

# **Sonali Bank Limited**

**Auditors' Report and Financial Statements  
as at and for the year ended 31 December 2016**

**S. F. Ahmed & Co.**  
**Chartered Accountants**  
House # 51 (2<sup>nd</sup> & 3<sup>rd</sup> Floor),  
Road # 09, Block-F, Banani,  
Dhaka-1213, Bangladesh.  
Tel.: +880 2 989 4346  
Fax: +880 2 5504 2314

**Howladar Yunus & Co.**  
**Chartered Accountants**  
House # 14 (4<sup>th</sup> Floor),  
Road # 16A, Gulshan-1,  
Dhaka-1212, Bangladesh.  
Tel.: +880 2 9883863  
Fax: +880 2 9552989

**S. F. Ahmed & Co.**  
Chartered Accountants  
House - 51 (2<sup>nd</sup> & 3<sup>rd</sup> Floor), Road - 9, Block - F,  
Banani, Dhaka - 1213, Bangladesh.  
Phones: (880-2) 9894026, 9894346 & 9870957  
Fax: (880-2) 9845135  
E-mail: sfaco@dhaka.net

**Howladar Yunus & Co.**  
Chartered Accountants  
House-14 (4<sup>th</sup> Floor)  
Road- 16A, Gulshan-1  
Dhaka-1212  
Phone: +8802 9883836  
Fax: +8802 9552989

## **Independent Auditors' Report**

**to the Shareholders of Sonali Bank Limited**

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of **Sonali Bank Limited** and its subsidiaries (the "Group") as well as the separate financial statements of Sonali Bank Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2016, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements and Internal Controls**

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2.00 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 as amended and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.00.



## Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991 as amended and the rules and regulations issued by Bangladesh Bank, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
  - i. internal audit, internal control and risk management arrangements of the Bank as disclosed in note 2.33 of the financial statements appeared to be materially adequate;
  - ii. nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in these financial statements.
- c) financial statements of all subsidiaries of the Bank have been audited by other auditors and have been properly reflected in the consolidated financial statements;
- d) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- f) the expenditure incurred was for the purposes of the Bank's business;
- g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- h) adequate provisions as explained in respective notes have been made for advances, investments and other assets which are, in our opinion, doubtful of recovery;
- i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- j) the information and explanation required by us have been received and found satisfactory; and
- k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 17,650 person hours for the audit of the books and accounts of the Bank.

*S. F. Ahmed & Co.*  
S. F. Ahmed & Co.  
Chartered Accountants

*Howladar Yunus & Co.*  
Howladar Yunus & Co.  
Chartered Accountants

Dated, Dhaka;  
27 April 2017



## Sonali Bank Limited and its Subsidiaries

### Consolidated Balance Sheet

as at 31 December 2016


Particulars	Note	2016 Taka	2015 Taka (restated)
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3.00	<b>80,083,451,762</b>	<b>70,477,626,670</b>
Cash in Hand (Including Foreign Currencies)		6,289,949,137	5,854,843,846
Balance with Bangladesh Bank and its agent Bank(s) (Including Foreign Currencies)		73,793,502,625	64,622,782,824
<b>Balance with other Banks &amp; Financial Institutions</b>	4.00	<b>39,039,842,397</b>	<b>28,788,535,177</b>
In Bangladesh		35,446,755,102	17,901,569,418
Outside Bangladesh		3,593,087,295	10,886,965,759
<b>Money at Call on Short Notice</b>	5.00	<b>3,586,282,000</b>	<b>4,521,712,000</b>
<b>Investments</b>	6.00	<b>469,370,564,524</b>	<b>408,430,082,439</b>
Government		437,987,987,654	381,600,397,662
Others		31,382,576,870	26,829,684,777
<b>Loans and Advances</b>	7.00	<b>386,652,700,217</b>	<b>348,444,032,978</b>
Loans, Cash Credit, Overdrafts etc.		377,392,473,205	337,395,991,893
Bills Purchased and Discounted		9,260,227,012	11,048,041,085
<b>Fixed Asset including Premises, Furniture and Fixture</b>	8.00	<b>33,119,021,065</b>	<b>33,025,307,720</b>
<b>Other Assets</b>	9.00	<b>189,711,448,378</b>	<b>146,541,951,265</b>
<b>Non-Banking Assets</b>	10.00	-	-
<b>Total Assets</b>		<b>1,201,563,310,343</b>	<b>1,040,229,248,249</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowing from other Banks, Financial Institutions &amp; Agents</b>	11.00	<b>769,625,629</b>	<b>825,502,895</b>
<b>Deposits and Other Accounts</b>	12.00	<b>1,031,593,588,286</b>	<b>865,993,806,239</b>
Current Accounts & Other Accounts etc		192,717,123,346	176,212,409,741
Bills Payable		54,619,680,358	9,011,261,815
Savings Bank Deposits		287,404,548,716	217,560,377,059
Fixed Deposits		496,852,235,866	463,209,757,624
Other Deposits		-	-
<b>Other Liabilities</b>	13.00	<b>102,080,884,792</b>	<b>101,894,186,173</b>
<b>Total Liabilities</b>		<b>1,134,444,098,707</b>	<b>968,713,495,307</b>
<b>Shareholders Equity</b>		<b>67,119,211,636</b>	<b>71,515,752,941</b>
Paid up Capital	14.00	38,300,000,000	38,300,000,000
Share Money Deposit		-	-
Statutory Reserve	15.00	8,284,876,285	7,601,472,379
Other Reserve	16.00	122,810,533	107,818,856
Revaluation Reserve	17.00	33,718,673,632	33,026,180,550
Surplus in Profit and Loss Account/Retained Earnings	18.00	(13,307,148,815)	(7,519,718,844)
<b>Total Liabilities and Shareholders' Equity</b>		<b>1,201,563,310,343</b>	<b>1,040,229,248,249</b>





