund		
Balance at the beginning of the year	36,914,468	36,142,016
Addition during the year	-	772,452
Provision made during the year	-	-
Amount paid/adjusted during the year	(610,873)	-
Balance at the end of the year	36,303,595	36,914,468
12.18 Provision for Balance with Other Banks & Financial Institutions		
Balance at the beginning of the year	600,000,000	600,000,000
Add: Provision made during the year	70,000,000	-
Less: Provision add back during the year	-	-
Provision held at the end of the year	670,000,000	600,000,000
<p>The Bank is required to maintain provision for other items except provision for loans and advances of BDT 1573.98 crore which includes Provision for Balance with Other Banks & Financial Institutions BDT 416.35 crore but maintained 349.35 crore in the year 2020. In order to maintain the ratio of minimum Capital to Risk Weighted Assets (CRAR) as per BASEL-III guidelines on the Bank's request, Bangladesh Bank has permitted to maintain total provision of BDT 4,785.03 crore which is made of loans and advances BDT 3,947.04 crore & other items BDT 837.98 crore vide letter no. DOS(CAMS)1157/01/(II)-C/2021-2703 dated 27 June 2021. The amount of BDT 349.35 crore (BDT 416.35 crore - BDT 67 crore) being the shortfall of provision has been allowed as deferral by Bangladesh Bank through the said letter. Addition to that, the Bank has disclosed the details of required provision and kept provision in the note # 12.24 of the financial statements to comply the said Bangladesh Bank letter.</p>		
12.19 Provision for Money at Call and Short Notice		
Balance at the beginning of the year	280,000,000	-
Add: Provision made during the year	-	280,000,000
Less: Provision add back during the year	-	-
Provision held at the end of the year	280,000,000	280,000,000
<p>The Bank is required to maintain provision for other items except provision for loans and advances of BDT 1573.98 crore which includes Provision for Money at Call and Short Notice was BDT 51.00 crore but maintained 28 crore in the year 2020. In order to maintain the ratio of minimum Capital to Risk Weighted Assets (CRAR) as per BASEL-III guidelines on the Bank's request, Bangladesh Bank has permitted to maintain total provision of BDT 4,785.03 crore which is made of loans and advances BDT 3,947.04 crore & other items BDT 837.98 crore vide letter no. DOS(CAMS)1157/01/(II)-C/2021-2703 dated 27 June 2021. The amount of BDT 23.00 crore (BDT 51.00 crore - BDT 28 crore) being the shortfall of provision has been allowed as deferral by Bangladesh Bank through the said letter. Addition to that, the Bank has disclosed the details of required provision and kept provision in the note # 12.24 of the financial statements to comply the said Bangladesh Bank letter.</p>		
12.20 Provision for Branch Adjustment		
Balance at the beginning of the year	263,113,441	1,129,184,000
Adjustment during the year	(10,750,556)	-
Provision add back	(95,315,603)	(866,070,559)
Provision made during the year	-	-
Provision held at the end of the year	157,047,282	263,113,441

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
<p>“Other Liabilities” include a net debit balance of BDT 9,412,893,607 as Branch Adjustment (such amount at 31 December 2019 was BDT 226,795,947). While the full reconciliation process is underway, In the year 2020 the Bank was supposed to keep provision amounting to BDT 15.70 crore against Branch Adjustment and the Bank has made full provision.</p>		
12.21 Branch adjustment		
Debit balance		
Main Office Account (MO)	1,161,668,856,871	1,160,378,289,649
New General Account (NG)	1,155,481,812,996	1,155,538,564,085
Instant Financial Massaging System (IFMS)	21,258,446,698	21,258,959,698
Inter-Branch Account for Online Transactions	1,420,047,203,618	1,267,208,958,386
Computerized Main Office Account (CMO)	885,911,657,825	925,145,547,163
Computerized New General Account (CNG)	1,463,586,160,742	1,323,116,101,605
	6,107,954,138,750	5,852,646,420,586
Less:- Credit balance		
Main Office Account (MO)	(1,162,354,815,465)	(1,160,954,327,254)
New General Account (NG)	(1,155,570,840,726)	(1,155,553,697,655)
Instant Financial Massaging System (IFMS)	(21,278,495,787)	(21,278,495,787)
Inter-Branch Account for Online Transactions	(1,420,046,164,843)	(1,267,204,612,032)
Computerized Main Office Account (CMO)	(880,943,949,323)	(929,755,713,814)
Computerized New General Account (CNG)	(1,458,346,978,999)	(1,317,672,778,097)
	(6,098,541,245,143)	(5,852,419,624,639)
	9,412,893,607	226,795,947

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

12.22 Required Provision		
Loans & advances	60,010,802,875	57,613,757,315
Investment	3,197,714,984	3,364,145,309
Balance with other bank & non-bank financial Institutions	4,163,521,037	1,920,000,000
Money at Call and Short Notice	510,000,000	360,000,000
Other assets	1,616,616,648	2,761,367,963
Inter branch adjustment	157,047,282	263,813,441
Off-balance sheet exposure	2,094,423,731	1,156,096,313
Supperannuation Fund	4,000,513,906	2,925,500,000
Total	75,750,640,463	70,364,680,341
12.23 Maintained Provision		
Loans & advances	39,470,415,462	38,235,468,869
Investment	2,847,714,984	2,743,092,640
Balance with other bank & non-bank financial Institutions	670,000,000	600,000,000
Money at Call and Short Notice	280,000,000	280,000,000
Other assets	1,292,657,086	1,222,767,963
Inter branch adjustment	157,047,282	263,113,441
Off-balance sheet exposure	2,094,423,731	1,156,096,313
Supperannuation Fund	1,038,000,000	1,850,000,000
Total	47,850,258,545	46,350,539,226

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
12.24 Provision Surplus/(Shortfall)	(27,900,381,918)	(24,014,141,115)
<p>The Bank is required to maintain total provision of BDT 7,575.06 crore which includes loans and advances (BDT 6,001.08 crore) & other items (BDT 1,573.98 crore) in the year 2020. In order to maintain the ratio of minimum Capital to Risk Weighted Assets (CRAR) as per BASEL-III guidelines on the Bank's request, Bangladesh Bank has permitted to maintain total provision of BDT 4,785.03 crore which is made of loans and advances BDT 3,947.04 crore & other items BDT 837.98 crore vide letter no. DOS(CAMS)1157/01/(II)-C/2021-2703 dated 27 June 2021. The amount of BDT 2,790.03 crore being the shortfall of provision has been allowed as deferral by Bangladesh Bank through the said letter with the following conditions.</p> <p>(i) Bank will have to maintain provision not less than BDT 930.01 crore per year in next three consecutive year starts from 2021;</p> <p>(ii) Any required provision over BDT 2,790.03 crore will be needed to be maintained in relevant year (If any) and</p> <p>(iii) No amount shall be transferred to the general provision from specific provision.</p>		
12(a) Consolidated other liabilities		
Agrani Bank Limited	115,659,176,517	100,668,949,332
Agrani Equity & Investment Limited	2,343,981,013	4,735,294,102
Agrani SME Financing Company Limited	265,061,036	260,061,237
Agrani Exchange House Private Limited, Singapore	176,810,370	159,764,063
Agrani Remittance House SDN. BHD., Malaysia	106,372,097	93,859,722
Agrani Remittance House Canada Inc.	33,068,106	32,458,069
Agrani Exchange Company (Australia) Pty. Limited	53,349,177	53,349,177
	118,637,818,316	106,003,735,702
Less: Inter-company transaction(s)	(61,687,775)	(117,360,439)
	118,576,130,541	105,886,375,263
12(a).1 Provision for Loans & Advances: Agrani SME Financing Com. Ltd.		
General provision		
i) Standard (including staff Loan)	5,441,996	4,641,402
Special provision for loans and advances (COVID-19)	22,569,857	-
ii) Special Mention Accounts (SMA)	791,007	3,313,169
	28,802,860	7,954,571
Specific provision		
i) Substandard	2,537,860	4,086,295
ii) Doubtful	5,007,344	6,668,105
iii) Bad/Loss	23,161,796	29,433,796
	30,707,000	40,188,196
Total	59,509,860	48,142,767
12(a).2 Consolidated Provision for Loans & Advances		
General provision		
i) Standard (including staff Loan)	3,825,327,987	8,105,769,086
ii) Special Mention Accounts (SMA)	3,038,400,657	3,359,340,130
	6,863,728,644	11,465,109,216
Specific provision		
i) Substandard	453,718,737	776,538,865
ii) Doubtful	914,334,867	191,568,677
iii) Bad/Loss	26,656,550,045	25,850,394,878
	28,024,603,649	26,818,502,420
Total	34,888,332,293	38,283,611,636

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
12(a).3 Consolidated Provision for Diminution in the Value of Investment		
Agrani Bank Limited	2,847,714,984	2,743,092,640
Agrani Equity & Investment Limited	-	1,350,000,000
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
Total	2,847,714,984	4,093,092,640
13 Share Capital:		
13.1 Authorized Capital:		
The authorized capital of the Bank is BDT 2,500.00 crore divided into 250,000,000 ordinary shares of BDT100.00 each.		
13.2 Issued, subscribed and fully paid up capital :	20,722,940,400	20,722,940,400
The paid up capital of the Bank was BDT 9,912,940,400 divided into 99,129,404 ordinary shares @ BDT 100.00 up to 29 December 2013. On 26 December 2013, Bank & Financial Institutions Division, Ministry of Finance has issued a letter # 53.013.002.00.00.80.2013 giving the permission to raise paid up capital by BDT 10,810,000,000 to reduce capital shortage of the Bank. Subsequently, the Board of Directors in it's 353rd board meeting held on 30 December 2013 approved the matter and increased the paid up capital to BDT 20,722,940,400 by issuing 108,100,000 right shares to the Government of the People's Republic of Bangladesh represented by Secretary, Finance Division, Ministry of Finance of the Government of the People's Republic of Bangladesh. Therefore, the total number of ordinary shares reached to 207,229,404 shares.		
13.3 Earnings Per Share:		
Earnings per share (EPS) have been computed by dividing the profit after tax by the weighted average number of ordinary shares as on 31 December 2020.		
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)	627,763,297	1,071,492,330
Weighted average number of ordinary shares outstanding (B)	207,229,404	207,229,404
Earnings per share (A/B)	3.03	5.17
13.3(a) Consolidated Earnings Per Share:		
Profit attributable to the shareholders of ABL & its subsidiaries for the year (A)	734,624,979	(1,831,012,585)
Weighted average number of ordinary shares outstanding (B)	207,229,404	207,229,404
Earnings per share (A/B)	3.54	(8.84)

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
13.4 Solo basis Minimum Capital Requirement (MCR) under Risk Based Capital (Basel-III):		
A. Regulatory Capital:		
1. Tier-1 Capital (Going concern capital)	27,282,885,223	26,428,617,053
2. Tier-2 Capital (Gone concern capital)	19,406,798,763	19,649,107,177
3. Total Regulatory Capital (1+2):	46,689,683,986	46,077,724,230
B. Total Risk Weighted Assets (RWA):	466,417,905,000	459,697,890,000
C. Capital to Risk Weighted Assets Ratio (CRAR) (A3 / B) X 100	10.01%	10.02%
D. Tier-1 Capital to RWA (A1 / B) X 100	5.85%	5.75%
E. Tier-2 Capital to RWA (A2 / B) X 100	4.16%	4.27%
F. Minimum Capital Requirement (10% of RWA)	46,641,790,500	45,969,789,000
G. Capital Surplus / (Shortfall)	47,893,486	107,935,230

Capital Requirements	2020		2019	
	Required	Held	Required	Held
Tier-1	6.00%	5.85%	6.00%	5.75%
Tier-2	4.00%	4.16%	4.00%	4.27%
Total	10.00%	10.01%	10.00%	10.02%

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

A. Regulatory Capital:		
1. Tier-1 Capital (Going concern capital)	26,750,784,403	23,756,985,459
2. Tier-2 Capital (Gone concern capital)	19,406,798,763	19,649,107,177
3. Total Regulatory Capital (1+2):	46,157,583,166	43,406,092,636
B. Total Risk Weighted Assets (RWA):	471,273,760,000	462,576,940,000
C. Capital to Risk Weighted Assets Ratio (CRAR) (A3 / B) X 100	9.79%	9.38%
D. Tier-1 Capital to RWA (A1 / B) X 100	5.68%	5.13%
E. Tier-2 Capital to RWA (A2 / B) X 100	4.11%	4.25%
F. Minimum Capital Requirement (10% of RWA)	47,127,376,000	46,257,694,000
G. Capital Surplus / (Shortfall)	(969,792,834)	(2,851,601,364)

Capital Requirements	2020		2019	
	Required	Held	Required	Held
Tier-1	6.00%	5.68%	6.00%	5.13%
Tier-2	4.00%	4.11%	4.00%	4.25%
Total	10.00%	9.79%	10.00%	9.38%

13.5 Solo basis Regulatory Capital:

Tier-1 Capital		
Fully Paid-up Capital / Capital lien with BB	20,722,940,400	20,722,940,400
Statutory Reserve	9,899,489,649	9,278,754,586
General Reserve	548,555,335	548,555,335
Retained Earnings	(2,201,363,177)	(223,129,666)
Benefit from Deferred Tax Assets	-	110,210,822
Sub-Total:	28,969,622,207	30,437,331,477

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
Deductions from Tier-1 Capital		
Goodwill and all other intangible assets	1,686,736,984	1,804,497,983
Shortfall in provisions required against classified loans	-	-
Deferred Tax Assets	-	2,204,216,441
Sub Total	1,686,736,984	4,008,714,424
Total Regulatory Tier-1 Capital	27,282,885,223	26,428,617,053
Tier-2 Capital		
General Provision (UC + SMA + Off B/S exposure+ Consumer Finance)	13,606,798,763	12,649,107,177
Subordinated debt/instruments issued by the Bank meeting BB criteria	5,800,000,000	7,000,000,000
Revaluation Reserve (50% of Fixed Assets and Securities & 10% of Equities)	-	6,447,900,000
Sub Total	19,406,798,763	26,097,007,177
Deductions from Tier-2 Capital		
Revaluation Reserve for Fixed Assets, Securities and Equity Securities	-	6,447,900,000
Total Regulatory Tier-2 Capital	19,406,798,763	19,649,107,177
Total Regulatory Capital (Tier-1 + Tier-2)	46,689,683,986	46,077,724,230

As per Guidelines on Risk Based Capital Adequacy (RBCA) (Revised Regulatory Capital Framework for banks in line with Basel III) dated December 2014, the Bank is required to calculate the risk weight for the Subordinated Bonds issued by the Banks & NBFIs @ 125% . In order to maintain the ratio of minimum Capital to Risk Weighted Assets (CRAR) on the Bank's request, Bangladesh Bank has allowed vide letter no-DOS (CAMS) 1157/01(II)-C/2021-2703 dated 27 June 2021 to use counterparty credit rating of the entities instead of fixed risk weight of 125%. The Bank has used the entity rating as counter party credit rating.

Moreover, the Bank is required to deduct provision shortfall of BDT 2,790.04 crore and deferred tax assets of BDT 978.92 crore from Tier-1 Capital as per said RBCA guidelines. The Bangladesh bank has allowed for non deduction of deferred tax assets from Tier-1 Capital vide letter no-BRPD(BFIS)661/14(B)P/2021-5461 dated 27 June 2021. Although the Bank has taken forbearance to maintain ratio of Capital to Risk Weighted Assets (CRAR), it could not maintain buffer capital as per RBCA guidelines of Bangladesh Bank.

13.5(a) Consolidated Regulatory Capital:

Tier-1 Capital

Fully Paid-up Capital / Capital lien with BB	20,722,940,400	20,722,940,400
Statutory Reserve	9,974,636,252	9,341,213,926
General Reserve	603,286,599	603,286,599
Retained Earnings	(2,863,341,864)	(3,011,951,864)
Benefit from Deferred Tax Assets	-	110,210,822
Sub-Total:	28,437,521,387	27,765,699,883

Deductions from Tier-1 Capital

Goodwill and all other intangible assets	1,686,736,984	1,804,497,983
Shortfall in provisions required against classified loans	-	-
Deferred Tax Assets	-	2,204,216,441
Sub Total	1,686,736,984	4,008,714,424
Total Regulatory Tier-1 Capital	26,750,784,403	23,756,985,459

Tier-2 Capital

General Provision (UC + SMA + Off B/S exposure+ Consumer Finance)	13,606,798,763	12,649,107,177
Subordinated debt/instruments issued by the Bank meeting BB criteria	5,800,000,000	7,000,000,000
Revaluation Reserve (50% of Fixed Assets and Securities & 10% of Equities)	-	6,447,900,000
Sub Total	19,406,798,763	26,097,007,177

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
Deductions from Tier-2 Capital		
Revaluation Reserve for Fixed Assets, Securities and Equity Securities	-	6,447,900,000
Total Regulatory Tier-2 Capital	19,406,798,763	19,649,107,177
Total Regulatory Capital (Tier-1 + Tier-2)	46,157,583,166	43,406,092,636
13.6 Solo basis Risk Weighted Assets (RWA):		
Risk Weighted Assets (RWA) for		
A. Credit Risk		
On - Balance sheet	392,819,925,000	392,776,285,000
Off - Balance sheet	11,547,230,000	14,390,455,000
	404,367,155,000	407,166,740,000
B. Market Risk	17,518,200,000	10,865,900,000
C. Operational Risk	44,532,550,000	41,665,250,000
Total: RWA (A+B+C)	466,417,905,000	459,697,890,000
13.6(a) Consolidated Risk Weighted Assets (RWA):		
Risk Weighted Assets (RWA) for		
A. Credit Risk		
On - Balance sheet	385,119,580,000	385,393,785,000
Off - Balance sheet	11,547,230,000	14,390,455,000
	396,666,810,000	399,784,240,000
B. Market Risk	29,363,200,000	20,284,300,000
C. Operational Risk	45,243,750,000	42,508,400,000
Total: RWA (A+B+C)	471,273,760,000	462,576,940,000
14 Statutory Reserve		
Balance at the beginning of the year	9,278,754,586	8,496,114,213
Transferred during the year	620,735,063	782,640,373
Closing balance	9,899,489,649	9,278,754,586
<p>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.</p>		
14(a) Consolidated Statutory Reserve		
Agrani Bank Limited	9,899,489,649	9,278,754,586
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	75,146,603	62,459,340
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
Closing balance	9,974,636,252	9,341,213,926
15 General Reserve		
Balance at the beginning of the year	548,555,335	537,060,150
Transferred during the year	-	11,495,185
Closing balance	548,555,335	548,555,335