**Sonali Bank Limited and its Subsidiaries**  
Consolidated Balance Sheet  
as at 31 December 2016

Particulars	Note	2016 Taka	2015 Taka (restated)
<b>Contingent Liabilities</b>			
<b>Acceptances and Endorsements</b>	19.00	196,926,074,997	251,952,892,975
Letters of Guarantee		2,312,598,135	2,834,121,418
Irrevocable Letters of Credit		187,750,197,605	242,443,332,567
Bills for Collection		6,863,279,257	6,675,438,990
Other Contingent Liabilities		-	-
<b>Other Commitments</b>			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
<b>Total Off Balance Sheet Items including Contingent Liabilities</b>		<b>196,926,074,997</b>	<b>251,952,892,975</b>
<b>Net Asset Value per Share (NAVPS)</b>		<b>175.25</b>	<b>186.73</b>


These financial statements should be read in conjunction with the annexed notes 1 to 48.

  
**Subhash Chandra Das FCMA, FCA**  
Chief Financial Officer

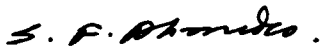
  
**Sarder Nurul Amin**  
CEO & Managing Director (Additional Charge)


  
**Muhammed Asadullah**  
Director

  
**Mohammad Muslim Chowdhury**  
Director

  
**Md. Ashraf Moqbul**  
Chairman

Signed as per our annexed report of even date.