Agrani Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
15(a) Consolidated General Reserve		
Agrani Bank Limited	548,555,335	548,555,335
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	54,731,264	54,731,264
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
Closing balance	603,286,599	603,286,599
15.1 Risk Fund		
Balance at the beginning of the year	100,000,000	80,000,000
Transferred during the year	-	20,000,000
Closing balance	100,000,000	100,000,000
15.1(a) Consolidated Risk Fund		
Agrani Bank Limited	100,000,000	100,000,000
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
Closing balance	100,000,000	100,000,000
16 Asset Revaluation Reserve		
Balance at the beginning of the year	10,976,920,226	10,977,175,227
Less: Transfer to retained earnings	(1,340,938)	(255,001)
Closing balance	10,975,579,288	10,976,920,226
16(a) Consolidated Asset Revaluation Reserve		
Agrani Bank Limited	10,975,579,288	10,976,920,226
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
Closing balance	10,975,579,288	10,976,920,226
17 Revaluation & Amortization Reserve		
Balance at the beginning of the year	1,027,274,722	1,455,903,925
Add: Surplus of Amortization of Securities (HTM)	293,753,884	110,352,862
Add: Revaluation reserve on investment in Govt. Securities (HFT)	1,232,852,464	114,183,934
Less: Surplus of Amortization of Securities (HTM)	(79,888,435)	(272,524,550)
Less: Revaluation reserve on investment in Govt. Securities (HFT)	(450,252,161)	(380,641,449)
Closing Balance	2,023,740,474	1,027,274,722

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
17(a) Consolidated Revaluation and Amortization		
Agrani Bank Limited	2,023,740,474	1,027,274,722
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
Closing Balance	<u>2,023,740,474</u>	<u>1,027,274,722</u>
18.1 Retained surplus/(deficit)		
Opening Balance	(223,129,666)	(683,079,710)
Prior Year Adjustment	(1,985,261,745)	191,098,087
Transfer from loan & other provision	-	-
Net profit after tax during the year	627,763,297	1,071,492,330
Transfer from asset revaluation reserve	-	-
Transfer to Risk Fund	-	(20,000,000)
Transfer to Statutory Reserve	(620,735,063)	(782,640,373)
	<u>(2,201,363,177)</u>	<u>(223,129,666)</u>
<p>As per Bangladesh Bank DBI letter number DBI-1(Former DIB-2) (U: B:-3)/2344/2021944 dated 08 June 2021, the Bank has been instructed to adjust BDT 32.27 crore for overcharging interest on loans and advances and BDT 205.59 crore from investment of Orion Infrastructures Limited of prior years' income with retained earnings and accordingly the Bank has made the adjustments.</p>		
18.(a).1 Consolidated Retained surplus/(deficit)		
Opening Balance	(3,011,951,864)	(562,330,948)
Prior year adjustment	(2,391,618,599)	198,443,092
Transfer from asset revaluation reserve	-	-
Foreign currency translation gain/(loss)	9,647,364	4,107,144
Net profit/ (loss) after tax during the year	734,624,979	(1,831,012,585)
Statutory reserve	(633,422,327)	(797,052,325)
Transfer to Risk Fund	-	(20,000,000)
Minority interest	(1,298)	902
Unrealised gain on securities	2,439,027,245	-
Foreign currency translation reserve	(9,647,364)	(4,107,144)
	<u>(2,863,341,864)</u>	<u>(3,011,951,864)</u>
18.(a).2 Consolidated Retained Surplus/(deficit)		
Agrani Bank Limited	(2,201,363,177)	(223,129,666)
Agrani Equity & Investment Limited	(1,072,592,381)	(3,515,377,582)
Agrani SME Financing Company Limited	305,672,804	654,923,826
Agrani Exchange House Private Limited Singapore	131,078,516	102,121,350
Agrani Remittance House SDN. BHD. Malaysia	38,375,895	30,669,267
Agrani Remittance House Canada Inc.	(26,238,801)	(22,884,339)
Agrani Exchange Company (Australia) Pty. Limited	(38,274,720)	(38,274,720)
	<u>(2,863,341,864)</u>	<u>(3,011,951,864)</u>
19 Consolidated Foreign Currency Translation Reserve		
Opening Balance	34,430,737	30,323,593
Foreign Currency Translation Gain/(Loss)	9,647,364	4,107,144
Closing Balance	<u>44,078,101</u>	<u>34,430,737</u>

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
20		
Minority Interest		
Capital of Agrani Equity & Investment Limited	2,500	2,500
Capital of Agrani SME Financing Limited	1,200	720
Statutory reserve	90	75
General reserve	66	66
Retained earnings	(169)	(972)
	3,687	2,389
21		
Acceptances and endorsements		
Letters of Guarantee (Note - 21.1)	9,629,897,113	7,030,854,037
Letters of Credit (Note - 21.2)	200,151,504,116	109,006,333,447
Bills for Collection (Note - 21.3)	55,259,044,914	48,948,846,641
Other Contingent Liabilities (Note - 21.4)	7,408,373,081	6,853,364,381
Claims against the bank not acknowledged as debt	-	-
	272,448,819,224	171,839,398,506
21.1		
Letters of Guarantee		
Directors	-	-
Government	116,956,204	146,138,340
Banks and other financial institutions	435,604,065	432,143,585
Foreign Banks against government counter guarantee	222,071,992	281,417,826
Others	8,855,264,852	6,171,154,286
	9,629,897,113	7,030,854,037
21.1(a)		
Consolidated Letters of Guarantee		
Agrani Bank Limited	9,629,897,113	7,030,854,037
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	-	-
	9,629,897,113	7,030,854,037
21.2		
Letters of Credit		
Government	49,319,097,668	51,062,830,025
Others	150,832,406,448	57,943,503,422
	200,151,504,116	109,006,333,447
21.2(a)		
Consolidated Letters of Credit		
Agrani Bank Limited	200,151,504,116	109,006,333,447
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	-	-
	200,151,504,116	109,006,333,447

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
21.3 Bills for collection		
Payable in Bangladesh	622,965,615	406,497,773
Payable outside Bangladesh	54,636,079,299	48,542,348,868
	55,259,044,914	48,948,846,641
21.3(a) Consolidated Bills for collection		
Agrani Bank Limited	55,259,044,914	48,948,846,641
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	-	-
	55,259,044,914	48,948,846,641
21.4 Other Contingent Liabilities		
Inland Travelers Cheque	35,273,500	36,391,000
Upahar Cheque	1,331,350	1,246,950
Shanchay Patra	7,368,068,231	6,812,026,431
Agrani Bank Shilpa Unnayan Bond	3,700,000	3,700,000
	7,408,373,081	6,853,364,381
<p>Liability will be created for the Bank by the sales amount of Inland Travelers Cheque, Upahar Cheque, Shanchay Patra and Agrani Bank Shilpa Unnayan Bond. These items have been included in the Off-balance sheet exposure as per contra for keeping note only.</p>		
21.4(a) Consolidated Other Contingent Liabilities		
Agrani Bank Limited	7,408,373,081	6,853,364,381
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	-	-
	7,408,373,081	6,853,364,381
21.5 Geographical Location - wise Contingent Liabilities		
Dhaka Region	250,020,323,673	149,089,926,420
Chittagong Region	7,407,479,716	5,420,565,661
Khulna Region	3,475,520,945	3,154,390,676
Rajshahi Region	1,576,242,737	1,403,860,433
Barisal Region	122,305,701	105,815,191
Sylhet Region	3,236,594,109	2,314,290,271
Rangpur Region	5,981,331,254	9,736,940,443
Mymensingh Region	76,781,819	69,413,021
Comilla Region	440,794,428	446,906,850
Faridpur Region	111,444,842	97,289,540
	272,448,819,224	171,839,398,506

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
22 Consolidated Contingent Liabilities		
Agrani Bank Limited	272,448,819,224	171,839,398,506
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	-	-
	272,448,819,224	171,839,398,506
23 Interest Income		
a. Interest on Loans and Advances:		
Interest on Rural Credit	1,405,473,510	1,345,751,473
Interest on Weavers Credit	126,759	334,099
Interest on Industrial Credit	4,515,971,746	5,226,296,045
Interest on Jute Advance	663,096,452	718,422,270
Interest on Leather Credit	236,325,540	561,645,635
Interest on Staff Loans	1,537,409,642	1,631,004,710
Interest on Loan-Others	5,924,068,878	6,254,995,549
Interest on Small and Micro Credit	6,278,009,054	5,870,992,176
Interest on Overdrafts	795,862,702	765,390,945
Interest on Cash Credit	3,680,097,036	3,099,306,803
Interest on Packing Credit	166,483,761	166,806,260
Interest on Loan against Import Merchandise	14,356,579	9,029,031
Interest on Payment Against Document	105,742,660	313,754,977
Interest on Foreign Bills Purchased	85,837,837	80,389,482
Interest on Inland Bills Purchased	10,342,455	7,704,308
Interest on CMSME Loan package for COVID-19	1,936,373	-
Sub-total	25,421,140,984	26,051,823,763
b. Interest on Balance with other Banks and Financial Institution		
Interest on call loans to Banks	291,867,215	138,125,345
Interest received from local banks	5,476,631,350	8,402,093,247
Interest received from foreign banks	9,010	455,096
Sub-total	5,768,507,575	8,540,673,688
c. Income From Write off Loan	-	-
Total (a+b+c)	31,189,648,559	34,592,497,451

As per Bangladesh Bank DBI letter no. DBI-1(Former DBI-2) (UB:-3)/2344/2021-994 dated 08 June 2021 the Bank has been allowed exemption of reversal of income of BDT 61.22 crore (BDT 58.12 + BDT 3.10) out of required reversal amount of BDT 153.11 crore (BDT 150.01 + BDT 3.10) and against the rest of the amount of BDT 91.89 crore, BDT 59.62 crore has been reversed from interest income and BDT 32.27 crore has been adjusted with retained earnings. In addition to that the DBI inspection team has referred the issue of overcharged interest amounting BDT 25.60 crore on blocked loan on lumpsum basis. The Bank has already adjusted BDT 4.51 crore and the rest of the amount should be inspected internally by the Bank and report to the Bangladesh Bank as per said letter.

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
23.1 Geographical Location wise Interest income		
Dhaka Region	20,678,038,657	24,442,007,819
Chittagong Region	1,192,472,562	1,250,717,725
Khulna Region	2,516,799,870	2,317,641,243
Rajshahi Region	1,802,465,021	1,718,563,004
Barisal Region	679,967,384	608,814,343
Sylhet Region	346,438,263	421,338,129
Rangpur Region	1,299,020,958	1,177,373,135
Mymensingh Region	1,441,475,791	1,369,203,926
Comilla Region	733,376,252	689,785,368
Faridpur Region	499,593,801	597,052,759
	31,189,648,559	34,592,497,451
23(a) Consolidated Interest Income		
Agrani Bank Limited	31,189,648,559	34,592,497,451
Agrani Equity & Investment Limited	7,875,041	994,899
Agrani SME Financing Company Limited	292,526,676	266,441,369
Agrani Exchange House Private Limited, Singapore	362,656	-
Agrani Remittance House SDN. BHD., Malaysia	1,925,342	2,243,110
Agrani Remittance House Canada Inc.	-	424,145
Agrani Exchange Company (Australia) Pty. Limited	-	-
	31,492,338,274	34,862,600,974
Less: Inter-company transaction(s)	(286,517,444)	(256,962,851)
	31,205,820,830	34,605,638,123
24 Interest paid on deposits & borrowings		
a. Interest paid on Deposits		
Savings Deposits	5,245,798,487	4,345,053,292
Special Time Deposits	5,168,167,129	3,856,792,260
Fixed Deposits	16,774,998,026	15,662,548,430
Deposit Pension Scheme	1,396,441	1,176,742
Interest on staff provident fund	604,937,238	427,320,137
Interest paid on NFCD	2,927,738	4,976,836
Interest paid on ABPS	4,452,076	11,765,473
Interest on month-wise fixed deposits	93,333	(193,846)
Interest on Non-Resident Special Savings Deposit	17,106	-
Interest on ABS	1,976,124,065	1,921,636,228
Interest on MDS	775,000	1,089,918
Interest on MIS	(2,849,930)	2,251,998
Interest on ADBS	12,169,934	340,437,361
Interest on Quarter Income Scheme	500,456	608,299
Interest on Double Income Scheme	234,672	209,672
Interest on Millionaire Income Scheme	2,964,198	5,007,928
Interest on Lakhpoti Income Scheme	525,951.00	921,140
Interest on Probashi Income Scheme	33,164	66,116
Interest on Deposit Scheme for women	166,141	105,625
Interest on AGB Senior Citizen Scheme	97,217	9,000
Interest on AGB Sanchay Pension Scheme	(99,114)	1,015,346
Interest on AGB Wage Earner Deposit Scheme	1,258,744	435,858
Interest on Agrani Education Scheme	562,407	465
Interest on Agrani Super Saving Scheme	242,058,908	2,425,335
Sub Total	30,037,309,387	26,585,659,613

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
b. Interest paid to Banks		
Foreign Banks	128,841,718	346,774,739
Bangladesh Bank	37,246,905	32,566,915
Sonali Bank	4,006	300
Other Banks	4,431,849	1,955,292
Sub Total	170,524,478	381,297,246
c. Interest paid on Borrowings		
Call Borrowings	50,409,722	88,161,805
Discount on T.T sold	742,433	3,043,803
Bangladesh Bank (Repo)	294,733,745	453,614,068
Other Banks	261,047,650	112,091,564
Agrani Bank Limited Subordinated Bond	540,000,000	592,247,945
Other Borrowings	45,271,147	40,155,261
Sub Total	1,192,204,697	1,289,314,446
Total (a+b+c)	31,400,038,562	28,256,271,305
24.1 Geographical Location wise Interest Paid		
Dhaka Region	18,028,065,480	15,883,926,979
Chittagong Region	3,731,946,782	3,832,267,916
Khulna Region	1,712,709,445	1,362,000,055
Rajshahi Region	1,246,947,868	1,513,021,399
Barisal Region	597,936,237	545,224,226
Sylhet Region	942,867,330	914,789,736
Rangpur Region	730,926,463	606,710,451
Mymensingh Region	1,555,030,189	1,157,860,330
Comilla Region	2,174,368,945	1,841,958,422
Faridpur Region	679,239,823	598,511,791
	31,400,038,562	28,256,271,305
24(a) Consolidated Interest paid on deposits & borrowings		
Agrani Bank Limited	31,400,038,562	28,256,271,305
Agrani Equity & Investment Limited	247,428,272	225,026,510
Agrani SME Financing Company Limited	36,270,188	29,764,182
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	31,683,737,022	28,511,061,997
Less: Inter-company transaction(s)	(286,517,444)	(256,962,851)
	31,397,219,578	28,254,099,146
25 Investment income		
Dividend on Shares	873,449,648	500,456,072
Interest on Debenture	239,999	-
Discount on 2, 5, 10,15 & 20 years Govt. Bond	24,414,932	2,578,446
Interest on 2,5,10,15 & 20 years govt. treasury bond	7,673,369,334	5,650,260,611
Interest on 25 years govt. jute bond	-	381,710
5 Years Bangladesh Govt. Investment Sukuk Bond	1,037,915	-
Discount on Bangladesh bills & treasury bills	445,744,316	277,971,579

Agrani Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
Govt. Treasury Bond (BPC)	1,068,754,094	1,254,970,508
Govt. Treasury Bond (BJMC)	242,600,248	254,241,534
Govt. Treasury Bond (Orion)	200,541,259	-
United Commercial Bank Subordinated Bond	5,386,438	18,027,329
One Bank Subordinated Bond	11,835,616	23,769,863
AB Bank Subordinated Bond	18,796,605	29,142,464
South East Bank Subordinated Bond	22,241,261	33,553,314
Floating Rate Dated Subordinated Bond of EBL	9,454,244	15,106,302
Floating Rate Dated Subordinated Bond of Bank Asia	9,303,012	15,009,514
Floating Rate Dated Subordinated Bond of Prime Bank	9,303,011	15,009,514
Floating Rate Dated Subordinated Bond of EXIM Bank	20,771,234	32,117,808
United Commercial Bank Subordinated Bond II	11,042,329	15,916,165
Al-Arafah Islami Bank Subordinated Bond	17,346,576	23,422,191
AB Bank Subordinated Bond II	28,496,714	39,123,287
Standard Bank Subordinated Bond	13,035,616	20,113,973
Floating Rate Dated Subordinated Bond of Dhaka Bank	33,735,616	46,685,616
IFIC Bank Coupon Bearing Subordinate Bond	30,921,918	49,626,301
South East Bank Subordinated Bond II	32,392,972	44,852,054
Mutual Trust Bank Limited Subordinated Bond-II	24,638,268	29,324,302
Bank Asia Limited Subordinated Bond	20,104,686	25,283,424
Exim Bank Limited Subordinated Mudaraba Bond	40,797,260	49,232,877
DBBL Subordinated Bond	42,809,206	50,665,205
City Bank 2nd Subordinated Bond	18,197,397	18,396,302
Premier Bank Subordinated Bond	19,336,767	20,000,000
Standard Bank Subordinated Bond II	40,732,193	47,321,917
Islami Bank Mudaraba Subordinated Bond	88,747,945	87,050,684
Pubali Bank Ltd. Floating Rate Subordinated Bond	93,730,685	98,770,959
National Bank 2nd Subordinated Bond	22,688,671	22,998,699
FSIBL Subordinated Bond	21,762,738	24,121,233
UCBL Subordinated Bond III	28,352,055	29,299,315
NCC Bank Non-Convertible Subordinated Bond	45,354,453	47,559,931
Rupali Bank Subordinated Bond	170,987,945	173,621,918
Jamuna Bank Subordinated Bond	48,602,533	47,550,000
Mercantile Bank Subordinated Bond	97,452,053	102,091,781
Southeast Bank Subordinated Bond III	144,731,919	143,279,998
Dhaka Bank Floating Rate Dated Subordinated Bond II	145,130,547	149,797,810
Prime Bank Subordinated Bond II	192,975,893	191,039,999
The Pakma Bank (Former The Farmers Bank) Subordinated Bond	96,902,568	105,484,921
Al Arafah Islami Bank Mudaraba Subordinated Bond-II	75,418,905	89,629,316
Investment Corporation of Bangladesh Subordinated Bond	630,264,092	630,000,000
City Bank Limited 3rd Subordinated Bond	87,486,575	88,212,329
Trust Bank Ltd. Floating Rate Dated Subordinated Bond	190,690,630	194,264,165
Shahjalal Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond	198,099,315	225,445,205
Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond	240,000,000	255,401,095
UCB 4th Floating Rate Dated Subordinated Bond	224,810,274	230,784,932
DBBL Floating Rate Dated Subordinated Bond-II	169,576,987	178,678,356
SIBL Floating Rate Dated Subordinated Bond	229,280,823	244,657,534
Best Holding Ltd. Bond	125,342,465	125,000,000
FSIBL 3rd Mudaraba Subordinated Bond	22,290,415	19,623,286
Ashuganj Power Station Company Ltd.	113,820,183	57,287,670
EBL 2nd Floating Rate Non-convertible Subordinated Bond	141,122,260	80,542,808