  
**S. F. Ahmed & Co.**  
Chartered Accountants

  
**Howladar Yunus & Co.**  
Chartered Accountants

Date: 27 April 2017  
Place: Dhaka



## Sonali Bank Limited and its Subsidiaries

Consolidated Profit and Loss Account  
for the year ended 31 December 2016

Particulars	Notes	2016 Taka	2015 Taka
<b>Operating Income</b>			
Interest income	21.00	31,019,525,463	32,359,247,311
Interest paid on deposit and borrowing etc.	22.00	(47,352,935,110)	(46,727,224,061)
<b>Net Interest Income</b>		<b>(16,333,409,647)</b>	<b>(14,367,976,750)</b>
Investment income	23.00	30,995,634,979	27,424,492,581
Commission, exchange and brokerage	24.00	8,496,994,421	9,347,204,408
Other operating income	25.00	674,927,545	533,293,780
		<b>40,167,556,945</b>	<b>37,304,990,769</b>
<b>Total Operating Income (A)</b>		<b>23,834,147,298</b>	<b>22,937,014,019</b>
<b>Operating Expenses</b>			
Salary and allowances	26.00	14,495,098,038	9,605,893,404
Rent, tax, insurance, electricity etc.	27.00	982,781,329	840,473,815
Legal expenses	28.00	46,629,546	34,185,856
Postage, stamps and telecommunication etc.	29.00	70,169,579	78,380,485
Printings, stationery, advertisements etc.	30.00	225,529,854	209,617,645
Chief Executive's salary and fees	31.00	7,932,942	7,220,087
Directors' fees	32.00	4,821,177	4,590,342
Auditors' fees	33.00	3,218,603	2,685,445
Depreciation & repair to bank's assets	34.00	574,285,928	579,292,348
Other expenses	35.00	3,169,103,530	2,895,032,936
<b>Total Operating Expenses (B)</b>		<b>19,579,570,526</b>	<b>14,257,372,363</b>
<b>Profit Before Provision, Amortization and Taxes C=(A-B)</b>		<b>4,254,576,772</b>	<b>8,679,641,656</b>
Provision for loans & advances	36.00	14,194,348	8,277,225,620
Provision for diminution in value of investment	37.00	7,977,612	170,852,342
Other Provision	38.00	837,326,240	2,535,504,724
<b>Total Provision (D)</b>		<b>859,498,200</b>	<b>10,983,582,686</b>
<b>Total Profit/(Loss) before taxes E=(C-D)</b>		<b>3,395,078,572</b>	<b>(2,303,941,030)</b>
<b>Provision for taxation (F)</b>		<b>1,901,812,645</b>	<b>(2,852,364,919)</b>
Current tax	13.05	420,846,685	200,559,400
Deferred tax	9.08.02	1,480,965,960	(3,052,924,319)
<b>Net Profit/(Loss) after taxation G=(E-F)</b>		<b>1,493,265,927</b>	<b>548,423,889</b>



## Sonali Bank Limited and its Subsidiaries

Consolidated Profit and Loss Account  
for the year ended 31 December 2016

Particulars	Notes	2016 Taka	2015 Taka
<b>Appropriation:</b>			
General Reserve		-	-
Reserve for CSR		27,470,617	60,000,000
Statutory Reserve	15.00	683,403,906	-
		<b>710,874,524</b>	<b>60,000,000</b>
Retained Surplus Carried Forward		<b>782,391,403</b>	<b>488,423,889</b>
Earnings per Share (EPS)	44.00	<b>3.90</b>	<b>1.43</b>

These financial statements should be read in conjunction with the annexed notes 1 to 48.

**Subhash Chandra Das FCMA, FCA**  
Chief Financial Officer

**Sarder Nurul Amin**  
CEO & Managing Director (Additional Charge)

**Muhammed Asadullah**  
Director

**Mohammad Muslim Chowdhury**  
Director

**Md. Ashrafur Moqbul**  
Chairman

Signed as per our annexed report of even date.

**S. F. Ahmed & Co.**  
Chartered Accountants

**Howladar Yunus & Co.**  
Chartered Accountants

Date: 27 April 2017

Place: Dhaka



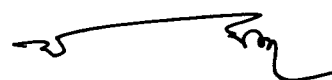
**Sonali Bank Limited and its Subsidiaries**  
Consolidated Cash Flow Statement  
for the year ended 31 December 2016

Particulars	Note	2016 Taka	2015 Taka
<b>A. Cash flows from operating activities</b>			
Interest received		57,961,137,766	58,996,396,787
Interest paid		(49,571,723,845)	(33,784,047,380)
Dividend Received		984,537,987	831,835,943
Fee and commission received		9,451,009,132	7,407,032,466
Recoveries of previously written-off loan & advances		804,761,000	1,399,559,000
Cash paid to employees		(14,526,773,597)	(9,613,113,491)
Cash paid to Suppliers		(342,893,672)	(338,813,835)
Income taxes paid		(2,894,954,135)	(1,160,000,000)
Received from other operating activities	39	674,927,545	2,146,875,334
Paid for other operating activities	40	(4,291,764,571)	(3,493,494,163)
<b>Cash generated from operating activities</b>		<b>(1,751,736,390)</b>	<b>22,392,230,661</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Loans & advances to customers		(38,208,667,239)	(8,722,929,386)
Other assets	41	(46,957,529,118)	4,692,745,702
Deposits from other banks		20,210,222,642	1,577,022,664
Deposits from customers		145,389,559,405	86,442,000,889
Other liabilities	42	1,139,728,568	(19,631,298,036)
		<b>81,573,314,258</b>	<b>64,357,541,833</b>
<b>Net cash flow from operating activities</b>		<b>79,821,577,868</b>	<b>86,749,772,494</b>
<b>B. Cash flows from investing activities</b>			
(Purchase)/Sale of securities & bond		(60,282,067,873)	(85,419,537,943)
(Purchase)/sale of property, plant & equipment		(596,009,287)	(238,773,651)
<b>Net cash flow from investing activities</b>		<b>(60,878,077,160)</b>	<b>(85,658,311,594)</b>
<b>C. Cash flows from financing activities</b>			
Received share money deposit		-	-
Payments for redemption of loan capital & debt security		(55,877,266)	(56,206,523)
Dividends paid		-	-
<b>Net cash flow from financing activities</b>		<b>(55,877,266)</b>	<b>(56,206,523)</b>
<b>D. Net increase/decrease in cash and cash equivalents (A+B+C)</b>		<b>18,887,623,442</b>	<b>1,035,254,377</b>
<b>E. Cash and cash-equivalents at beginning for the year</b>		<b>103,889,952,147</b>	<b>102,854,697,770</b>
<b>F. Cash and cash-equivalents at end of the year</b>	43	<b>122,777,575,589</b>	<b>103,889,952,147</b>

These financial statements should be read in conjunction with the annexed notes 1 to 48.



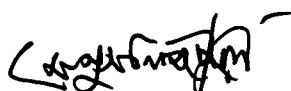
**Subhash Chandra Das FCMA, FCA**  
Chief Financial Officer



**Sarder Nurul Amin**  
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**Muhammed Asadullah**  
Director

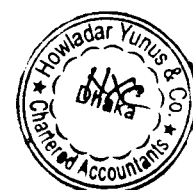


**Mohammad Muslim Chowdhury**  
Director



**Md. Ashraful Moqbul**  
Chairman

Date: 27 April 2017  
Place: Dhaka






**Sonali Bank Limited and its Subsidiaries**  
Consolidated Statement of Changes in Equity  
for the year ended 31 December 2016

Particulars	Paid up Capital	Share Money Deposit	Statutory Reserve	Other Reserve	Asset Revaluation Reserve	Revaluation of Investment	Retained Earnings	Total
Balance as at 01 January 2016	38,300,000,000	-	7,601,472,379	107,818,856	21,495,933,277	11,530,247,273	(20,889,414,064)	58,146,057,721
Adjustment of deferred tax	-	-	-	-	-	-	13,369,695,220	13,369,695,220
Restated balance as at 01 January 2016	38,300,000,000	-	7,601,472,379	107,818,856	21,495,933,277	11,530,247,273	(7,519,718,844)	71,515,752,941
Surplus/deficit on account of revaluation of HTM and HFT	-	-	-	-	-	692,493,082	-	692,493,082.00
Currency translation differences	-	-	-	-	-	-	65,244	65,244.00
Net Profit/(Loss) for the year (after appropriation)	-	-	-	-	-	-	1,493,265,927	1,493,265,927.00
Amortization of Intangible Assets/Goodwill Adjustment	-	-	-	-	-	-	(6,574,320,716)	(6,574,320,716.00)
Prior year adjustment of SIL	-	-	-	-	-	-	4,434,098	4,434,098.00
Share money transferred to paid up capital	-	-	-	-	-	-	-	-
Share money received during the year	-	-	-	-	-	-	-	-
Adjustment made for CSR during the period	-	-	-	(12,478,940)	-	-	-	(12,478,940.00)
Transferred to Reserve for CSR	-	-	-	27,470,617	-	-	(27,470,617)	-
Transferred to Statutory Reserve	-	-	683,403,906	-	-	-	(683,403,906)	-
Balance as at 31 December 2016	38,300,000,000	-	8,284,876,285	122,810,533	21,495,933,277	12,222,740,355	(13,307,148,815)	67,119,211,636
Balance as at 31 December 2015 (restated)	38,300,000,000	-	7,601,472,379	107,818,856	21,495,933,277	11,530,247,273	(7,519,718,844)	71,515,752,941

These financial statements should be read in conjunction with the annexed notes 1 to 48.