Agrani Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
BEXIMCO Communications Limited Corporate Bond-2019	451,232,876	113,424,657
Rangpur Metal Industries Ltd. Fixed Rate Zero Coupon Bond	10,473,173	16,986,102
IPDC Finance Ltd.Tier II Subordinated Bond	31,772,713	12,024,658
EBL 3rd Floating Rate Non-convertible Subordinated Bond	70,185,514	10,218,082
Bank Asia Ltd Floating Rate Dated Subordinated Bond-III	232,493,151	25,993,151
EXIM Bank Ltd. Floating Rate Dated Subordinated Bond-II	249,251,712	24,523,973
Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond-III	178,473,972	10,849,315
The Premier Bank Ltd. Subordinated Bond-2019	38,274,657	1,232,877
Pubali Bank Floating Rate Dated Non-convertible Sub. Bond	268,905,206	7,397,260
MTB 4th Subordinated Bond	35,181,096	-
Pubali Floating Rate Dated Non-convertible Subordinated Bond-III (2nd tranche)	27,945,206	-
Standard Bank 3rd Subordinated Bond	22,397,261	-
Al Arafah Bank Ltd. 3rd Subordinated Bond	28,680,548	-
Islamic Finance and Investment Ltd	2,106,850	-
Southeast Bank Ltd Non Convertible Subordinated Bond	5,650,685	-
Dutch Bangla Bank Floating Rate 3rd Subordinated Bond	1,746,575	-
Islami Bank Ltd. Mudaraba Floating Rate Dated Subordinated Bond-III(2nd tranche)	5,239,726	-
AB Bank Ltd Subordinate Bond IV	1,749,452	-
Trust Bank Ltd. Floating Rate Subordinated Bond	1,150,685	-
Interest on Commercial Paper	7,329,433	54,420,201
Interest on Reverse REPO	213,056,374	35,712,538
Interest on Syndicative Term Loan	56,455,593	81,800,000
Profit on Sale of Shares	61,476,543	50,040,162
Profit on Sale of Securities	1,101,572,859	1,473,846,284
	17,759,255,473	14,163,223,386

The above investment incomes were earned from Dhaka region only.

Subject to the following conditions, vide the letter ref. DBI-1(Formal DBI-2) (UB-3)/2344/2021-994 dated 08 June 2021, Bangladesh Bank has permitted in special consideration to account for the income of BDT 80.03 crore (BDT 57.66 crore + BDT 22.37 crore) against Beximco Communications Limited Corporate Bond- 2019 and Best Holdings Limited 25% convertible secured bond which the Bank has accounted for on the basis of accrual basis of accounting;

- if the said income will not be recovered in cash, the waiver condition will automatically be canceled upon expiry of the moratorium period;
- the moratorium period cannot be extended and
- to inform Department of Banking Inspection of Bangladesh Bank after taking proper steps as per the direction as stated in 2.4 (Ga) of the DOS circular no. 4 dated 26 June 2019.

25(a) Consolidated Investment Income

Agrani Bank Limited	17,759,255,473	14,163,223,386
Agrani Equity & Investment Limited	315,477,670	323,890,625
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	-	-
	18,074,733,143	14,487,114,011

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
26 Commission, exchange earnings & brokerage		
Commission on bills (Foreign & Inland)	82,375,001	67,870,045
Commission DD, TT & MT (Local)	117,217,229	99,708,443
Commission on DD, TT, TC (Foreign)	47,492,480	56,576,937
Commission on Letters of Guarantee (Local)	98,858,443	70,125,011
Commission on Letters of Guarantee (Foreign)	56,504,049	15,090,808
Commission on Letter of Credit	3,277,451,005	2,670,228,885
Commission on Export bill	144,882,615	127,581,353
Commission on LIM	968,279	1,038,636
Commission on Underwriting	21,380,935	12,666,850
Participation fee on F.C. Loan	-	4,891
Commission on Army Pension Paid	13,683,260	19,891,251
Commission on Food procurement Bills	160,806,425	197,049,155
Commission on Miscellaneous	186,886,143	267,657,204
CIB Service Charge	26,000,000	23,700,000
Commission on Sanchay patra	29,546,451	23,245,110
Consortium/Syndication Fee	4,073,299	23,864,572
Loan processing fee	64,777,168	65,620,848
Fees & Commission For Debit Card	5,391,109	2,290,201
Foreign Correspondence charges	1,112,999	1,689,666
Exchange Earning on Foreign Currency	1,636,861,624	(214,188,564)
	5,976,268,514	3,531,711,302
26.1 Geographical Location - wise Commission, Exchange and brokerage		
Dhaka Region	5,346,042,097	2,804,723,092
Chittagong Region	95,073,417	110,339,833
Khulna Region	159,035,540	148,522,350
Rajshahi Region	108,669,885	124,543,504
Barisal Region	18,883,804	28,372,225
Sylhet Region	27,218,436	43,949,204
Rangpur Region	100,606,099	108,205,985
Mymensingh Region	59,790,871	77,247,999
Comilla Region	44,613,188	67,862,658
Faridpur Region	16,335,177	17,944,452
	5,976,268,514	3,531,711,302
26(a) Consolidated Commission, Exchange and Brokerage		
Agrani Bank Limited	5,976,268,514	3,531,711,302
Agrani Equity & Investment Limited	1,963,099	2,521,985
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	80,098,781	87,632,985
Agrani Remittance House SDN. BHD., Malaysia	25,818,359	32,682,369
Agrani Remittance House Canada Inc.	-	2,220,847
Agrani Exchange Company (Australia) Pty. Limited	-	-
	6,084,148,753	3,656,769,488
Less: Inter-company transaction(s)	-	-
	6,084,148,753	3,656,769,488

Agrani Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
27 Other operating income		
Rent on Immovable Properties & Godown	359,034	819,523
Rent on SD Lockers	11,273,862	12,699,331
Profit on sale of Assets	9,253,233	779,690
Postage Recoveries	46,494,076	51,429,470
Telegram Recoveries	511,331	626,453
Trunk-call Recoveries	58,118	119,810
Account Maintenance Fee	742,355,868	814,478,991
Remittance	-	8,832,801
Service charge on rural credit	3,483	3,249
Service charge on Weavers/ Hosiery credit	-	1,350
Service charge on Industrial credit	1,100	25,378
Service charge on other credit	327,137,973	361,029,378
Sales proceeds on loan application form	2,104,395	2,176,116
Annual Charges on Deposit account	193,845	40,721
Annual Charges on Loan account	336,038	-
Service Charges on FSS (Female Student Scholarship)	19,067,993	28,936,542
Sale of LC/Export/Schedule form and tender Schedule	10,238,079	12,549,064
Telephone, Telex & Swift charges	48,740,725	52,482,271
Account Closing Charge	207,816,634	161,553,012
Rebate received from Foreign bank	17,445,258	22,212,137
Proceeds realization certificate charges	5,926,430	7,233,374
Remuneration received from Sanchaya Patra	2,736,225	1,952,624
Service Charges on Civil Pension paid	1,798,674	2,571,881
Electronic Govt. Procure (e-GP)	1,669,645	1,502,850
Service Charges on Deposit account	30,021,467	37,001,733
Capital Gains	1,010,078	-
	1,486,553,564	1,581,057,749
27(a) Consolidated Other Operating Income		
Agrani Bank Limited	1,486,553,564	1,581,057,749
Agrani Equity & Investment Limited	1,981,306	710,672
Agrani SME Financing Company Limited	4,358,683	5,044,136
Agrani Exchange House Private Limited, Singapore	41,753,787	1,700,672
Agrani Remittance House SDN. BHD., Malaysia	24,718,131	16,251,634
Agrani Remittance House Canada Inc.	94,480	874,351
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,559,459,951	1,605,639,214
Less: Inter-company transaction(s)	-	-
	1,559,459,951	1,605,639,214
28 Salary and allowance etc.		
Salaries- officers	4,182,939,884	4,247,617,032
Salaries- staff	359,687,577	390,967,738
Dearness allowance (Officers & Staff)	157,305	64,703
Fringe Benefit (Officer & Staff)	104,276,429	76,428,573
Bonus (officers & Staff)	718,697,454	715,657,926
Banks contribution to provident fund	160,861,525	195,024,413
Banks contribution to employees pension fund	1,667,063,509	1,505,437,197