  
**Subhash Chandra Das FCMA, FCA**  
Chief Financial Officer

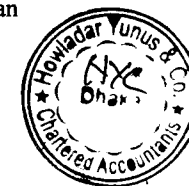
  
**Sarder Nurul Amin**  
CEO & Managing Director (Additional Charge)

  
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**Mohammad Muslim Chowdhury**  
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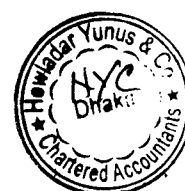
  
**Md. Ashraf Moqbul**  
Chairman

Date: 27 April 2017  
Place: Dhaka



**Sonali Bank Limited**  
Balance Sheet  
as at 31 December 2016

Particulars	Note	2016 Taka	2015 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3.00	<b>80,083,451,762</b>	<b>70,477,626,670</b>
Cash in Hand (Including Foreign Currencies)		6,289,949,137	5,854,843,846
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<b>Balance with other Banks &amp; Financial Institutions</b>	4.00	<b>38,820,750,116</b>	<b>28,572,059,359</b>
In Bangladesh		35,445,142,558	17,895,819,000
Outside Bangladesh		3,375,607,558	10,676,240,359
<b>Money at Call on Short Notice</b>	5.00	<b>3,586,282,000</b>	<b>4,521,712,000</b>
<b>Investments</b>	6.00	<b>468,881,306,274</b>	<b>407,955,474,784</b>
Government		437,987,987,654	381,600,397,662
Others		30,893,318,620	26,355,077,122
<b>Loans and Advances</b>	7.00	<b>384,538,118,238</b>	<b>346,346,340,867</b>
Loans, Cash Credit, Overdrafts, etc.		375,277,891,226	335,298,299,782
Bills Purchased and Discounted		9,260,227,012	11,048,041,085
<b>Fixed Asset including Premises, Furniture and Fixture</b>	8.00	<b>33,113,961,804</b>	<b>33,016,011,697</b>
<b>Other Assets</b>	9.00	<b>191,566,102,131</b>	<b>148,588,975,616</b>
<b>Non-Banking Assets</b>	10.00	-	-
<b>Total Assets</b>		<b>1,200,589,972,325</b>	<b>1,039,478,200,993</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowing from other Banks, Financial Institutions &amp; Agents</b>	11.00	<b>769,625,629</b>	<b>825,502,895</b>
<b>Deposit and Other Accounts</b>	12.00	<b>1,031,608,235,011</b>	<b>866,012,281,779</b>
Current Accounts & Other Accounts etc.		192,731,770,071	176,230,885,281
Bills Payable		54,619,680,358	9,011,261,815
Savings Bank Deposits		287,404,548,716	217,560,377,059
Fixed Deposits		496,852,235,866	463,209,757,624
Other Deposits		-	-
<b>Other Liabilities</b>	13.00	<b>100,837,355,509</b>	<b>100,887,564,237</b>
<b>Total Liabilities</b>		<b>1,133,215,216,149</b>	<b>967,725,348,911</b>
<b>Shareholders' Equity</b>		<b>67,374,756,176</b>	<b>71,752,852,082</b>
Paid up Capital	14.00	38,300,000,000	38,300,000,000
Share Money Deposit		-	-
Statutory Reserve	15.00	8,284,876,285	7,601,472,379
Other Reserve	16.00	122,810,533	107,818,856
Revaluation Reserve	17.00	33,718,673,632	33,026,180,550
Surplus in Profit and Loss Account/Retained Earnings	18.00	(13,051,604,275)	(7,282,619,703)
<b>Total Liabilities and Shareholders' Equity</b>		<b>1,200,589,972,325</b>	<b>1,039,478,200,993</b>



**Sonali Bank Limited**  
Balance Sheet  
as at 31 December 2016

Particulars	Note	2016 Taka	2015 Taka
<b>Off-Balance Sheet Items</b>			
<b>Contingent Liabilities</b>			
<b>Acceptances and Endorsements</b>	19.00	<b>196,926,074,997</b>	<b>251,952,892,975</b>
Letters of Guarantee		2,312,598,135	2,834,121,418
Irrevocable Letters of Credit		187,750,197,605	242,443,332,567
Bills for Collection		6,863,279,257	6,675,438,990
Other Contingent Liabilities		-	-
<b>Other Commitments</b>			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total Off Balance Sheet items including contingent liabilities</b>		<b><u>196,926,074,997</u></b>	<b><u>251,952,892,975</u></b>
<b>Net Asset Value per Share (NAVPS)</b>		<b>175.91</b>	<b>187.34</b>

These financial statements should be read in conjunction with the annexed notes 1 to 48.



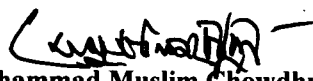
**Subhash Chandra Das FCMA, FCA**  
Chief Financial Officer



**Sarder Nurul Amin**  
CEO & Managing Director (Additional Charge)



**Muhammed Asadullah**  
Director



**Mohammad Muslim Chowdhury**  
Director



**Md. Ashraful Moqbul**  
Chairman

Signed as per annexed report of even date.

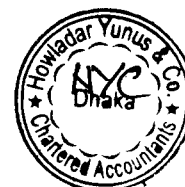


**S. F Ahmed & Co.**  
Chartered Accountants



**Howladar Yunus & Co.**  
Chartered Accountants

Date: 27 April 2017  
Place: Dhaka



**Sonali Bank Limited**  
Profit and Loss Account  
for the year ended 31 December 2016

Particulars	Note	2016 Taka	2015 Taka
<b>Operating Income</b>			
Interest income	21.00	31,009,947,505	32,313,077,239
Interest paid on deposit and borrowing etc.	22.00	(47,352,528,207)	(46,699,338,149)
<b>Net Interest Income</b>		<b>(16,342,580,702)</b>	<b>(14,386,260,910)</b>
Investment income	23.00	30,967,665,178	27,400,014,402
Commission, exchange and brokerage	24.00	8,326,585,055	9,155,665,790
Other operating income	25.00	674,749,099	532,993,067
		<b>39,968,999,332</b>	<b>37,088,673,259</b>
<b>Total Operating Income (A)</b>		<b>23,626,418,630</b>	<b>22,702,412,349</b>
<b>Operating Expenses</b>			
Salary and allowances	26.00	14,312,926,177	9,425,641,252
Rent, tax, insurance, electricity etc.	27.00	973,679,064	831,369,908
Legal expenses	28.00	46,629,546	34,135,856
Postage, stamps and telecommunication etc.	29.00	69,980,894	78,093,893
Printings, stationery, advertisements etc.	30.00	225,341,621	209,335,116
Chief Executive's salary and fees	31.00	7,932,942	7,220,087
Directors' fees	32.00	4,808,677	4,132,042
Auditors' fees	33.00	3,156,603	2,616,695
Depreciation & repair to bank's assets	34.00	567,503,260	570,052,168
Other expenses	35.00	3,163,114,075	2,888,859,390
<b>Total Operating Expenses (B)</b>		<b>19,375,072,859</b>	<b>14,051,456,407</b>
<b>Profit Before Provision, Amortization and Taxes C=(A-B)</b>		<b>4,251,345,771</b>	<b>8,650,955,942</b>
Provision for loans & advances	36.00	-	8,227,793,118
Provision for diminution in value of investment	37.00	-	156,900,000
Other provision	38.00	834,326,240	2,535,504,724
<b>Total Provision (D)</b>		<b>834,326,240</b>	<b>10,920,197,842</b>
<b>Total Profit/(Loss) before taxes E=(C-D)</b>		<b>3,417,019,531</b>	<b>(2,269,241,900)</b>
<b>Provision for taxation (F)</b>		<b>1,900,808,863</b>	<b>(2,855,740,164)</b>
Current tax	13.05	416,118,748	197,184,155
Deferred tax	9.08.02	1,484,690,115	(3,052,924,319)
<b>Net Profit/(Loss) after taxation G=(E-F)</b>		<b>1,516,210,668</b>	<b>586,498,264</b>



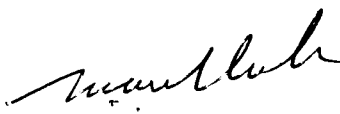
**Sonali Bank Limited**  
**Profit and Loss Account**  
for the year ended 31 December 2016

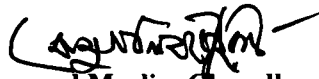
Particulars	Note	2016 Taka	2015 Taka
<b>Appropriations</b>			
General Reserve		-	-
Statutory Reserve	15.00	683,403,906	-
Reserve for CSR		27,470,617	60,000,000
Dividend etc.		-	-
		<b>710,874,524</b>	<b>60,000,000</b>
Retained Surplus Carried Forward		<b>805,336,144</b>	<b>526,498,264</b>
Earnings per Share (EPS)	44.00	<b>3.96</b>	<b>1.53</b>


These financial statements should be read in conjunction with the annexed notes 1 to 48.

  
**Subhash Chandra Das FCMA, FCA**  
Chief Financial Officer


  
**Sarder Nurul Amin**  
CEO & Managing Director (Additional Charge)


  
**Muhammed Asadullah**  
Director

  
**Mohammad Muslim Chowdhury**  
Director

  
**Md. Ashraf Moqbul**  
Chairman

Signed as per our annexed report of even date.