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
Banks contribution to gratuity fund	385,166,386	429,250,667
Conveyance allowances	3,476,837	3,965,050
Entertainment allowances	1,724,388	1,961,896
Children education allowances	51,530,436	52,270,535
Hill Allowances	2,858,373	3,122,070
Honorarium & Fees	27,833,579	61,484,250
Medical Expenses	550,983	1,470,522
Medical Expenses (Consultation Fees)	1,507,800	1,422,600
Medical allowances	206,793,861	218,510,705
Uniform and other apparels	10,515,118	9,404,525
Overtime expenses	12,248,559	16,210,377
Compensatory Allowances	607,382	863,069
Lunch subsidy/Iftar Coupon	441,714,057	541,280,978
Leave Encashment	2,138,941	2,051,200
Sports and cultural activities	30,932,028	25,283,001
House rent allowances (officers)	1,663,945,013	1,697,210,564
House rent allowances (staff)	158,036,147	176,193,304
Wages paid to temporary employees	253,121,520	206,211,170
Death Relief Grant Scheme	18,000	-
Staff transport fare	28,941,053	34,480,355
Police & Ansar Expenses	491,907,368	474,686,793
Ex-Gratia	-	1,250,086
Evening, Night & Charge Allowance	7,788,666	10,544,767
Salary and allowance of Head of ICC	5,855,000	7,752,492
Bangla Nobobarso Allowance	67,114,802	68,186,154
Salary & Allow-Executive (Contractual)	8,766,525	-
COVID-19 Spl. Motivational Allowances	498,921,573	-
	11,557,698,078	11,176,264,712
28(a) Consolidated Salary and Allowance etc.		
Agrani Bank Limited	11,557,698,078	11,176,264,712
Agrani Equity & Investment Limited	14,387,207	13,365,827
Agrani SME Financing Company Limited	97,075,492	89,639,482
Agrani Exchange House Private Limited, Singapore	31,043,634	24,855,535
Agrani Remittance House SDN. BHD., Malaysia	13,261,695	14,634,491
Agrani Remittance House Canada Inc.	1,134,928	2,310,825
Agrani Exchange Company (Australia) Pty. Limited	-	-
	11,714,601,034	11,321,070,872
29 Rent, taxes, insurance, lighting etc.		
Rent on Premises	446,550,087	676,074,026
Interest expense for Leased Assets	38,393,666	-
Rent on Godown	3,971,414	4,950,674
Lighting Charges	106,675,171	116,614,831
Insurance Charges on Cash	65,652	-
Insurance Charges on vehicles	3,265,841	3,657,683
Insurance Charges on property	1,621,089	1,913,686
Rates, Taxes, Ceases	57,798,144	56,380,636
Taxes on Immovable Property	347,652	244,288
Insurance Charges on Deposits	400,065,092	373,263,516
	1,058,753,808	1,233,099,340

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
29(a) Consolidated rent, taxes, insurance, lighting etc.		
Agrani Bank Limited	1,058,753,808	1,233,099,340
Agrani Equity & Investment Limited	3,145,020	3,627,981
Agrani SME Financing Company Limited	6,306,536	5,746,048
Agrani Exchange House Private Limited, Singapore	684,771	21,010,195
Agrani Remittance House SDN. BHD., Malaysia	971,084	10,851,831
Agrani Remittance House Canada Inc.	421,496	456,547
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,070,282,715	1,274,791,942
30 Legal expenses		
Court fees	1,875,433	825,482
Lawyer's fees	5,015,020	8,238,055
Other legal expenses	6,213,855	20,454,927
	13,104,308	29,518,464
30(a) Consolidated Legal Expenses		
Agrani Bank Limited	13,104,308	29,518,464
Agrani Equity & Investment Limited	46,000	20,000
Agrani SME Financing Company Limited	407,122	153,282
Agrani Exchange House Private Limited, Singapore	743,487	538,619
Agrani Remittance House SDN. BHD., Malaysia	131,670	135,781
Agrani Remittance House Canada Inc.	816,990	616,465
Agrani Exchange Company (Australia) Pty. Limited	-	-
	15,249,577	30,982,611
31 Postage, stamp, telegram & telephone		
Postages	38,439,278	42,405,383
Telegram Charges	10,804	82,306
Communication Charge	258,608,988	399,172,498
Stamps	12,940	-
Telephone Charges (Office)	11,764,955	13,438,441
Telephone Charges (Residence)	2,036,885	2,828,039
Trunk-call charges	-	10,045
	310,873,850	457,936,712
31(a) Consolidated postage, stamp, telegram & telephone		
Agrani Bank Limited	310,873,850	457,936,712
Agrani Equity & Investment Limited	44,893	49,724
Agrani SME Financing Company Limited	409,710	444,543
Agrani Exchange House Private Limited, Singapore	1,888,648	1,887,993
Agrani Remittance House SDN. BHD., Malaysia	790,938	971,139
Agrani Remittance House Canada Inc.	83,391	101,328
Agrani Exchange Company (Australia) Pty. Limited	-	-
	314,091,430	461,391,439

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
32 Stationery, printing, advertisement		
Printing Stationery	89,353,457.00	97,269,211
Paper & Table Stationery	28,165,097	33,415,016
Advertisement publicity charge (Tender)	2,178,699	1,978,818
Advertisement publicity charge (Development)	16,593,171	20,560,567
Security Stationery	37,918,173	42,302,754
	174,208,597	195,526,366
32(a) Consolidated Stationery, printing, advertisement		
Agrani Bank Limited	174,208,597	195,526,366
Agrani Equity & Investment Limited	120,343	186,729
Agrani SME Financing Company Limited	1,402,416	1,311,618
Agrani Exchange House Private Limited, Singapore	1,592,206	1,671,242
Agrani Remittance House SDN. BHD., Malaysia	494,175	425,563
Agrani Remittance House Canada Inc.	53,562	106,528
Agrani Exchange Company (Australia) Pty. Limited	-	-
	177,871,299	199,228,046
33 Chief executive's salary and allowances		
Basic Salary	3,300,000	3,291,128
House Rent Allowance	900,000	897,580
Festival Bonus	550,000	550,000
Incentive Bonus	891,301	893,750
Medical Allowance	120,000	119,677
Utility Allowance	300,000	299,193
House Maintenance Allowance	180,000	179,516
COVID-19 Special Motivational Allowance	200,000	-
	6,441,301	6,230,844
33(a) Consolidated Chief executive's salary and allowances		
Agrani Bank Limited	6,441,301	6,230,844
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	597,096	1,960,000
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	7,038,397	8,190,844
34 Fees & allowances of Directors		
Fees for attending board meetings	2,992,000	2,808,800
Fees for attending executive committee meetings	52,800	96,800
Fees for attending audit committee meetings	228,800	291,200
Fees for attending risk management committee meetings	220,000	198,400
Fees for shariah supervisory committee meetings	88,000	182,000
Allowances	705,882	1,142,110
	4,287,482	4,719,310

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
34(a) Consolidated Fees & allowances of Directors		
Agrani Bank Limited	4,287,482	4,719,310
Agrani Equity & Investment Limited	631,200	668,000
Agrani SME Financing Company Limited	304,000	336,000
Agrani Exchange House Private Limited, Singapore	-	186,266
Agrani Remittance House SDN. BHD., Malaysia	4,122,792	4,413,733
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	9,345,474	10,323,309
35 Auditors' Fees		
Audit Fee (Statutory Audit)	4,000,000	4,000,000
Audit Fee (Others)	44,000	44,000
	4,044,000	4,044,000
35(a) Consolidated Auditors' Fees		
Agrani Bank Limited	4,044,000	4,044,000
Agrani Equity & Investment Limited	57,500	70,150
Agrani SME Financing Company Limited	244,000	196,766
Agrani Exchange House Private Limited, Singapore	852,786	198,684
Agrani Remittance House SDN. BHD., Malaysia	835,803	1,077,755
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	6,034,089	5,587,355
36 Depreciation & repairs of bank's assets		
a. Depreciation of Banks Assets (Annexure-G):		
Buildings	27,398,382	22,543,029
Furniture & fixtures	62,525,831	65,187,417
Motor Vehicles	16,333,701	46,410,621
Office Equipment	36,176,583	41,938,641
Computers	179,323,852	257,419,231
Electric material	46,743,710	57,841,053
Library Books & Others	291,724	276,916
Sub total	368,793,783	491,616,908
b. Amortization of Intangible Assets		
Amortization of Software Purchase	122,333,819	122,519,489
Sub total	122,333,819	122,519,489
c. Depreciation of Leased Assets		
Leased Assets Depreciation	143,707,785	122,519,489
Sub total	143,707,785	122,519,489
d. Repairs & Maintenance of Banks Assets:		
Bank Buildings	7,175,428	22,431,633
Furniture & fixtures	3,255,909	3,965,366
Motor Vehicles	188,361,912	212,640,386
Office Equipment	10,046,624	8,450,231
Computers	435,309,771	426,525,195
Electric Equipment & Lighting Materials	22,002,018	22,903,142
Renovation & Maintenance of Branch Premises	16,175,612	8,620,182
Sub total	682,327,274	705,536,135
Total (a+b+c+d)	1,317,162,661	1,319,672,532