  
**S. F Ahmed & Co.**  
Chartered Accountants

  
**Howladar Yunus & Co.**  
Chartered Accountants


Date: 27 April 2017  
Place: Dhaka

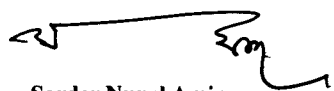


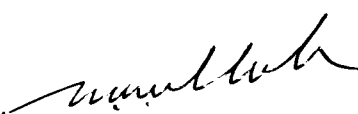
**Sonali Bank Limited**  
Cash Flow Statement  
for the year ended 31 December 2016

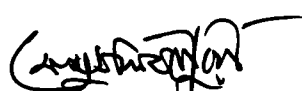
Particulars	Note	2016 Taka	2015 Taka
<b>A. Cash flows from operating activities</b>			
Interest received		57,951,559,808	58,925,566,441
Interest paid		(49,571,316,942)	(33,751,451,989)
Dividend Received		956,568,186	831,835,943
Fee and commission received		9,280,599,766	7,378,250,811
Recoveries of previously written-off loan & advances		804,761,000	1,399,559,000
Cash paid to employees		(14,343,516,649)	(9,450,084,381)
Cash paid to Suppliers		(342,137,199)	(314,904,357)
Income taxes paid		(2,891,336,017)	(1,160,000,000)
Received from other operating activities	39	674,749,099	1,983,817,658
Paid for other operating activities	40	(4,276,874,704)	(3,474,516,798)
<b>Cash generated from operating activities</b>		<b>(1,756,943,652)</b>	<b>22,368,072,328</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Loans & advances to customers		(38,191,777,371)	(8,791,907,724)
Other assets	41	(46,762,348,792)	4,727,619,036
Deposits from other banks		20,210,222,642	1,577,022,665
Deposits from customers		145,385,730,590	86,392,570,814
Other liabilities	42	918,135,019	(19,614,821,394)
		<b>81,559,962,088</b>	<b>64,290,483,397</b>
<b>Net cash flow from operating activities</b>		<b>79,803,018,435</b>	<b>86,658,555,725</b>
<b>B. Cash flows from investing activities</b>			
(Purchase)/Sale of securities & bond		(60,267,417,278)	(85,241,971,210)
(Purchase)/sale of property, plant & equipment		(594,716,912)	(248,443,326)
<b>Net cash flow from investing activities</b>		<b>(60,862,134,190)</b>	<b>(85,490,414,536)</b>
<b>C. Cash flows from financing activities</b>			
Received share money deposit		-	-
Payments for redemption of loan capital & debt security		(55,877,266)	(56,206,523)
Dividends paid		-	-
<b>Net cash flow from financing activities</b>		<b>(55,877,266)</b>	<b>(56,206,523)</b>
<b>D. Net increase/decrease in cash and cash equivalents (A+B+C)</b>		<b>18,885,006,979</b>	<b>1,111,934,666</b>
<b>E. Cash and cash-equivalents at beginning for the year</b>		<b>103,673,476,329</b>	<b>102,561,541,663</b>
<b>F. Cash and cash-equivalents at end of the year</b>	43	<b>122,558,483,308</b>	<b>103,673,476,329</b>


These financial statements should be read in conjunction with the annexed notes 1 to 48.

  
**Subhash Chandra Das FCMA, FCA**  
Chief Financial Officer

  
**Sarder Nurul Amin**  
CEO & Managing Director (Additional Charge)

  
**Muhammed Asadullah**  
Director

  
**Mohammad Muslim Chowdhury**  
Director

  
**Md. Ashrafal Moqbul**  
Chairman

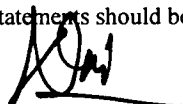
Date: 27 April 2017  
Place: Dhaka




**Sonali Bank Limited**  
Statement of Changes in Equity  
for the year ended 31 December 2016

Particulars	Paid up Capital	Share Money Deposit	Statutory Reserve	Other Reserve	Asset Revaluation Reserve	Revaluation of Investment	Retained Earnings	Total
Balance as at 01 January 2016	38,300,000,000	-	7,601,472,379	107,818,856	21,495,933,277	11,530,247,273	(20,652,314,923)	58,383,156,862
Adjustment of deferred tax	-	-	-	-	-	-	13,369,695,220	13,369,695,220
Restated balance as at 01 January 2016	38,300,000,000	-	7,601,472,379	107,818,856	21,495,933,277	11,530,247,273	(7,282,619,703)	71,752,852,082
Surplus/deficit on account of revaluation of HTM and HFT	-	-	-	-	-	692,493,082	-	692,493,082
Currency translation differences	-	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	1,516,210,668	1,516,210,668
Amortization of Intangible Assets/Goodwill Adjustment	-	-	-	-	-	-	(6,574,320,716)	(6,574,320,716)
Share money transferred to paid up capital	-	-	-	-	-	-	-	-
Adjustment made for CSR during the period	-	-	-	(12,478,940)	-	-	-	(12,478,940)
Transferred to Reserve for CSR	-	-	-	27,470,617	-	-	(27,470,617)	-
Transferred to Statutory Reserve	-	-	683,403,906	-	-	-	(683,403,906)	-
Balance as at 31 December 2016	38,300,000,000	-	8,284,876,285	122,810,533	21,495,933,277	12,222,740,355	(13,051,604,275)	67,374,756,176
Balance as at 31 December 2015 (restated)	38,300,000,000	-	7,601,472,379	107,818,856	21,495,933,277	11,530,247,273	(7,282,619,703)	71,752,852,082

These financial statements should be read in conjunction with the annexed notes 1 to 48.

  
Subhash Chandra Das FCMA, FCA  
Chief Financial Officer

  
Sarder Nurul Amin  
CEO & Managing Director (Additional Charge)

  
Muhammed Asadullah  
Director

  
Mohammad Muslim Chowdhury  
Director

  
Md. Ashraful Moqbul  
Chairman

Date: 27 April 2017  
Place : Dhaka



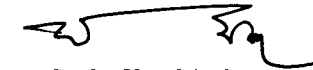
**Sonali Bank Limited**  
Liquidity Statement, Asset and Liabilities Maturity Analysis  
as at 31 December 2016

Particulars	Up to 01 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	More than 5 years maturity	Total
<b>Assets</b>						
Cash in hand	80,083,451,762	-	-	-	-	80,083,451,762
Balance with other banks and financial institutions	11,820,000,000	7,071,533,630	19,784,073,928	145,142,558	-	38,820,750,116
Money at call on short notice	3,586,282,000	-	-	-	-	3,586,282,000
Investments	68,005,930	112,956,551,923	26,361,594,603	169,458,906,935	160,036,246,882.44	468,881,306,274
Loans and Advances	16,032,834,477	18,382,728,242	153,849,734,868	98,683,671,589	97,589,149,062	384,538,118,238
Fixed assets including premises, furniture and fixtures	-	258,873,091	624,202,970	1,186,836,734	31,044,049,010	33,113,961,804
Other assets	51,581,486,784	25,085,373,293	20,500,886,095	12,138,764,392	82,259,591,568	191,566,102,131
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>163,172,060,953</b>	<b>163,755,060,179</b>	<b>221,120,492,464</b>	<b>281,613,322,208</b>	<b>370,929,036,522</b>	<b>1,200,589,972,325</b>
<b>Liabilities</b>						
Borrowings from Bangladesh Bank, other banks financial institutions and agents	-	-	-	-	769,625,629	769,625,629
Deposits	298,259,941,819	76,751,884,900	356,312,980,415	128,582,890,308	171,700,537,569	1,031,608,235,011
Other accounts	-	-	-	-	-	-
Provision and other liabilities	63,441,142	26,927,806	7,840,211,235	65,518,281,219	27,388,494,108	100,837,355,509
<b>Total Liabilities</b>	<b>298,323,382,961</b>	<b>76,778,812,706</b>	<b>364,153,191,650</b>	<b>194,101,171,527</b>	<b>199,858,657,306</b>	<b>1,133,215,216,149</b>
<b>Net Liquidity Gap</b>	<b>(135,151,322,008)</b>	<b>86,976,247,473</b>	<b>(143,032,699,186)</b>	<b>87,512,150,681</b>	<b>171,070,379,216</b>	<b>67,374,756,176</b>

Current and savings deposits do not have any contractual maturity and hence have been classified among all five maturities. Further, it has been assumed that on a going concern basis, these deposits are not expected to fall below the current year's level.



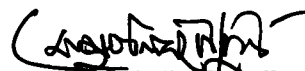
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Date: 27 April 2017  
Place: Dhaka