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
36(a) Consolidated Depreciation & repairs of bank's assets		
Agrani Bank Limited	1,317,162,661	1,319,672,532
Agrani Equity & Investment Limited	1,966,977	2,091,966
Agrani SME Financing Company Limited	3,465,536	3,878,085
Agrani Exchange House Private Limited, Singapore	23,676,885	2,281,015
Agrani Remittance House SDN. BHD., Malaysia	11,904,661	2,991,583
Agrani Remittance House Canada Inc.	568,631	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,358,745,351	1,330,915,181
37 Other expenses		
Conveyance/Transportation Charges	22,223,149	27,704,056
Petroleum, Oil and Lubricants for vehicles	13,992,888	20,996,363
Petroleum, Oil and Lubricants for generator	52,996,380	59,833,765
Entertainment Charges	34,525,236	37,342,836
Entertainment (Excluding ceiling)	17,364,260	29,435,465
Traveling Expenses	27,849,702	67,554,390
Remittance (Through Bank Exchanges)	4,039,909	4,116,730
Remittance (Cash)	67,130,849	71,770,247
Registration Charges	655,764	813,134
Mortgages Fee of Land/Home of staff house building loan	2,545,225	3,925,200
Bankers Clearing House charges	347,761	413,650
Loss on Sale of Share & Securities	16,014,855	8,032,113
Loss on Amortization of Securities	110,207,397	54,880,431
Newspapers & Periodicals	9,081,406	10,160,083
Upkeep of office premises	62,192,731	59,297,901
Business Development Expenses	1,015,480,259	52,567,558
Training Expenses	2,730,362	13,045,371
Washing Charges	1,761,296	2,026,153
Closing expenditure	22,369,955	24,301,150
Subscription	5,718,000	5,579,135
Donation	-	48,020
Funeral expenses	2,995,000	3,525,000
Fees and commission	2,587,634	1,873,407
Fees and commission on bond issue	4,455,000	4,485,000
Exchange a/c Charge paid to Foreign Bank	26,777,820	56,577,361
Exchange Loss on FC	1,381,358,210	-
Loss on Revaluation of Security	227,406,040	1,564,500,684
	3,134,807,088	2,184,805,203
37(a) Consolidated Other Expenses		
Agrani Bank Limited	3,134,807,088	2,184,805,203
Agrani Equity & Investment Limited	1,728,285	1,730,320
Agrani SME Financing Company Limited	6,080,100	8,909,844
Agrani Exchange House Private Limited, Singapore	28,438,506	23,444,445
Agrani Remittance House SDN. BHD., Malaysia	8,609,718	9,023,765
Agrani Remittance House Canada Inc.	369,944	564,850
Agrani Exchange Company (Australia) Pty. Limited	-	-
	3,180,033,641	2,228,478,427
Less: Inter-company Transaction(s)	-	-
	3,180,033,641	2,228,478,427

Agrani Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
38 Provision for loans & advances		
Provision for Bad & Doubtful Loans & Advances	1,000,000,000	(3,656,998,948)
Unclassified loans & advances	(4,281,241,693)	5,048,226,134
Special General Provision - COVID-19	4,619,023,172	-
Special Mention Account	(318,417,311)	3,187,146,787
3% General reserve for consumer financing	-	-
Net Charge to Profit & Loss A/C	1,019,364,168	4,578,373,973
38(a) Consolidated provision for loans & advances		
Agrani Bank Limited	1,019,364,168	4,578,373,973
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	8,496,746	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,027,860,914	4,578,373,973
39 Provision for diminution in the value of Investments (Note - 12.11)	104,622,344	(1,154,297,531)
39.1 Other provision		
Employee Benevolent Fund	-	-
Super Annuation Fund	1,038,000,000	1,850,000,000
Provision for off balance sheet exposures (Note - 12.10)	938,327,418	(77,281,093)
Provision for Incentive Bonus (Note - 12.13)	1,150,000,000	1,150,000,000
Death Relief Grant Scheme	30,000,000	70,000,000
Balance with Other Banks & Financial Institutions	70,000,000	-
Money at Call and Short Notice	-	280,000,000
Provision for Other Assets:		
Protested Bills (Note - 12.12.a)	-	(2)
Sundry Debtors Staff & Others	-	(279,429,177)
Clearing Suspense Account for T-24 Branch	4,000	-
Clearing Adjustment	-	(678,239)
Pension Paid (Army)	-	(364,313,555)
Pension Paid (Civil)	47,201	(13,792,383)
Pension Paid (Staff)	1,988,658	5,347,618
Accrued Interest on Branch Adjustment	4,800,047	-
Exempted Loans & Interest on Exempted Loans	-	(996,328)
Branch Adjustment	(95,315,603)	(866,070,559)
Legal Charges	-	59,220
Accrued Income	-	4,517,907
Stationary & Stamp	-	7,538,977
Advance Deposit & Pre-payment	23,628	(17,266,617)
Receivable from Agrani Remittance House Canada Inc.	29,197,654	-
Receivable from Agrani Exchange Company (Australia) Pty. Limited	32,490,121	-
Foreign Correspondent Draft Paid	416,404	(214,784)
Premium paid XPB	-	15,000
Defective/Mutilated/Burnt Notes	-	1,139,595

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
Wage Earner Bond	2,665,019	(25,490,966)
DD paid W/A	-	(11,687,268)
Loan Application Form	-	76,319
Receivable from Agrani SME Financing Company	-	(48,350,873)
Sub Total	(23,682,871)	(1,609,596,115)
Net Charge to Profit & Loss A/C	3,202,644,547	1,663,122,792
39(a).1 Consolidated Provision for diminution in the value of Investments		
Agrani Bank Limited	104,622,344	(1,154,297,531)
Agrani Equity & Investment Limited	-	3,025,426,314
Agrani SME Financing Company Limited	-	-
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	104,622,344	1,871,128,783
39(a).2 Consolidated Other Provision		
Agrani Bank Limited	3,202,644,547	1,663,122,792
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	10,000,000	10,600,000
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	3,212,644,547	1,673,722,792
40 Consolidated Current Tax Expense		
Agrani Bank Limited	1,244,000,000	2,100,000,000
Agrani Equity & Investment Limited	47,625,387	49,693,269
Agrani SME Financing Company Limited	54,428,088	45,522,939
Agrani Exchange House Private Limited, Singapore	4,337,135	-
Agrani Remittance House SDN. BHD., Malaysia	3,632,668	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,354,023,278	2,195,216,208
41 Consolidated Deferred Tax Expense		
Agrani Bank Limited	1,231,912,019	741,709,536
Agrani Equity & Investment Limited	-	-
Agrani SME Financing Company Limited	(114,254)	(148,426)
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,231,797,765	741,561,110

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
42 Interest Receipts in Cash		
Loans & Advances	25,730,907,795	25,861,102,036
Balance with Other Banks & Financial Institutions	5,712,759,563	9,664,349,517
	31,443,667,358	35,525,451,553
42(a) Consolidated Interest Receipts in Cash		
Agrani Bank Limited	31,443,667,358	35,525,451,553
Agrani Equity & Investment Limited	7,875,041	994,899
Agrani SME Financing Company Limited	292,526,676	266,441,369
Agrani Exchange House Private Limited, Singapore	362,656	-
Agrani Remittance House SDN. BHD., Malaysia	1,925,342	2,243,110
Agrani Remittance House Canada Inc.	-	424,145
Agrani Exchange Company (Australia) Pty. Limited	-	-
	31,746,357,073	35,795,555,076
Less: Inter-company (Transactions)	(286,517,444)	(256,962,851)
	31,459,839,629	35,538,592,225
43 Interest Payments in Cash		
Agrani Bank Monthly Deposit Scheme(ABMDS)	10,209,148	19,045,564
Agrani Bank Pension Scheme (ABPS)	5,508,433	13,139,366
Interest on Non-Resident Special Savings Deposit	17,106	-
Agrani Bank Special Deposit Scheme (ABS)	1,943,528,570	1,859,564,365
Deposit Pension Scheme (DPS)	1,148,227	1,995,614
Fixed Deposit Receipts	15,366,257,759	15,313,493,225
Interest on ABDDBS	52,452,646	812,879,610
Interest on ABMIS	(3,484,296)	2,630,199
Savings Deposit	5,245,606,991	4,344,850,421
Special Notice Deposit	5,162,435,170	3,855,986,472
Staff Provident Fund	604,937,238	427,320,137
Quarterly Income Scheme	712,189	598,374
Millionaire Deposit Scheme	3,195,799	1,449,103
Lakhopotri Deposit Scheme	344,368	89,867
Probashi Income Scheme	29,596	30,321
Bakna Basur	354,566	87,922
Double Benefit Scheme	27,758	35,000
Deposit Scheme	165,292	105,593
Senior Citizen Saving Scheme	102,457	5,159
Agrani Bank Sanchay Pension Scheme	417,588	(131,194)
Agrani Bank Wage Earner Deposit Scheme	698,575	299,504
Agrani Bank Education Scheme	105,480	-
Agrani Bank Supper Saving Scheme	242,012,275	2,418,491
Borrowings	1,153,033,231	1,288,425,631
Banks & Other Financial Institutions	170,524,478	381,297,246
	29,960,340,644	28,325,615,990

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
43(a) Consolidated Interest Payments in Cash		
Agrani Bank Limited	29,960,340,644	28,325,615,990
Agrani Equity & Investment Limited	247,428,272	225,026,510
Agrani SME Financing Company Limited	36,270,188	29,764,182
Agrani Exchange House Private Limited, Singapore	-	-
Agrani Remittance House SDN. BHD., Malaysia	-	-
Agrani Remittance House Canada Inc.	-	-
Agrani Exchange Company (Australia) Pty. Limited	-	-
	30,244,039,104	28,580,406,682
Less: Inter-company transaction(s)	(286,517,444)	(256,962,851)
	29,957,521,660	28,323,443,831
44 Cash receipts from other operating activities		
Account Closing Charge	208,229,628	160,848,655
Account Maintenance Fee	742,138,789	812,535,135
Annual Charges on deposit A/C	76,756	118,705
Annual Charges on Loan A/C	336,038	-
Electronic Govt. Procure (e-GP)	1,653,345	1,500,450
Miscellaneous Earnings	29,922,362	2,284,672
Postage Recoveries	46,505,507	51,570,963
Proceeds realization certificate charges	5,928,430	7,231,374
Profit on sale of other assets	9,253,233	779,690
Rebate received from Foreign bank	17,445,258	22,212,137
Remittance	-	8,898,801
Remuneration received from Sanchaya Patra	3,959,345	1,751,103
Rent on Immovable Properties & Godown	359,034	819,523
Rent on SD Lockers	11,325,421	12,596,380
Sale of LC/Export/Schedule form and tender Schedule	10,238,079	12,549,064
Sales proceeds on loan application form	2,100,395	2,176,116
Service charge on Industrial credit	1,100	25,378
Service charge on other credit	311,380,711	360,991,805
Service charge on rural credit	3,483	3,249
Service charge on Weavers/ Hosiery credit	-	1,350
Service Charges on Civil Pension paid	1,819,154	2,785,601
Service Charges on Deposit A/C	1,010,078	37,001,733
Service Charges on FSS (Female Student Scholarship)	19,253,312	29,142,527
Telegram Recoveries	517,971	637,080
Telephone, Telex & Swift charges	48,740,725	52,577,391
Trunk-call Recoveries	58,118	119,810
	1,472,256,272	1,581,158,692
44(a) Consolidated Cash receipts from other operating activities		
Agrani Bank Limited	1,472,256,272	1,581,158,692
Agrani Equity & Investment Limited	1,981,306	710,672
Agrani SME Financing Company Limited	4,358,683	5,044,136
Agrani Exchange House Private Limited, Singapore	41,753,787	1,700,672
Agrani Remittance House SDN. BHD., Malaysia	24,718,131	16,251,634
Agrani Remittance House Canada Inc.	94,480	874,351
Agrani Exchange Company (Australia) Pty. Limited	-	-
	1,545,162,659	1,605,740,157

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
45 Cash payment for other operating activities		
Auditors Fee	4,044,000	4,044,000
Directors' fees and allowances	4,287,482	4,719,310
Legal charges	13,132,308	29,569,952
Other expenses	2,893,833,056	595,107,759
Postage, stamps, telegrams and telephone	310,819,624	456,807,321
Rent, taxes, insurance lighting etc.	1,058,971,014	1,245,570,352
Repairs to fixed assets	682,788,768	707,643,179
	4,967,876,252	3,043,461,873
45(a) Consolidated Cash payment for other operating activities		
Agrani Bank Limited	4,967,876,252	3,043,461,873
Agrani Equity & Investment Limited	7,632,525	8,279,991
Agrani SME Financing Company Limited	17,169,770	19,651,802
Agrani Exchange House Private Limited, Singapore	55,630,981	49,655,948
Agrani Remittance House SDN. BHD., Malaysia	27,608,618	28,793,290
Agrani Remittance House Canada Inc.	2,260,452	1,739,190
Agrani Exchange Company (Australia) Pty. Limited	-	-
	5,078,178,598	3,151,582,094
46 Cash & cash equivalent at the end of the period		
Cash in hand & with Bangladesh Bank & Sonali Bank Ltd.	111,440,334,861	45,176,713,081
Balance with Other Banks	58,206,611,731	69,347,615,845
Money at Call & Short Notice	23,190,000,000	530,000,000
Prize Bonds	14,516,700	11,615,500
	192,851,463,292	115,065,944,426
47 Consolidated Cash & cash equivalent at the end of the period		
Cash in hand & with Bangladesh Bank & Sonali Bank Ltd.	111,509,085,159	45,263,115,221
Balance with Other Banks	58,524,275,251	69,638,979,186
Money at Call & Short Notice	23,190,000,000	530,000,000
Prize Bonds	14,516,700	11,615,500
	193,237,877,110	115,443,709,907
48 Consolidated Shareholder's Equity		
Paid up Capital	20,722,940,400	20,722,940,400
Statutory Reserve	9,974,636,252	9,341,213,926
General Reserve	603,286,599	603,286,599
Risk Fund	100,000,000	100,000,000
Asset Revaluation Reserve	10,975,579,288	10,976,920,226
Revaluation & Amortization Reserve in Govt. Securities	2,023,740,474	1,027,274,722
Retained profit/(Loss) from profit and loss account	(2,863,341,864)	(3,011,951,864)
Foreign Currency Translation Reserve	44,078,101	34,430,737
Minority Interest	3,687	2,389
	41,580,922,937	39,794,117,135

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	2020 Amount in BDT	2019 Amount in BDT
49 Current Ratio		
The Bank had the following current assets and current liabilities as on 31 December 2019 & 2018 as per liquidity statement.		
Current Assets:		
Cash	83,912,285,194	6,176,088,401
Balance with other banks and financial institutions	58,206,611,731	69,347,615,845
Money at call and short notice	23,190,000,000	530,000,000
Investment	117,154,146,363	52,334,124,284
Loans and advances	259,008,726,829	228,290,484,883
Other Assets	-	-
Total current assets	541,471,770,117	356,678,313,413
Current liabilities:		
Borrowing from other banks, FI and agents	4,351,077,682	10,866,209,766
Deposits	499,323,173,150	336,524,308,997
Provisions and other liabilities	4,628,600,874	3,478,725,774
Total Current liabilities	508,302,851,706	350,869,244,537
Current Assets exceeding Current Liabilities	33,168,918,411	5,809,068,876
Current Ratio:		
Current assets	541,471,770,117	356,678,313,413
Current liabilities	508,302,851,706	350,869,244,537
	1.07	1.02

Notes to the Financial Statements

As at and for the year ended 31 December 2020

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

(Figure in million BDT)

Particulars	Consolidated				Bank			
	2020		2019		2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets								
Loans and receivable	914,613	914,613	732,611	735,846	912,306	912,306	730,107	733,342
Held to maturity	129,073	129,169	89,049	88,418	129,073	129,169	89,049	88,418
Held for trading	29,522	28,743	13,575	13,575	29,522	28,743	13,575	13,575
Available for sale	5,885	4,090	6,190	3,585	5,885	4,090	6,190	3,585
Non-Financial Assets	16,413	16,413	15,039	15,039	16,309	16,309	15,011	15,011
Total Assets	1,095,506	1,093,028	856,464	856,463	1,093,095	1,090,617	853,932	853,931
Financial Liabilities								
Financial Liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost	1,008,793	1,008,793	767,773	767,773	1,008,812	1,008,812	767,822	767,822
Non-Financial Liabilities-provision	45,132	45,132	48,896	48,896	42,215	42,215	43,678	43,678
Total liabilities	1,053,925	1,053,925	816,669	816,669	1,051,027	1,051,027	811,500	811,500

Detailed Classifications of Financial Instruments in Annexure-H.

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

Particular	Consolidated	Bank
Assets presented at fair value as per note # 50	1,093,028	1,090,617
Add : Fall in Market price of assets	2,478	2,478
Value of assets as per balance sheet	1,095,506	1,093,095

Agrani Bank Limited
Notes to the Financial Statements

As at and for the year ended 31 December 2020

	Consolidated		Bank	
	2020	2019	2020	2019
52 Performance Evaluation				
Average Cost of Deposits (%)	3.89 %	4.30 %	3.72 %	4.05 %
Average Cost of Borrowing (%)	7.46 %	6.12 %	7.46 %	6.12 %
Average Yield on Loans & Advances (performing loan) (%)	5.98 %	7.23 %	5.95 %	7.18 %
AvZerage Yield on Investments (%)	7.03 %	7.69 %	7.16 %	7.89 %
Average Yield on Call loans to Bank (%)	2.46 %	2.80 %	2.46 %	2.80 %
Average Yield on Balance with other Banks (%)	8.55 %	8.61 %	8.59 %	8.62 %
Net Spread (%)	3.03 %	3.06 %	3.03 %	3.06 %
Net Interest Margin (%)	1.99 %	3.04 %	1.96 %	3.04 %
Contribution of non-interest bearing liabilities (%)	1.04 %	0.02 %	1.07 %	0.02 %

Detail of calculations is given in Annexure I.

53 Workers Participation Fund

Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) deals with the workers' participation in company's profit by way of 'Workers Participation Fund' and 'Welfare Fund'. This Act requires the "Industrial Undertakings" to maintain provision for workers' profit participation fund @5% on net profit. Since this requirement contradicts with the 'Section 11' of the Bank Company Act 1991 (as amended up to 2013), banks in Bangladesh took up the issue collectively and sought opinion from the Association of Bankers Bangladesh Limited (ABB) on the same. ABB wrote a letter to the Ministry of Finance of the Government of People's Republic of Bangladesh on 09 March 2016 to draw attention of the honorable Finance Minister regarding relevance and applicability of Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) for the bank companies and to obtain a direction on the issue. The Ministry of Finance revealed their opinion that WPPF should not be relevant for bank companies, and therefore it should not be applied there. They also sought for an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logics and legal opinion collected by the ABB and expressed their consensus with them on 29 November 2016. In this backdrop, the Ministry of Finance has given their instruction, vide letter no. 53.00.0000.311.22.002.17-130 dated 14 February 2017, for not applying Chapter-XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) in bank companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on 31 December 2020.


(MD. MONWAR HOSSAIN FCA)
 General Manager & CFO

Dated, Dhaka
 30- June-2021


(MOHAMMAD SHAMS-UL ISLAM)
 Managing Director & CEO